

Moderate Income Rental Housing Pilot Program

Fact Sheet – Winter 2020



HOUSING VANCOUVER

What is the Moderate Income Rental Housing Pilot Program?

The Moderate Income Rental Housing Pilot Program (MIRHPP) was approved by Council on November 28, 2017, along with the [Housing Vancouver Strategy](#) and [3-Year Action Plan](#). The MIRHPP is designed to address a critical gap in the local rental housing market by delivering new rental units that are permanently secured at rates that match the affordability needs of local moderate income households earning between \$30,000 and \$80,000 per year.

Building on other programs that encourage the construction of new purpose-built rental (e.g. [Rental 100](#)), the MIRHPP is a limited pilot program that allows up to 20 rezonings for new buildings that provide 100% of the residential floor area as secured market rental housing, with a minimum of 20% secured for moderate income households.



As a pilot, this program will test the ability of the development industry to deliver this type of rental housing, and the financial and operational feasibility of MIRHPP projects in different parts of the city. Moderate income rental housing projects are also enabled through other City policies, including the [Cambie Corridor Plan](#) and the [Rezoning Policy for Sustainable Large Developments](#).

Why Moderate Income Rental Housing?

Vancouver is in the midst of a housing crisis

- Housing costs in Vancouver have far outpaced local incomes, leaving middle and low income households behind.
- Renters face a vacancy rate that continues to sit below 1% and significant recent increases in market rents.

Affordability is a top value when it comes to housing

- Many renters, and especially those with lower and moderate incomes, are uncertain about their future in Vancouver or whether they will still be able to live in the city in the next few years.
- The proportion of renter households earning lower incomes has decreased as a proportional share of all renter households in the city over the last decade.

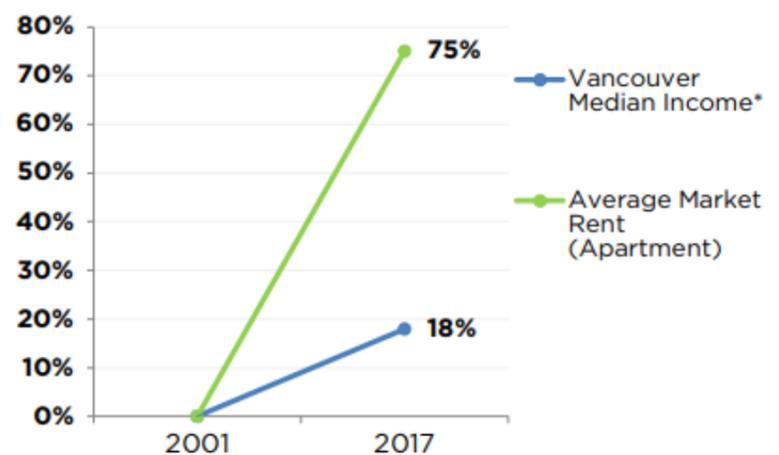
Residents want to see more of the 'right supply' of housing

- This means new housing options in locations near transit, services and amenities that are affordable to people who live and work in Vancouver.
- The MIRHPP is one of the ways the City is shifting towards the delivery of the 'right supply' of housing and striving to meet the Housing Vancouver targets.

Expanding the supply of rental housing in Vancouver is a key priority of the Housing Vancouver Strategy

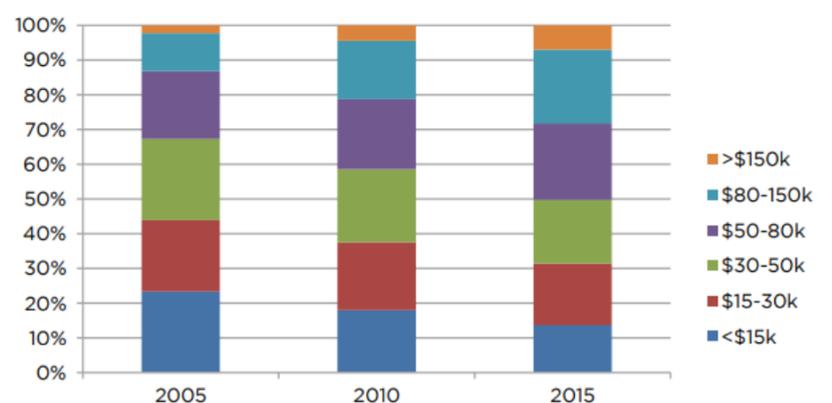
- Housing Vancouver targets the delivery of 20,000 new purpose-built rental units over the next 10 years. 20% of this target (4,000 units) is targeted as below-market rental housing with deeper levels of affordability that are secured permanently.
- The MIRHPP will provide an important new supply of housing options for moderate income households who cannot afford market rents, and are not eligible for or choose not to seek social housing options.

City of Vancouver Increases in Median Income and Average Market Rent, 2001-2017



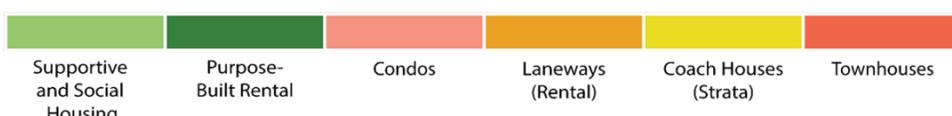
Sources: Statistics Canada, Census 2001, 2016
CMHC, Rental Market Survey
Note: data adjusted for inflation

City of Vancouver Renter Households Annual Income Distribution, 2005-2015



Housing Vancouver 10-Year Targets (2018-2027)

Building Type	Renters						Total	% of Total
	<\$15k/yr.	<\$15-30k/yr.	\$30-50k/yr.	\$50-80k/yr.	\$80-150k/yr.	>\$150k/yr.		
Apartment	5,200	1,600	2,000	3,000	200		12,000	17%
Infill			2,500	12,000	5,500		20,000	28%
Townhouse				6,500	16,500	7,000	30,000	42%
				2,000	2,000		4,000	5%
					300	700	1,000	1%
					1,700	3,300	5,000	7%
Total	5,200	1,600	4,500	23,500	26,200	11,000	72,000	100%
% of Total	7%	2%	6%	33%	37%	15%		



Breakdown of Rental Housing Targets by Housing Type

HOUSING TYPE	UNITS
Purpose-Built Market Rental	16,000
Developer-Owned Below-Market Rental	4,000
Laneways	4,000
Total Rental Units*	24,000

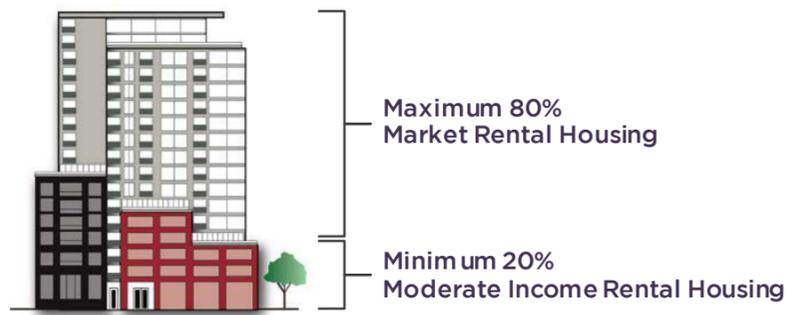
What is Moderate Income Rental Housing?

Moderate income rental housing is privately-owned, purpose-built rental housing that is permanently secured and made available to moderate income households earning \$30,000 to \$80,000 per year. Moderate Income Rental Housing Pilot projects are new purpose-built rental buildings in which at least 20% of the residential floor area is moderate income rental housing.

To help ensure MIRHPP projects create units that meet the needs of a diverse set of households, including singles, couples and families, there are specific targets for the mix of units types provided and requirements for a certain proportion of family-size units (2 bedrooms or larger).

To ensure moderate income rental units are secured for households that earn moderate incomes in Vancouver, certain rules apply:

- Starting rents for moderate income rental units are set by unit type.
- Rent increases for moderate income rental units are permanently limited, even if one renter moves out and another moves in.
- Renters in moderate income rental units must share some information about their income with their landlord.
- To be eligible to move into a moderate income rental unit, a household must meet certain maximum income requirements and household size requirements.
- If the income of a household living in a moderate income rental unit rises substantially, they may be required to move out of the moderate income unit. In that circumstance, the landlord must provide a minimum of 6 months notice.



Pilot Project Unit Mix Targets

Unit Type	Proportion of Total Unit Mix
Studio	25%
1 Bedroom	40%
2 Bedroom (or larger)	35%**
Total	100%

**Minimum as per City Policy

Starting Rents & Rent Increases

The MIRHPP sets maximum average rents that apply to moderate income rental units. Starting rents are set at rates that are affordable to the targeted household income levels for each unit type, which means they are significantly more affordable than average market rents for new rental housing in Vancouver.

Maximum Moderate Income Rents by Unit Type and Targeted Household Incomes vs Average Market Rents (City of Vancouver)

Unit	Moderate Income Unit Maximum Average Starting Monthly Rent	Household Income Served (if 30% of income spent on rent)	2018 CMHC Average Rents* (buildings constructed 2005+)
Studio	\$950	\$38,000	\$1,607
1 Bedroom	\$1,200	\$48,000	\$1,869
2 Bedroom	\$1,600	\$64,000	\$2,457
3 Bedroom	\$2,000	\$80,000	\$3,235

*Source: Canada Mortgage and Housing Corporation, Rental Market Report - Vancouver CMA, 2018

Rents increases for moderate income rental units are also permanently limited to ensure they remain affordable over time. The starting rents can only be increased by the maximum annual allowable rate published by the Province of British Columbia under the Residential Tenancy Act. The allowable annual increase over the last 10 years has averaged 3.3%. Unlike market rental housing, rents in moderate income rental units cannot be increased by more than the allowable annual increase when a new renter moves in.

Eligibility & Renter Selection

In order to ensure moderate income rental units are made available to renters with moderate incomes, certain eligibility criteria apply. The acting property manager for each moderate income rental building is responsible for advertising, qualifying and selecting eligible tenants for the moderate income rental units in their building. Information on unit availability or application opportunities will be accessible via the property manager for each individual moderate income rental building.

Property managers will check existing renters' incomes every 5 years after they move in to ensure they continue to qualify. Managers will also be responsible for providing an annual report to the City on the operation of the moderate income rental units, including the rents for each unit, unit turnover, verification of the income of new renters moving in and renters who have lived in their moderate income unit for 5 years.

Renter Eligibility Criteria for Moderate Income Rental Housing

Initial Eligibility Criteria for New Applicants	Ongoing Eligibility Criteria for Renters Living in Moderate Income Rental Housing
<ol style="list-style-type: none"> Gross (pre-tax) annual household income does not exceed 4x the annual rent for the specific unit <i>i.e. For a moderate income 1 bedroom unit with a starting rent of \$1,200, the maximum household income is \$57,600</i> The number of persons in the household is equal to or greater than the number of bedrooms in the unit 	<ol style="list-style-type: none"> Gross (pre-tax) annual household income does not exceed 5x the annual rent for the specific unit <i>i.e. For a moderate income 1 bedroom unit with a current rent of \$1,400, the maximum household income is \$84,000</i> The number of persons in the household is equal to or greater than the number of bedrooms in the unit

How Does the Moderate Income Rental Housing Pilot Program Work?

The MIRHPP creates a limited opportunity for staff to select up to 20 proposals to proceed with a rezoning application by July 1, 2019. On November 26, 2019, Council extended the timeline of the MIRHPP until January 1, 2021. All applications will proceed through the full rezoning process, including public hearing ([read more about the rezoning process](#)). In addition, an extra “pre-enquiry” step is required for MIRHPP projects, which allows City staff to evaluate the suitability of a proposed project for the Pilot Program before a full rezoning enquiry package may be submitted.

In order to enable the delivery of moderate income rental buildings where 100% of the residential floor area is permanently secured market rental housing with a minimum of 20% secured for moderate income households, the City offers several optional development incentives. These include:

- Additional height and density (above current site zoning)
- Waiver of Development Cost Levies
- Reduced parking requirements
- Relaxations for minimum unit sizes and configuration requirements
- Priority processing at the rezoning enquiry review stage

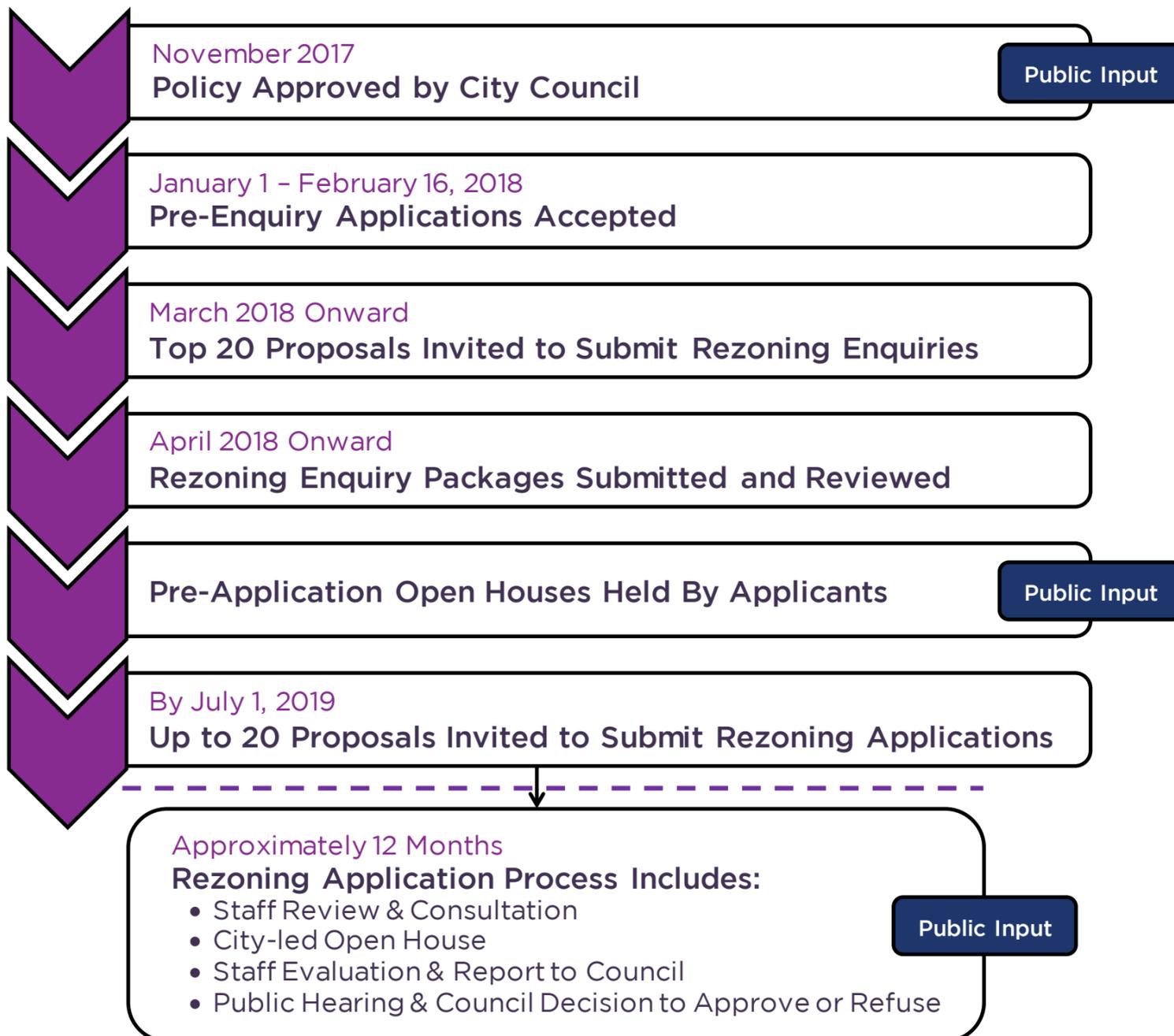
Where in Vancouver can MIRHPP projects be considered?

Moderate income rental housing projects can be considered in a wide range of zones across the city that currently allow residential development, each with different opportunities for maximum building heights (number of storeys) that may be considered in certain locations. For a full list of the eligible zones, refer to the Policy Administration Bulletin.

Key considerations that relate to the location and type of buildings that can be considered under the MIRHPP include:

- Proposals must respect recently approved policy plans (e.g. Marpole, DTES, West End, Grandview-Woodland, Joyce Station Area, Cambie Corridor, Oakridge Transit Centre).
- Proposed projects must consider context and transitions to surrounding areas. Areas with existing precedents for higher buildings will be considered more appropriate locations for greater building heights and densities.
- Ground floor retail space should be included in buildings where it is supported by the existing zoning or street context.

MIRHPP Process & Timeline - Steps to a Rezoning Application



More Information

For more information about the Moderate Income Rental Housing Pilot Program, please visit: vancouver.ca/rentalhousing

Questions? Please contact housingpolicy@vancouver.ca