

Updated - July 2021

MODERATE INCOME RENTAL HOUSING PILOT PROGRAM (MIRHPP) Frequently Asked Questions - Requirements and Process

This document provides additional information and clarifications on the application process, requirements and available incentives associated with the Moderate Income Rental Housing Pilot Program, originally approved by City Council on November 29, 2017 and most recently amended on July 21, 2021.

1. PROCESS & TIMELINE

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 July 21, 2021 Council extended the timeline of the MIRHPP until January 31, 2022 to allow staff to continue to support up to 20 total proposals to proceed with a full rezoning application. Council also approved updates to the intake process for the MIHRPP.

Previously, the application process has involved submission of a preliminary pre-enquiry application package. Starting in July 2021, proposals are no longer required to submit a pre-enquiry application, and may proceed with an application for rezoning advice (rezoning enquiry). A complete rezoning enquiry application, including all required documents and materials, must be received by January 31, 2022.

The pilot continues to be limited to 20 total rezoning applications, and submission of a rezoning enquiry by the deadline does not guarantee an opportunity will be available to proceed with a full rezoning application under the pilot. To be eligible to submit a full rezoning application under the pilot, proposals must have received a written letter of response stating their application would be considered. All invitations to proceed under the pilot are contingent on program capacity, timing and the strength of each proposal in regard to key policy objectives.

During the intake window between July 21, 2021 and January 31, 2022, rezoning enquiries will be accepted on a first-come, first-served basis. Should the number of supportable rezoning enquiries received exceed the number of available spaces remaining, a waitlist will be established to manage invitations to proceed with a full rezoning application. In addition to the date of receipt, enquiries may also be evaluated relative to one another, and invitations may be prioritized accordingly. Applicants receiving a supportive response to an enquiry with an invitation to proceed will be given a deadline to proceed with submission of a full rezoning application, otherwise the space may be offered to a waitlisted applicant.

2. REQUIREMENTS

2.1 Moderate Income Unit Rents

On July 21, 2021, Council amended the starting rent requirements as set in 2017 for **new** proposals to permit annual increases ahead of initial project occupancy as per the Residential Tenancy Act.

This amendment does not apply to projects that received rezoning approval prior to July 21, 2021. These projects must continue to comply with the requirements specified and secured as conditions of approval that were approved by Council at the Public Hearing .

Previous Requirements (Rezoning Approved November 2017 – July 2021)

The maximum average rents by unit type set out in Section 2a of the policy are the starting rents that will apply for the first moderate income renters at project opening. Moderate income unit rents may not be inflated ahead of project opening. Following initial occupancy, the rents may only be increased by the maximum annual allowable amount permitted as per the Residential Tenancy Act, regardless of any change in occupancy.

New Requirements (Rezoning After July 2021)

The maximum average rents by unit type set out in Section 2a of the policy may be increased annually from 2017 until initial occupancy in accordance with the annual maximum increases authorized by the province of British Columbia as per the Residential Tenancy Act. Following initial occupancy, the rents may only be increased by the maximum annual allowable amount permitted as per the Residential Tenancy Act, regardless of any change in occupancy.

Current-year applicable rates will be published in the [Rental Incentive Programs Bulletin](#) for reference.

2.2 Tenant Relocation

Comprehensive tenant relocation planning is required for all MIRHPP projects where existing tenants are impacted. A City-approved tenant relocation plan will be required prior to rezoning approval. This means that, at minimum, any tenants impacted or displaced must be offered support, compensation and relocation assistance in accordance with the terms set out in the City's Tenant Relocation and Protection Policy.

2.3 Eligible Sites

Proposals may be considered for sites in zoning districts described in the section 3g table of the policy bulletin. Sites in areas not identified, or proposals that do not conform with applicable Council land use and development policy (eg. the Regional Context Statement) will not be considered.

Conformity with Recently Approved Community Plans

Project proposals for sites located in areas covered by recently approved community plans (eg. Grandview-Woodland, Cambie Corridor, Downtown Eastside, Marpole, West End, Joyce Station

Area, Mount Pleasant, Norquay Village) must respect the policy directions contained in those plans. Projects seeking heights and densities in excess of plan direction will not be considered.

3. INCENTIVES

3.1 Relaxations to Unit Size and Configuration

Certain relaxations of unit sizes and configuration may be considered for moderate income rental units, subject to project location, livability and design performance, and increased affordability for new renters. This includes potential opportunities to pilot micro dwellings and inboard third bedrooms in family units as part of the moderate income rental portion of a project. Market rental units may not be micro dwellings or have inboard bedrooms.

Inboard Bedrooms

An inboard or borrowed light third bedroom may be considered in three bedroom moderate income rental units only. Multiple inboard bedrooms in a single unit will not be considered. Rents for any proposed three bedroom units with an inboard bedroom are expected to be lower than rents for the standard moderate income three bedroom units.

Micro Dwellings

Micro Dwellings, as defined by the City's Zoning and Development By-law and provided for in the Micro Dwelling Policies and Guidelines are self-contained units between 250ft² and 320ft². Market units may not be Micro Dwellings, and rents for any proposed moderate income Micro Dwelling units are expected to be lower than rents for the moderate income studio units. Note that at this time Micro Dwellings are only permitted in certain areas, as per the Zoning and Development By-law, and cannot currently be considered in locations that are not specified.

Unit Size Relaxations

Relaxation of dwelling unit size to a minimum of 320ft² may be considered for both moderate income and market rental studio units in appropriate locations and where building design features support livability.

3.2 Unit Mix Requirements and Guidelines

The MIRHPP establishes unit mix guidelines to ensure that a variety of unit sizes and types are delivered. Proposals should seek to achieve these targets.

The unit mix for the moderate income rental units should match that of the market rental units (eg. the proportion of three bedroom moderate income units should be the same as the proportion of three bedroom market rental units).

As per the City's Family Room Policy, rezoning applications for secured market rental projects are required to include a minimum of 35 percent family units with two or more bedrooms. Three bedroom units are encouraged in rental projects when and where possible.

3.3 Additional Height & Density

Arterial Intersections

For several of the eligible zoning districts (eg. C-2), the policy guidelines that address additional height and density refer to sites “at arterial intersections.” This means sites that include the corner lot at the intersection of two arterial roads.

Sites that include the corner lot at the intersection of two roads where only one of which is an arterial road may be eligible for some additional height and density, commensurate with site size, context and other considerations.

Neighbourhood Context

Supportable height and density will vary with site context, adjacencies and other factors. For projects located in RS and RT zones, existing precedents for higher buildings in the surrounding area will be considered (eg. where buildings similar in height to the proposed project are located within 200 meters).

3.4 Development Cost Levy (DCL) Waiver

MIRHPP projects that satisfy the requirements of the Development Cost Levy By-laws are eligible for a DCL waiver. Applicable criteria are described in the Rental Incentive Programs Bulletin.

On November 26, 2019, Council approved changes to the DCL By-laws to include new provisions for rental projects securing a minimum of 20% of the residential floor area at rates that meet the original requirements of the MIRHPP to enable them to qualify for a DCL waiver for the residential portion of the building, provided that they also meet the other By-law requirements. The change to the MIRHPP made in July 2021 to allow starting rents to be adjusted annually ahead of initial occupancy is not currently specified in the DCL By-laws - maximum average starting rents will need to be secured across all units in accordance with the original provisions of the By-laws.

MIRHPP projects do not automatically qualify for a DCL waiver and partial DCL waivers for moderate income units only are not permitted under the DCL By-laws. Council also approved changes to the Utilities DCL By-law which mean that effective September 30, 2020, secured rental projects, including MIRHPP projects, will be subject to the Utilities DCL. In-stream applications submitted before that effective date will remain eligible for a Utilities DCL waiver provided that a building permit is issued by September 30, 2021.

4. OTHER CONSIDERATIONS

4.1 Community Amenity Contributions (CACs)

Recent Council policy supports the streamlining of routine, lower density rental rezoning applications outside of the Downtown area through an exemption from CACs. Larger and more complex rezoning projects continue to be administered through a negotiated CAC process with a priority to secure enhanced affordability on site.

It is anticipated that MIRHPP projects will provide secured and enhanced affordability and therefore will not be required to undergo a negotiated CAC process, with a few exceptions (e.g. large sites that fall under the Rezoning Policy for Sustainable Large Developments, projects with heritage assets, etc.).

As the MIRHPP is a learning pilot, submission of a proforma with the rezoning application will be required in order for staff to better understand the financial feasibility of these projects, and to help inform the potential development of a permanent moderate income rental housing policy. Except as noted above, proforma submissions will not be used as part of the formal rezoning evaluation process.

CONTACT

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