

RENTAL INCENTIVE PROGRAM REVIEW



Purpose & Objective

Since 2009, the City has been working to increase the supply of purpose-built rental housing in Vancouver.

After 10 years of results, we’re reviewing our rental incentive programs and exploring improvements to recommend to Council.

Council Direction

Staff have received direction from Council to review current market rental incentive programs to identify issues and opportunities and recommend policy changes. This direction is included in the Housing Vancouver Strategy 3-Year Action Plan and the Housing Vancouver Affordable Housing Delivery & Financial Strategy.



Phases of Work

The review is occurring over two phases. Phase I documented the results of our rental incentives programs over the past 10 years. The results were presented to Council in July 2019. Phase II of the review will explore policy improvements and is the focus of today’s open house.

Phase I: Document Results *COMPLETE*

- Document results of the City’s rental policies over the past decade
- Assess the effectiveness of the City’s rental policies in helping achieve the *Housing Vancouver Strategy* targets
- Assess the effectiveness of the City’s rental policies in meeting other City objectives

Phase II: Policy Development *IN PROGRESS*

- Identify policy improvements and test new ideas to meet the City’s objectives for rental housing
- Enhance program clarity and delivery
- Explore ways to utilize the Province’s new rental tenure zoning provisions

Staff will report back to Council in late 2019 with recommendations for policy changes

TODAY'S EVENT

As part of today's Open House, we would like to share key findings from our review of the City's rental incentive programs and ideas about changes and improvements that could be made.

We are also here today to hear from you about your thoughts, experiences, and questions about the rental incentive programs and proposed changes.

Your input is important and will help inform the future of the City's rental incentive programs. A report with recommendations to Council is scheduled for Fall 2019.

The information and materials presented today will also be available online at vancouver.ca/rentalhousing.

Share Your Thoughts

Please take an opportunity to review the boards around the room and engage the staff team with any questions or comments.

We also encourage you to provide your feedback by:



Filling out our survey

- On an iPad at this Open House
(Please ask a staff member for instructions)
- Online at vancouver.ca/rentalhousing
Survey closes on September 30th at 11:59 PM



Filling out a comment form on the sheet provided at this event
(please drop completed comment forms in the comment box)

If you have any additional questions, please contact us:



housingpolicy@vancouver.ca



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WELCOME

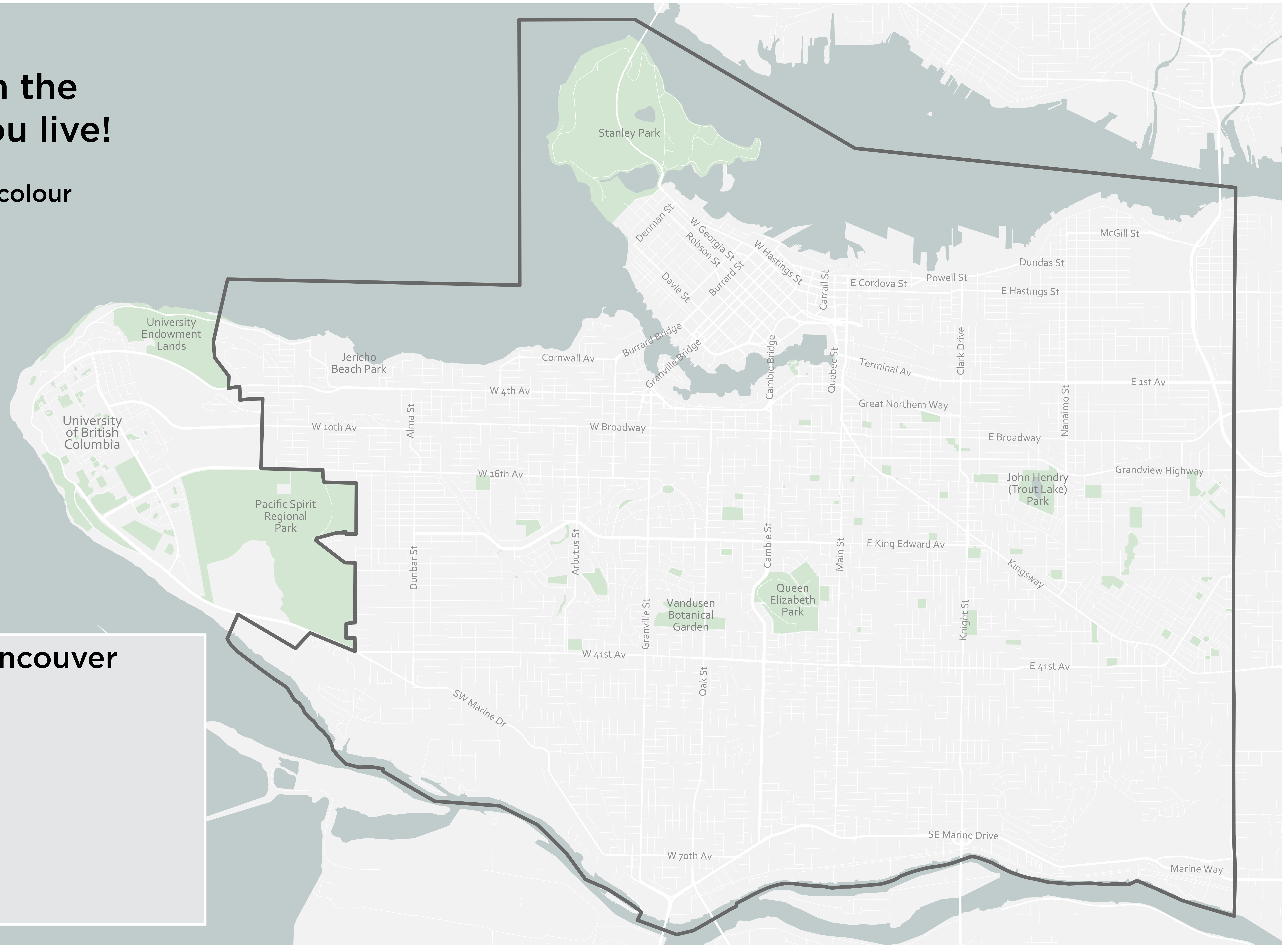


Place a dot on the map where you live!

Choose your sticker colour based on if you...

- Rent your home
- Own your home
- Other

Outside of Vancouver



EVENT GUIDELINES

Success at today's event means hearing from everyone who has questions in a safe and accommodating environment.

- The goal is to ensure stakeholders have a clear understanding of the proposal.
- Take time to review information materials. City staff and resource people are available to answer questions so that the event is informative and focused for you.
- The City has a zero tolerance policy for abusive or discriminatory behaviour.
- Photography and video recording are limited to the presentation materials. The photographing or recording of participants or conversations is not permitted (without advance permission).
- Campaigning, handing out materials or solicitation of any kind is not permitted.



This event is hosted by the City of Vancouver Department of Planning, Urban Design & Sustainability which is responsible for its success.

HOUSING VANCOUVER STRATEGY



A Plan to Address Vancouver’s Housing Needs

The *Housing Vancouver Strategy* (2018-2027) is the City’s vision for ensuring that Vancouver can be a home for people of all incomes and backgrounds. The goal of *Housing Vancouver* is to ensure that housing in the city meets the needs of current and future Vancouver residents.



Housing Vancouver commits the City to actions over 10 years to address the housing needs of Vancouver’s diverse households and communities. Actions are grouped by the following objectives:

Creating the Right Supply of Housing to Meet the Needs of Vancouver Residents	Preventing Homelessness and Creating Pathways to Housing Stability
Addressing Housing Demand and Speculation	Retaining and Renewing Existing Rental, Co-op, and Social Housing While Preserving Affordability
Strengthening Partnerships and Aligning Investments	Supporting Renters
Indigenous Housing and Wellness	Expediting, Clarifying and Simplifying City Processes for Housing Development

There is no single solution to address the breadth of Vancouver’s housing challenges and needs. *Housing Vancouver* recognizes that we need to address the housing crisis from multiple fronts. This is why there are multiple key strategies and over 120 actions planned for the first three years of the Strategy.

Specific actions are detailed in the *Housing Vancouver Strategy*, the *Housing Vancouver 3-Year Action Plan*, and the *Affordable Housing Delivery and Financial Strategy*.

For more information on the *Housing Vancouver Strategy*, visit vancouver.ca/housing



HOUSING VANCOUVER TARGETS



Housing Vancouver 10-Year Housing Targets

Housing Vancouver includes targets for new housing over the next 10 years to meet the needs of Vancouver’s diverse incomes and households. These targets ensure that we are creating a variety of housing across the continuum of income affordability and housing types, including social, supportive, and co-op housing; below-market rental; market rental; and a diversity of ownership options. The Strategy aims to enable 72,000 new homes over 10 years.



**Social, Supportive,
and Co-op Housing**
Target: 12,000 units



**Purpose-Built
Rental Housing**
Target: 20,000 units



Laneway Houses
Target: 4,000 units



Coach Houses
Target: 1,000 units



Townhouses
Target: 5,000 units



Condominiums
Target: 30,000 units

PURPOSE-BUILT RENTAL HOUSING



Today's Focus: Purpose-Built Rental Housing

The focus of today's open house is purpose-built rental housing in Vancouver. The City of Vancouver is reviewing our market rental housing incentive programs to measure their effectiveness in creating new housing supply and to explore updates and improvements to help meet the needs of current and future renters in Vancouver.

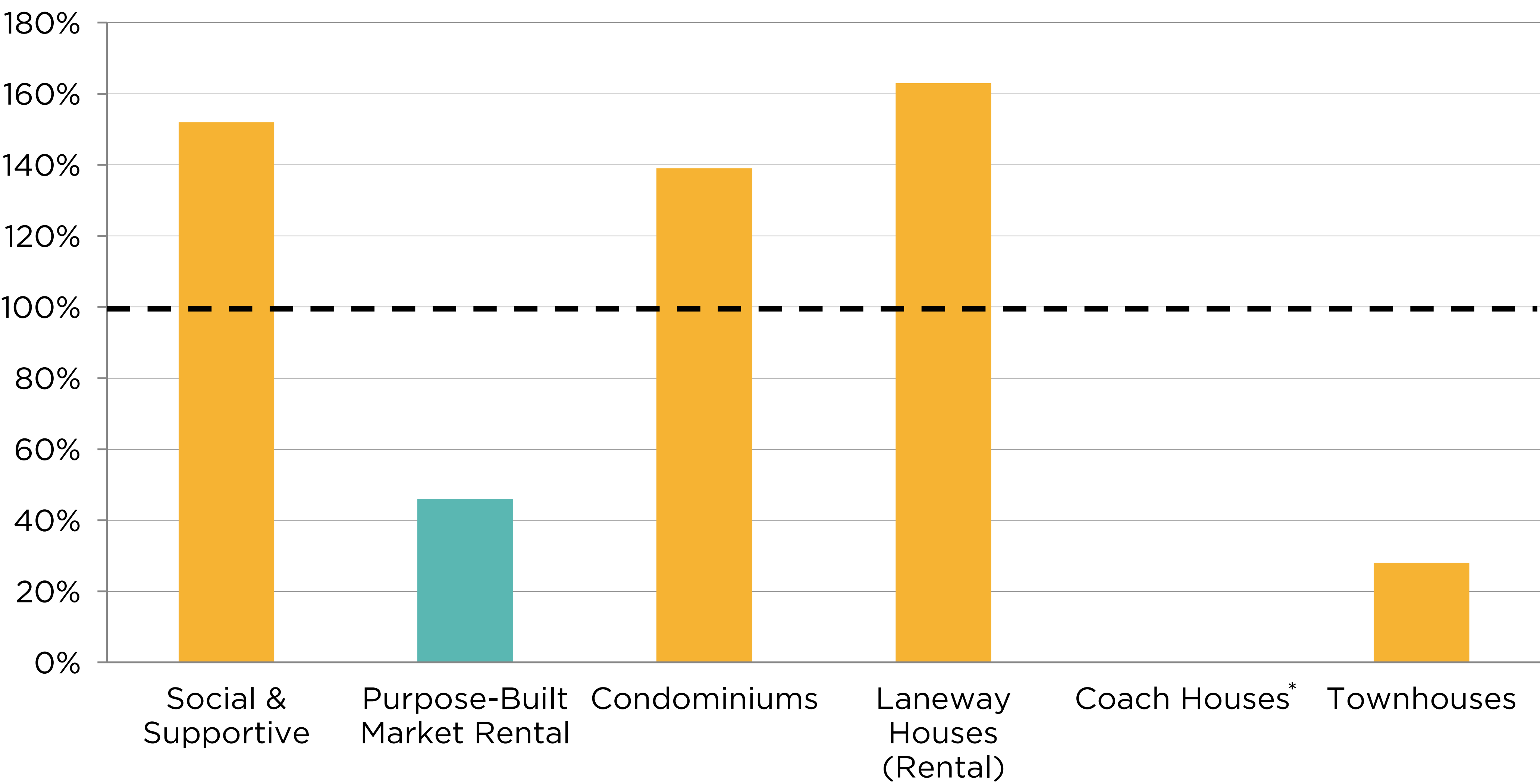
What is purpose-built rental housing?

- Multi-family apartment buildings designed and built expressly as long-term rental housing
- Rental tenure is secured through legal agreements for the life of the building
- Generally rents at market rates

Progress Toward Purpose-Built Rental Housing Targets

Each year the City tracks its progress toward the targets for new housing units set out in *Housing Vancouver*. Our targets are broken down on an annual basis, assuming that each year should achieve 10% of the overall 10-year target. After the first two years of the Strategy, the City is on track to meet its targets for some housing types, but is falling behind in other areas, including purpose-built rental housing.

Progress Toward Targets After 2 Years by Housing Type (2017 + 2018)



Source: City of Vancouver tracking

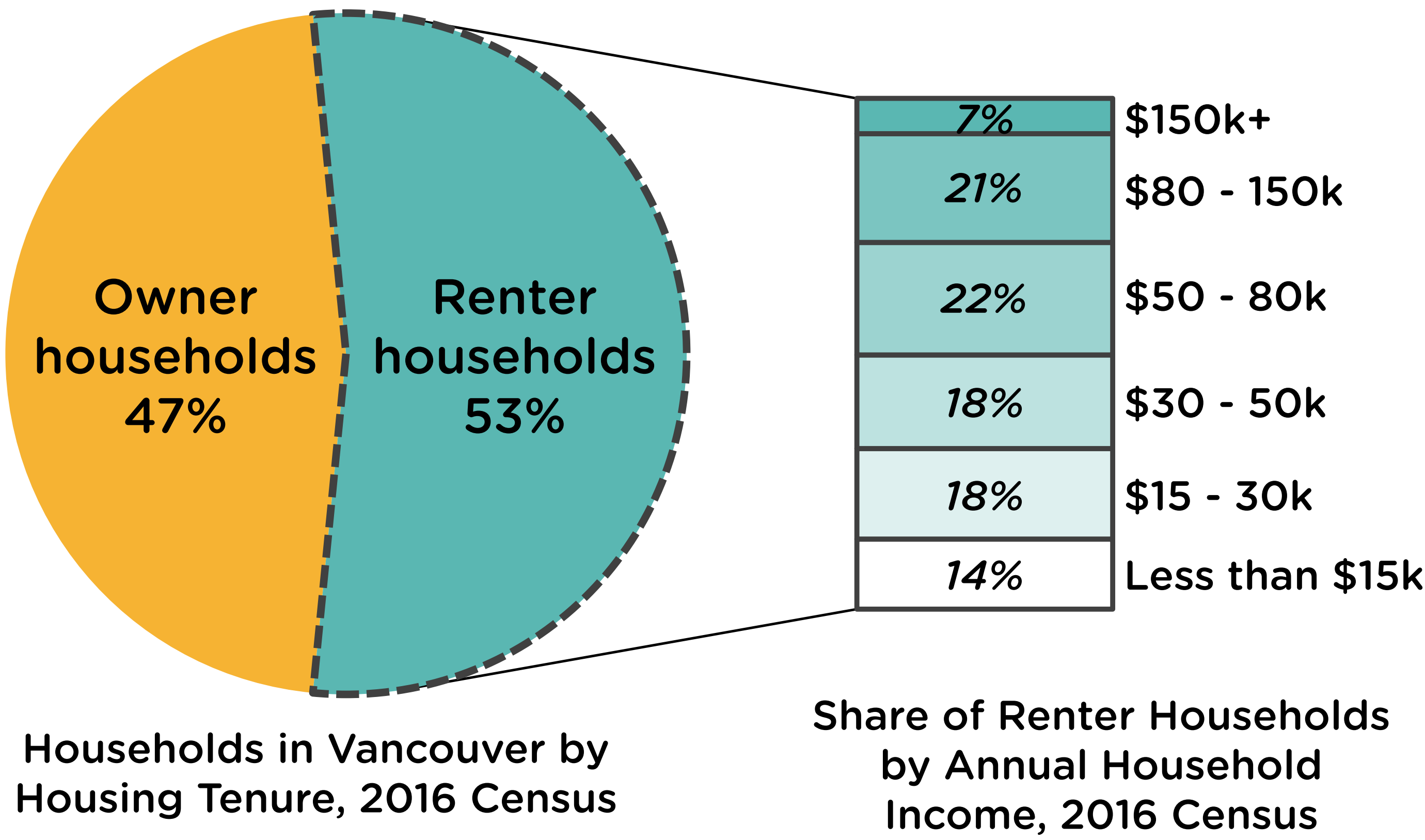
*Note: Progress toward coach house targets is not available at this time.

WHY PURPOSE-BUILT RENTAL HOUSING?



Purpose-built rental housing provides secure, long-term housing for renter households earning a broad range of incomes. A robust supply of purpose-built rental housing is crucial for supporting a diverse city.

Over half of Vancouver’s households rent their homes. These renter households earn a broad range of incomes.

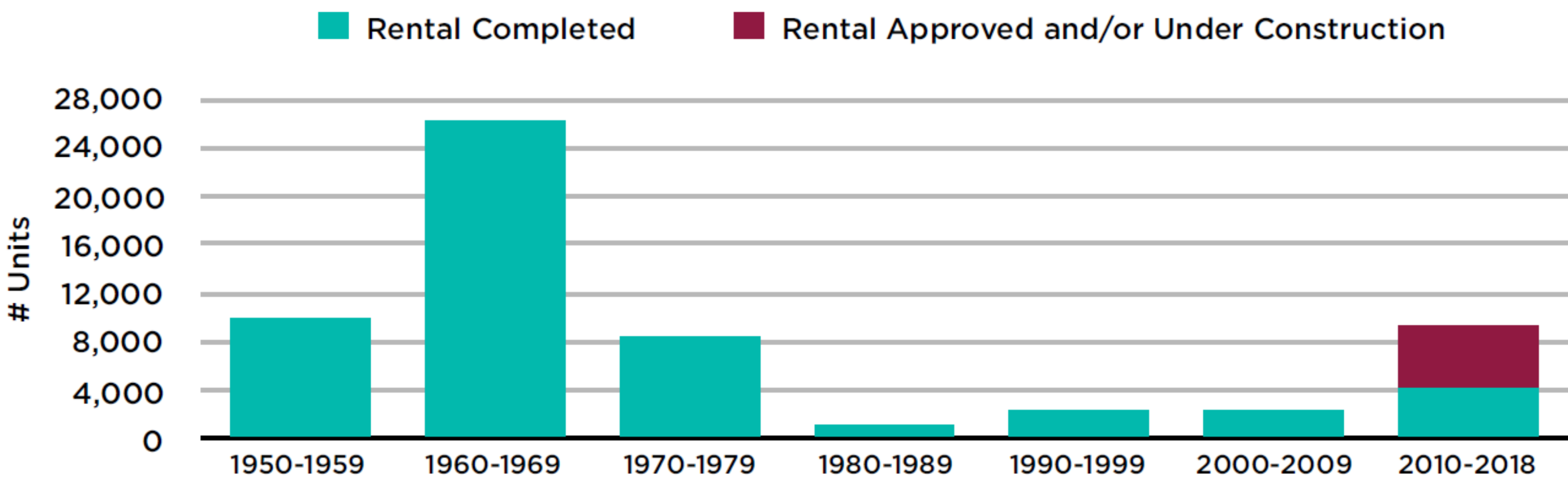


Key Findings

- 32% of renter households earn less than \$30,000 per year
- 40% of renter households earn between \$30,000 and \$80,000 per year
- 28% of renter households earn more than \$80,000 per year

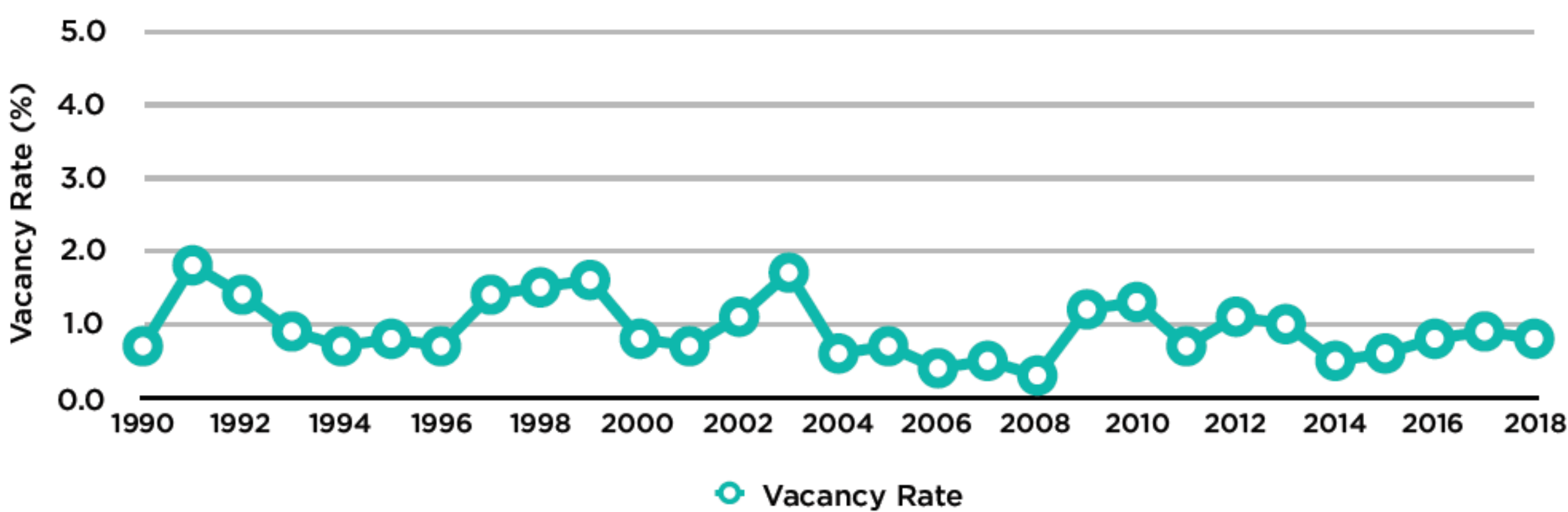
Source: Statistics Canada Census

For several decades, there was very little purpose-built rental housing built in Vancouver, creating a shortage in supply.



Source: CMHC Rental Market Survey and City of Vancouver tracking

High demand and a lack of new supply has put pressure on existing rental housing, leading to low rental vacancy rates.



Source: CMHC Rental Market Survey

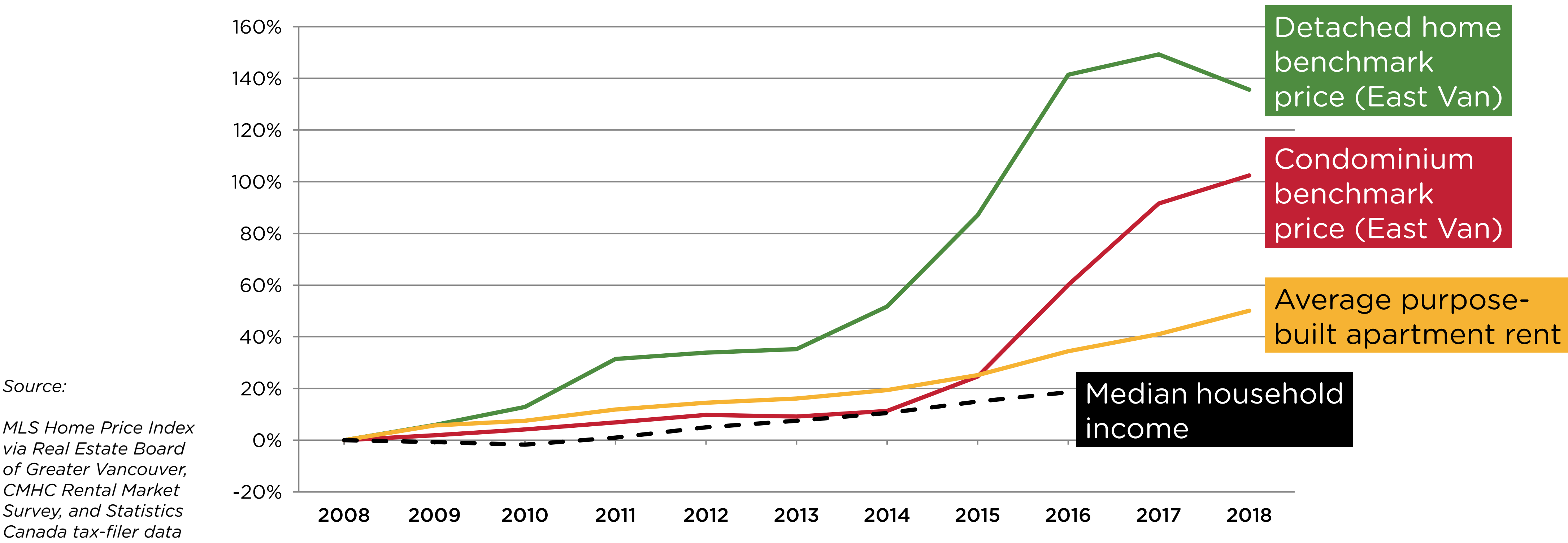
NEED FOR PURPOSE-BUILT RENTAL HOUSING



Moving forward, we expect continued demand for purpose-built rental housing. The high price of home ownership and shift toward renter households in the city will likely mean even greater demand for rental housing in coming years.

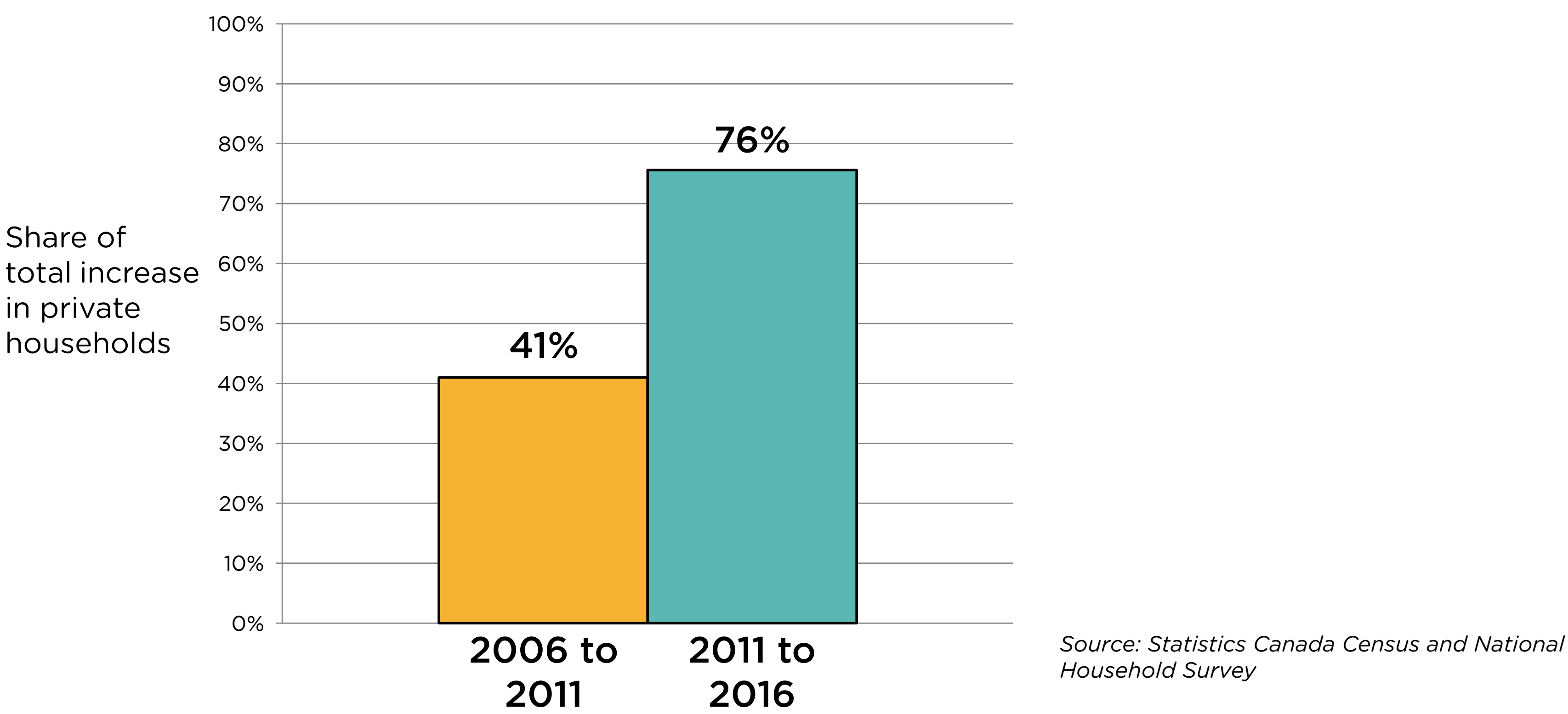
The cost of home ownership is extremely high and out of reach for many Vancouver households.

Percentage Change in Housing Costs and Median Household Incomes, 2008-2018



Recently, Vancouver has seen a significant increase in the number of renter households.

Renter Households - Share of Net New Households in Vancouver, 2006-2016



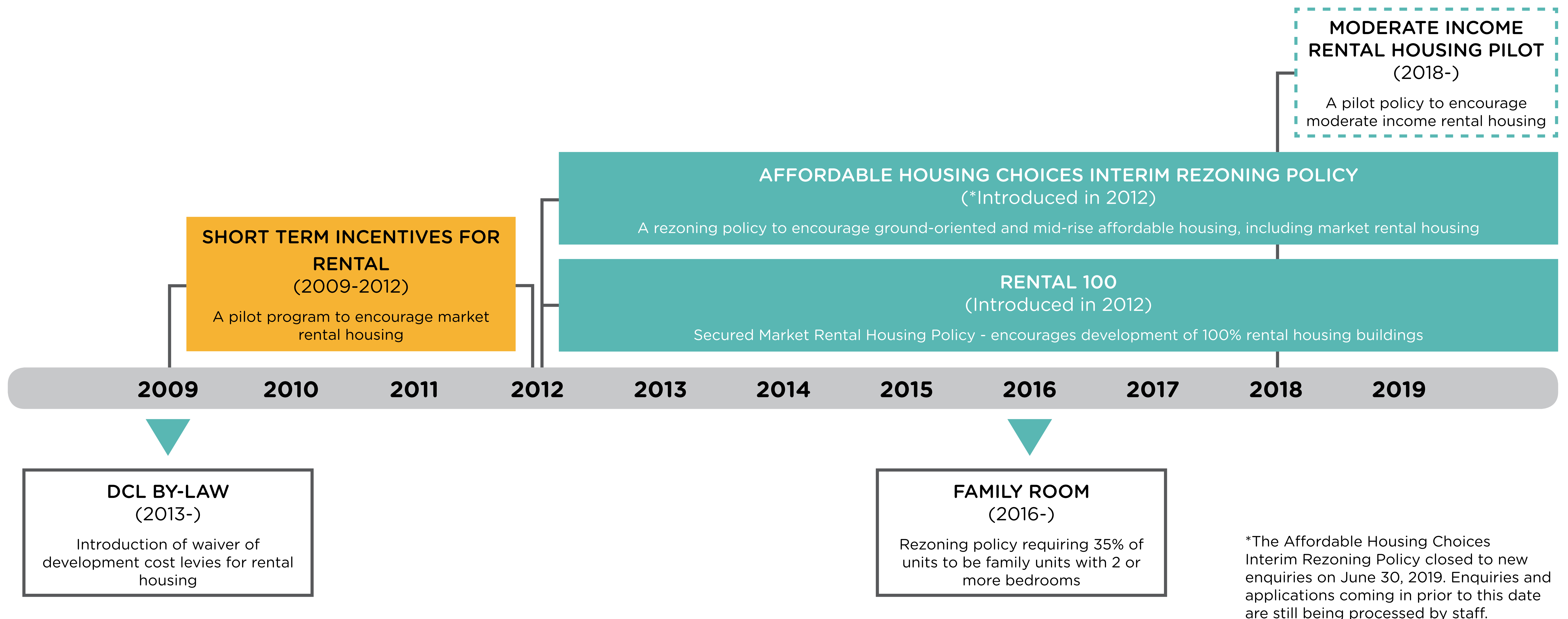
Note: Renter household proportion of net new households is calculated by dividing change in # of renter households by change in # of total private households

VANCOUVER'S RENTAL INCENTIVE PROGRAMS

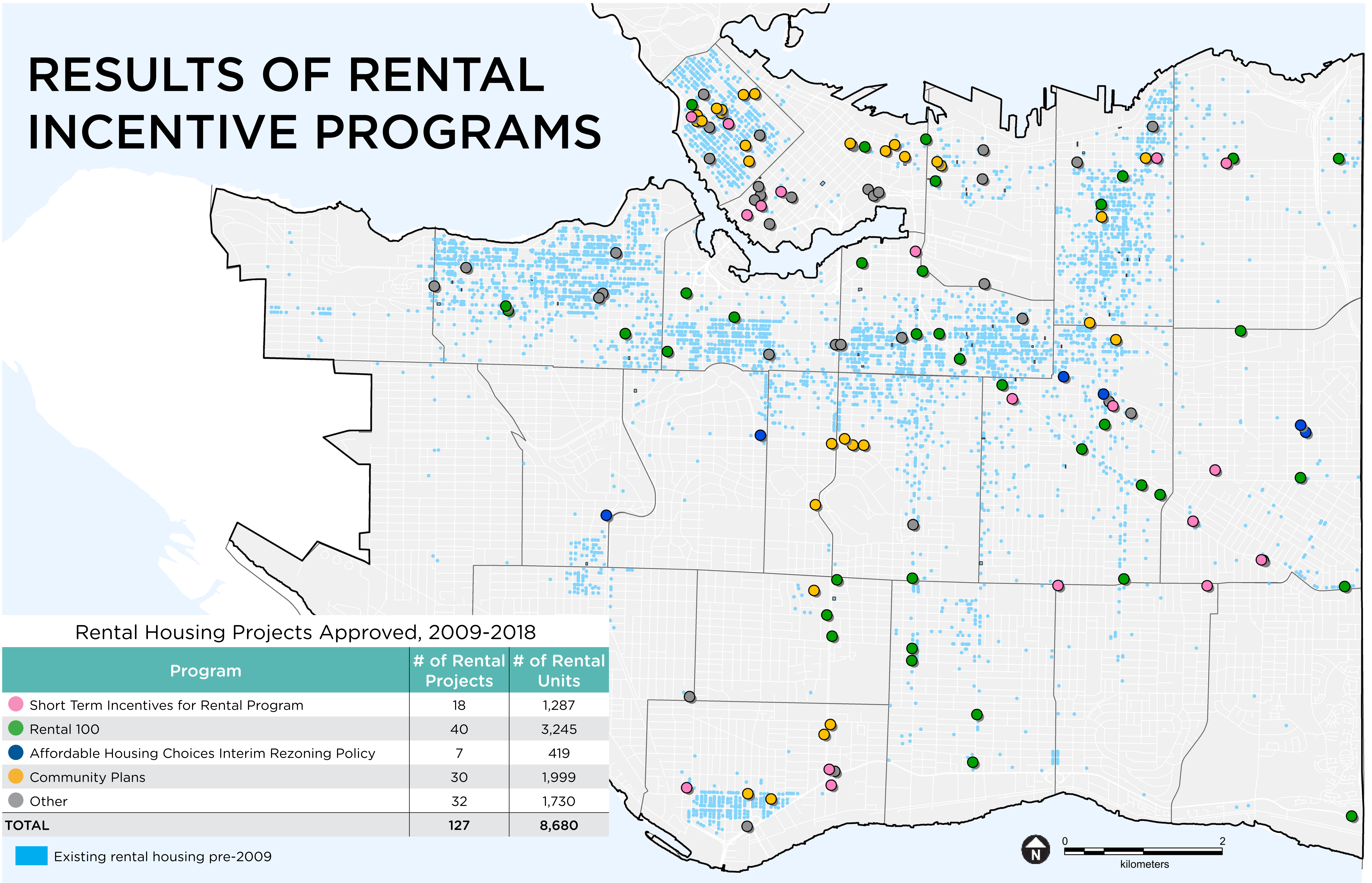


Vancouver's Market Rental Incentive Programs and Key Milestones

Since 2009, the City of Vancouver has encouraged the development of purpose-built rental housing through rental incentive programs.



RESULTS OF RENTAL INCENTIVE PROGRAMS



RENTAL INCENTIVE PROGRAMS



Current Rental Incentive Programs

Rental 100

- Introduced in 2012 to replace the Short Term Incentives for Rental (STIR) Program
- Generally applies to areas of the city which allow multi-family housing
- Incentivizes 100% purpose-built rental housing secured by a legal agreement

Affordable Housing Choices Interim Rezoning Policy

- Introduced in 2012 and closed to new enquiries after June 30, 2019
- Applies to areas near and on arterial streets close to frequent transit and local shopping areas
- Incentivizes ground-oriented and mid-rise affordable housing types, including 100% purpose-built rental housing secured by a legal agreement

Moderate Income Rental Housing Pilot Program

- Introduced in 2018 as a time-limited pilot program, enabling a maximum of 20 projects
- Projects to be considered in most zones throughout the city
- Incentivizes 100% purpose-built rental housing projects which permanently secure 20% as moderate income rental housing, affordable to households with annual incomes between \$30,000 - \$80,000

Incentives Offered

- Increased building height & density
- Minimum parking requirement reductions
- Development Cost Levy waivers
- Minimum unit size relaxations
- Expedited processing

PHASE I CONSULTANT STUDIES



The City’s review of our current rental incentive programs is being conducted in two phases. Phase I examined the performance of the City’s rental incentive policies over the past decade and the feasibility of developing rental housing under current market conditions. Key issues and opportunities for improvement were identified.

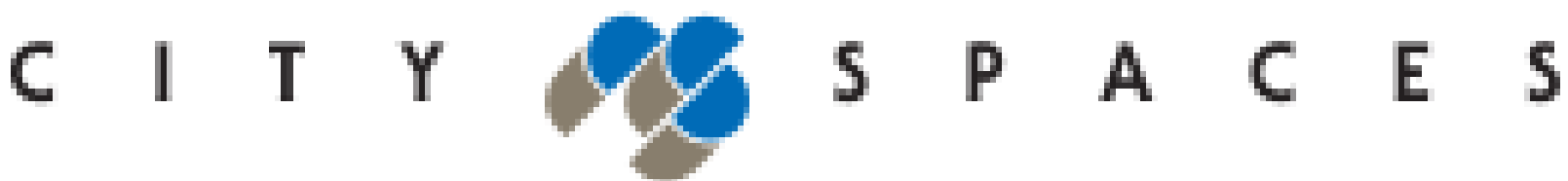
To support Phase I work, the City retained two consultants: CitySpaces Consulting and Coriolis Consulting.

CitySpaces documented and reviewed the results of City rental incentive programs over the past decade. This included an overview of key rental project metrics and public and stakeholder feedback.

Coriolis Consulting analyzed the financial performance of market rental development and effectiveness of existing City incentives, in order to test potential policy changes.

Summary of Phase I Consultant Findings

Comprehensive Documentation/ Analysis of Results of City’s Rental Incentive Policies



- Incentives are creating new market rental housing
- Incentives are needed to construct rental housing
- Current incentives are insufficient
- Programs should be simplified; length of process is an issue
- Increasing the level of affordability in new rental housing is challenging
- Locational requirements of existing policies limit housing diversity spread throughout the entire city

Financial Viability of Rental Housing Development & Effectiveness of Current Incentive Programs



- Rental housing is only marginally viable to construct even with current incentive programs
- Generally, rental housing is more viable to construct in lower density areas of the city (e.g. RS/RT zoned areas)
- Recommend using rental tenure zoning as a density bonus to streamline rental development

For more information and links to the consultant reports, please visit vancouver.ca/rentalhousing

RENTER HOUSING NEEDS AND PREFERENCES



As part of Phase I of the review, we surveyed residents living in new purpose-built market rental housing constructed under the City’s rental incentive programs. The survey was sent to 30 buildings across the city and a total of 460 responses were received. Through the survey, we heard a number of key themes, which will inform our review of City rental incentive policies.

WHAT WE HEARD

Finding Rental Housing is Challenging Due to Lack of Options

“I would spend the evening looking for a place to rent online, and when I called each place the next morning, the apartment was already taken. It got to the extent that I was panicking and desperate. Finding an apartment in Vancouver is a full time job.”

High Rent Levels Are a Barrier for Many Households

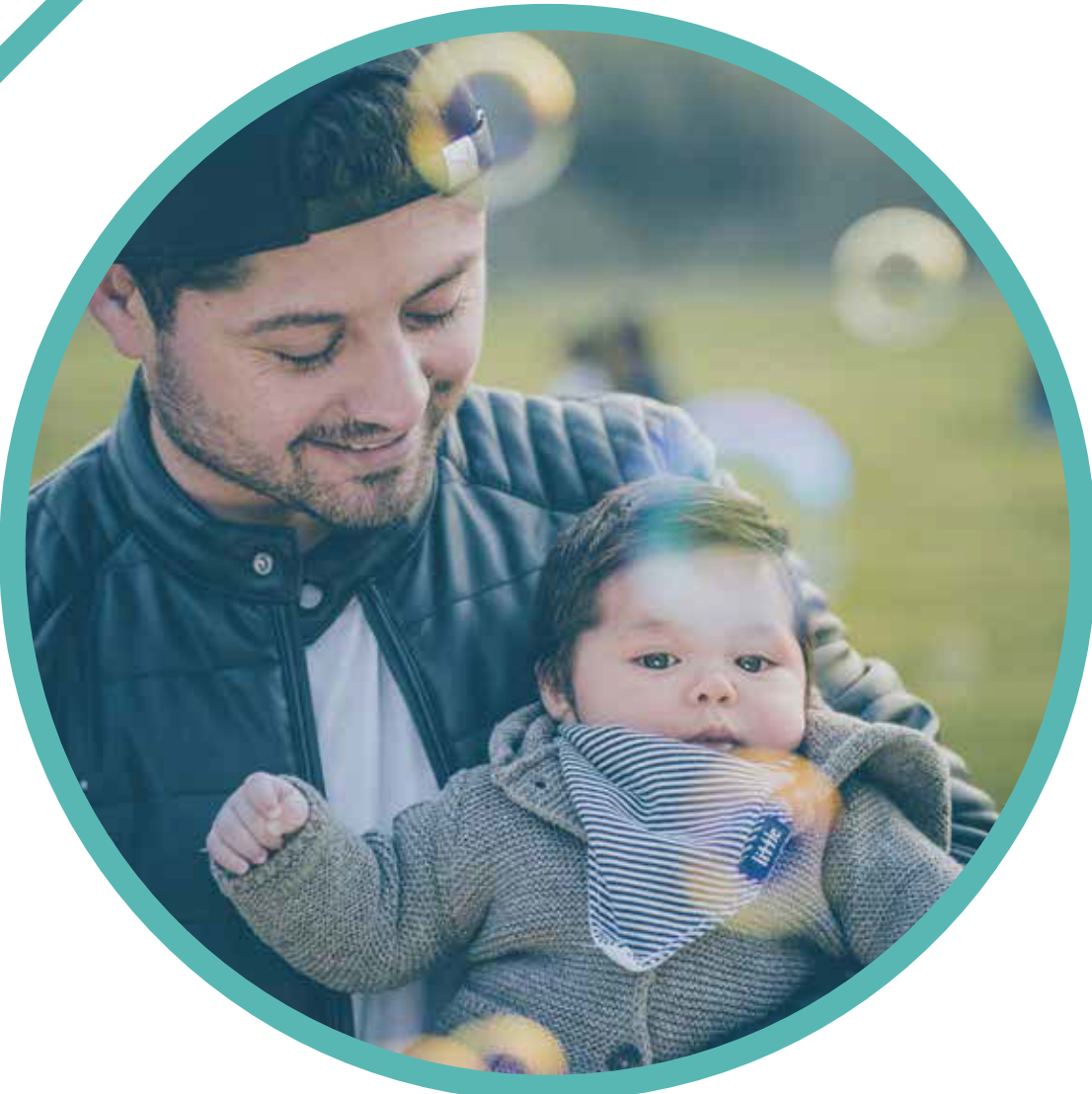
“I decided that owning anything was always going to be out of reach. So I decided to rent a new, nice place with much higher rent in order to be satisfied. I wanted a top floor apartment for noise reduction and a patio space I could use. I got exactly what I wanted. The only trade off is the price.”

Importance of Security of Tenure

“Housing instability caused incredible stress for our family. We are extremely grateful for a 3-bedroom home that is affordable, stable, safe (new construction), and close to school, transit, and amenities.”

Challenges of Living on Busy Arterial Streets

“As a young family the proximity to the community centre is a major factor in why we stay here, though we are getting tired of the noise and pollution.”



DESIRED OUTCOMES OF POLICY REVIEW



Based on consultant findings from Phase I of the rental incentive program review and what we heard from the public, a number of challenges with our current rental incentive policies have been identified, along with opportunities for improvement. Based on these opportunities and challenges, we have determined key desired outcomes to guide our proposed policy options.

Below is a list of the desired outcomes and rationale for each.



Increase Housing Choice for Renter Households

Rationale:

Due to decades of little rental housing being built, vacancy rates are extremely low and finding rental housing is a major challenge. In order to meet the needs of new and existing renter households, more purpose-built rental housing is needed. In Phase I of the rental incentives review, our consultants found that rental housing is financially challenging to build and that City incentives are required to deliver new rental housing.



Streamline Processes and Clarify Policy Requirements

Rationale:

The process for constructing rental housing under the City's rental incentive programs can be lengthy. Additionally, current policies would benefit from more clarity around project locational criteria, heights, densities, and other project requirements.



Enhance Affordability of Rental Housing for Moderate Income Households

Rationale:

In surveying residents of new rental buildings, we heard that affordability of new rental housing is a major challenge. In addition, the *Housing Vancouver Strategy* identifies a gap in the rental housing for moderate income households earning between \$30,000 and \$80,000 per year.



Diversify Rental Housing Options

Rationale:

The majority of purpose-built rental housing created over the past decade has been apartment buildings along major arterial streets. Encouraging a mix of purpose-built rental housing types (e.g. townhouses and low-rise apartments) and locations (e.g. on and off arterial streets) will help provide more housing options for renter households.

WORKING TOWARD OTHER CITY OBJECTIVES



The City has many identified objectives and priorities that we are working towards. As we propose changes to the City's rental incentive programs, it is important to consider opportunities to take steps toward achieving these objectives.

Several City objectives are particularly relevant to the rental housing incentive programs and are being explored through this review. These other City objectives are listed below.



Respond to City's Climate Emergency

Rationale:

Earlier this year, Council declared a climate emergency and approved a Climate Emergency Response. The 'Big Moves' identified in the Response include a shift toward lower carbon construction and zero emission space and water heating. Enhancing sustainability considerations in our rental housing incentive programs will help contribute toward the Climate Emergency Response.



Protect Existing Affordable Housing

Rationale:

A key objective of the *Housing Vancouver Strategy* is to protect our existing affordable housing for the future. Our rental housing incentive programs focus on new rental housing, but as part of this review, there is opportunity to explore ways to retain and preserve the existing affordable rental housing in the city.



Help Enhance Local Shopping Areas

Rationale:

Over the past decade, new rental buildings have been constructed along local shopping streets throughout the city, which include commercial spaces at the ground level. The rental review presents an opportunity to help ensure that the commercial spaces built in rental buildings are functional for a variety of businesses and contribute positively to existing local shopping areas.



Improve Livability of Rental Housing

Rationale:

Design of rental apartment buildings is critical to ensuring livability for residents. Building design considerations to enhance livability include building features such as shared amenity spaces as well as unit design and diversity of unit mix to meet the needs of all types of households.

PROPOSED POLICY CHANGES



Options for changes to the City’s rental housing incentive programs have been grouped into four Action Areas. The actions being proposed are intended to help achieve the desired outcomes identified through Phase I of the review, as well as other City objectives that are particularly relevant to the rental housing incentive programs.

Action Areas

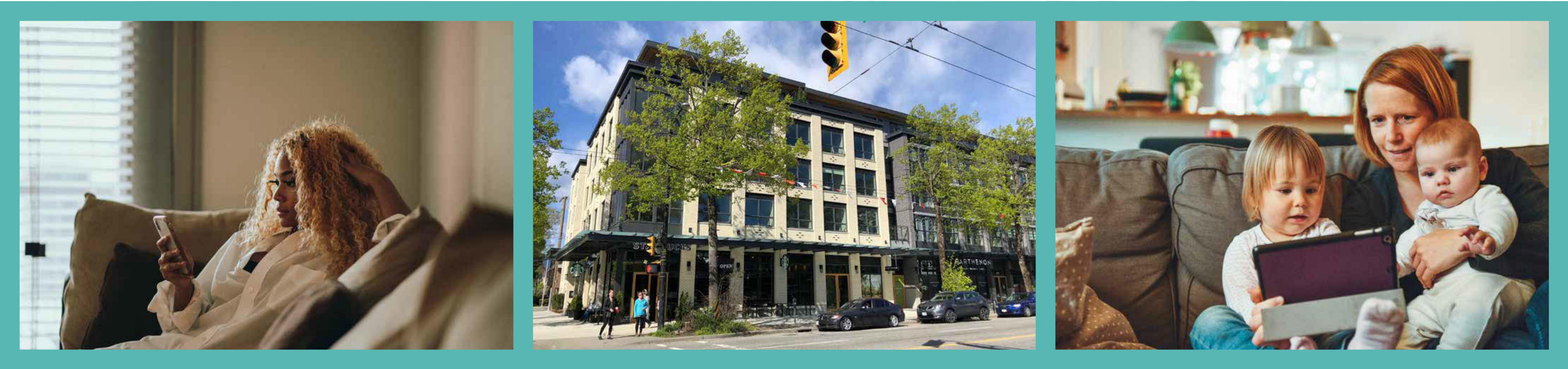
- ACTION #1

Clarify Rules and Simplify Process for Building Rental Housing in Commercial Areas
- ACTION #2

Strengthen Opportunities for New Rental Housing in Low-Density Areas Near Shopping and Transit
- ACTION #3

Increase Rental Housing Options for Moderate Income Households
- ACTION #4

Encourage Reinvestment in Aging Rental Housing Stock



ACTION AREA #1

Clarify Rules and Simplify Process for Building Rental Housing in Commercial Areas

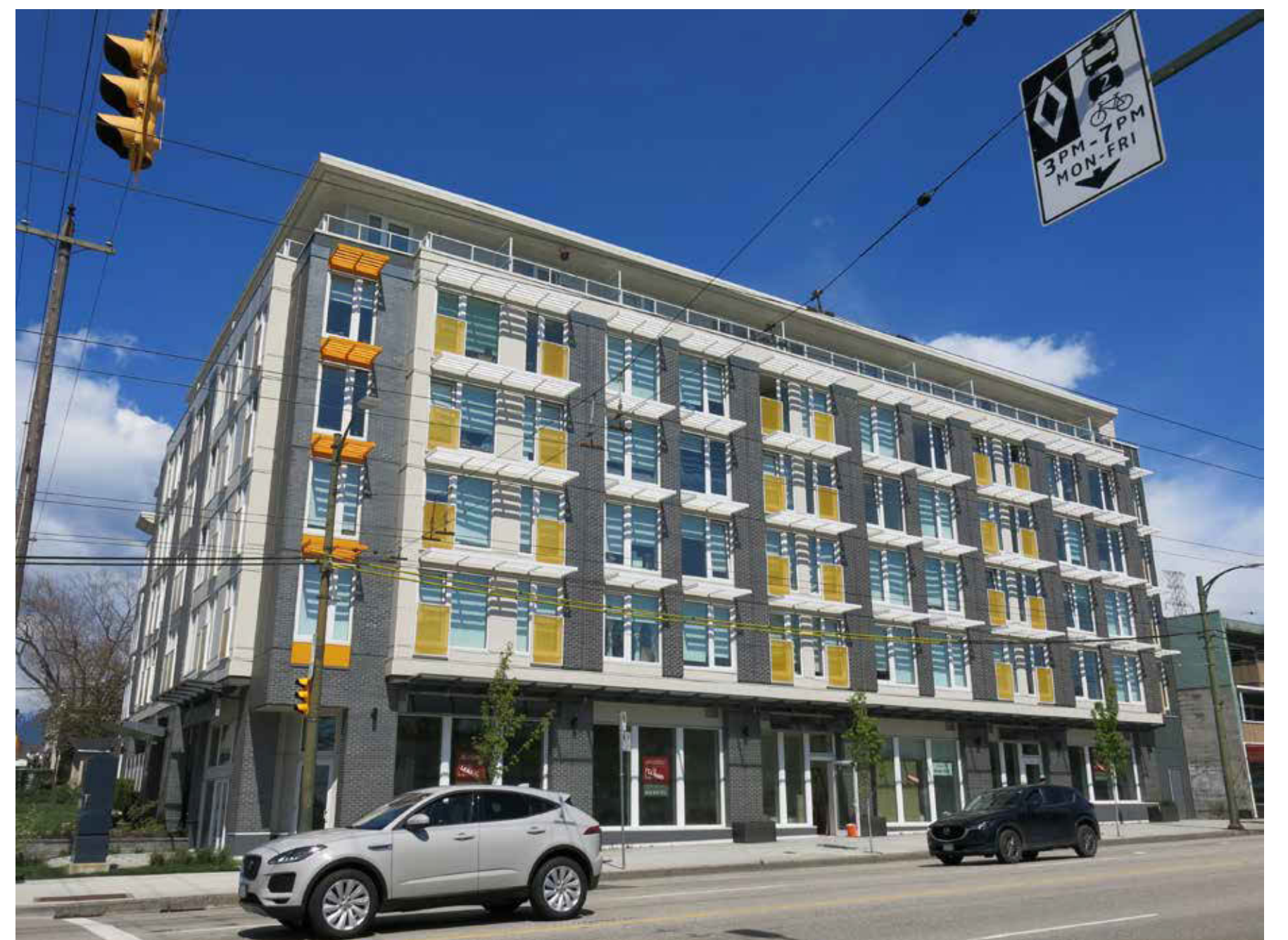
Over the past decade, new purpose-built rental buildings have been constructed under the City's rental incentive programs in commercial areas across the city — specifically within C-2 zoning districts. Through the review, there is an opportunity to enhance our rental incentive programs by clarifying rules and simplifying the development process in these areas.

Objectives

- Create new rental housing options
- Clarify rules and simplify the approvals process for rental housing projects in commercial areas
- Utilize the new “Residential Rental Tenure Zoning” tools recently granted by the Province
- Maintain the general locational criteria of existing programs
- Explore opportunities to help achieve City objectives beyond market rental housing

What's Allowed Now?

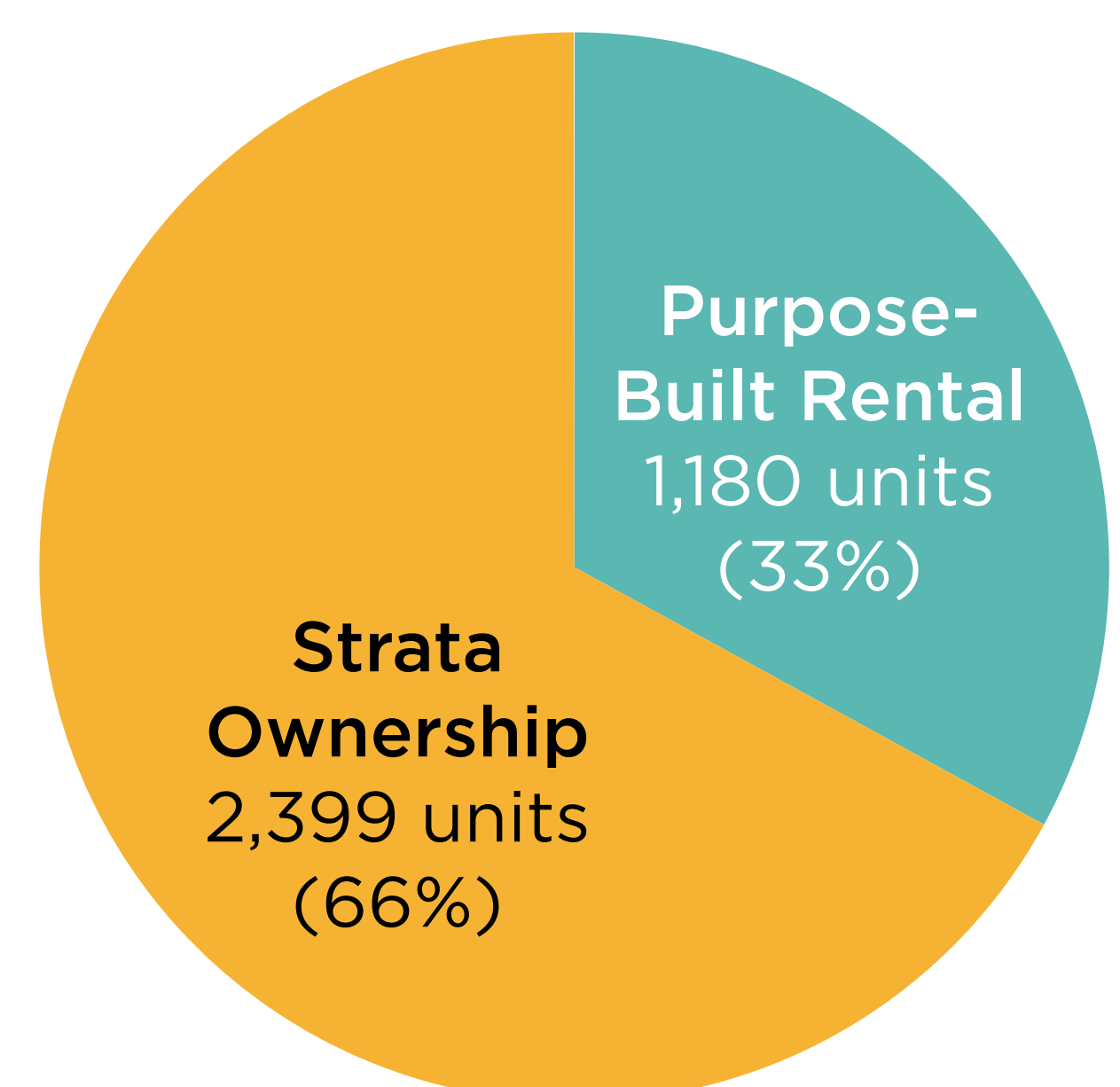
- Under existing C-2 zoning, new residential buildings (e.g. strata condominiums) up to 4 storeys can be built
- Through the existing rental incentive programs, rezoning can be considered for new rental buildings in C-2 areas up to 6 storeys; heights and building density are determined through the rezoning process
- All new residential development (rental and strata) in these areas must include commercial retail space for businesses on the street at ground level



Rental 100 purpose-built rental building at East Hastings and Skeena St



Rental 100 purpose-built rental building at Broadway and Balaclava St

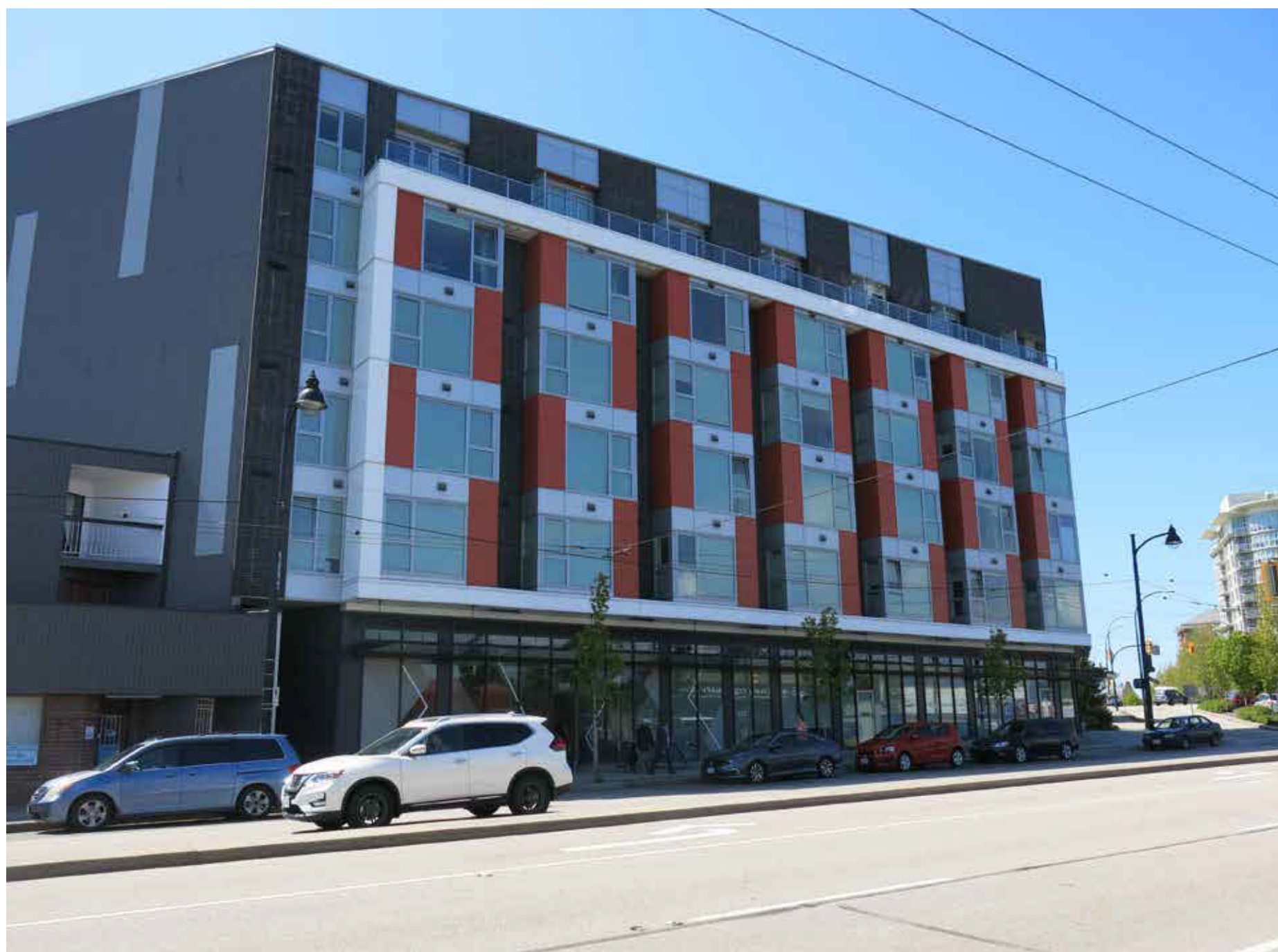


Residential Development in C-2 Zoned Areas, 2010-2018

PURPOSE-BUILT RENTAL IN C-2 AREAS



Over the past decade, the City's rental incentive programs have led to a number of purpose-built rental buildings built in C-2 zoned commercial areas. Current policy allows for buildings up to 6 storeys in these areas. The heights and building densities have varied across projects. Below are some examples of constructed purpose-built rental buildings in these areas.



1526 Kingsway

- Completed in 2017
- 6 storeys, 3.9 FSR
- Commercial space at ground level
- 77 rental housing units



388 Skeena St

- Completed in 2018
- 6 storeys, 4.0 FSR
- Commercial space at ground level
- 87 rental housing units
- Passive House










3063-3091 West Broadway

- Completed in 2019
- 5 storeys, 3.3 FSR
- Commercial space at ground level
- 71 rental housing units

ACTION AREA #1: PROPOSED APPROACH



Proposed Approach	Desired Outcomes
<p>For purpose-built rental housing, introduce a density bonus provision up to 6 storeys directly into the C-2 zoning districts, instead of through a site specific rezoning process. This approach will:</p> <ul style="list-style-type: none">• Utilize the Province’s new residential tenure zoning to allow the rental density bonus while retaining other existing allowable uses• Be applied only in C-2 zoned commercial areas outside of recent or upcoming community plans (e.g. Grandview-Woodland, Cambie, Marpole, Joyce-Collingwood Precinct, Broadway)	<div> Increase housing choice for renter households</div> <div> Streamline processes and clarify policy requirements</div>
<p>Clarify specific design and building density for particular site contexts (i.e. different street widths, lot sizes, etc.)</p>	<div> Increase housing choice for renter households</div> <div> Streamline processes and clarify policy requirements</div>
<p>Continue to require commercial retail space at ground level and introduce size and height requirements for commercial retail spaces in new rental buildings to ensure better functioning retail space</p>	<div> Enhance local shopping areas</div>
<p>Encourage sustainable near-zero energy buildings with lower embodied greenhouse gas emissions (e.g. Passive House, electric heating and hot water, etc.)</p>	<div> Respond to Climate Emergency</div>
<p>Include requirements and guidance for family housing</p>	<div> Improve livability of rental housing</div>

OTHER CITY WORK SUPPORTING BUSINESSES

New Initiatives Supporting Small Businesses

For more information on both new and ongoing initiatives: vancouver.ca/doing-business/small-business

Commercial District Small Business Study

Launched in 2019, a specialized research study examining the amount and type of change in small and independent businesses and working with key stakeholders, including Business Improvement Associations (BIAs) to identify drivers of change. The study will recommend key metrics for tracking change in the city's retail areas going forward.

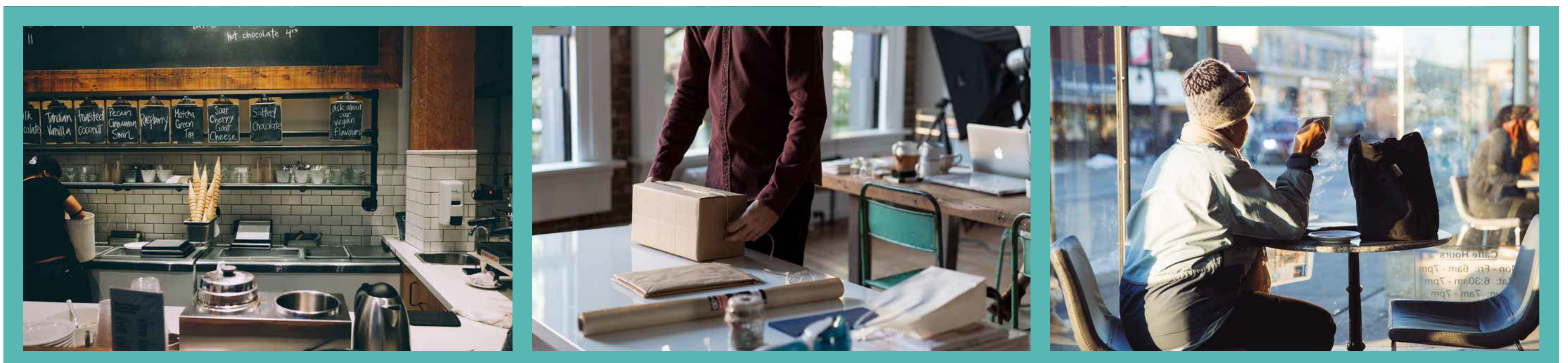
Property Assessment and Taxation

Since 2018, the City has been working with an Intergovernmental Working Group with staff from the Province, BC Assessment and other Metro Vancouver municipalities to address the rapid escalation in property assessment driven by development potential and the resulting impact on small businesses. A key recommendation is split assessment through a new commercial sub-class which requires support from the Province and is being pursued for potential implementation in time for the 2020 tax year.

Employment Lands and Economy Review

The City is developing a long-range land use policy plan to ensure an appropriate supply of land and built space for businesses and jobs is available to support future economic growth. The review will examine all of Vancouver's employment sectors including office, commercial, retail and industrial uses.

For more information: vancouver.ca/employmentlands



ACTION AREA #2

Strengthen Opportunities for New Rental Housing in Low-Density Areas Near Shopping and Transit

Housing Vancouver identified key actions that seek to transform low-density neighbourhoods to increase housing supply and variety of housing options. Current City policy allows development of purpose-built rental housing to be considered, but opportunities are limited. In Phase I of the review, our consultants recommended the City explore increasing purpose-built rental housing in low-density areas of the city. There were two primary reasons for this recommendation:

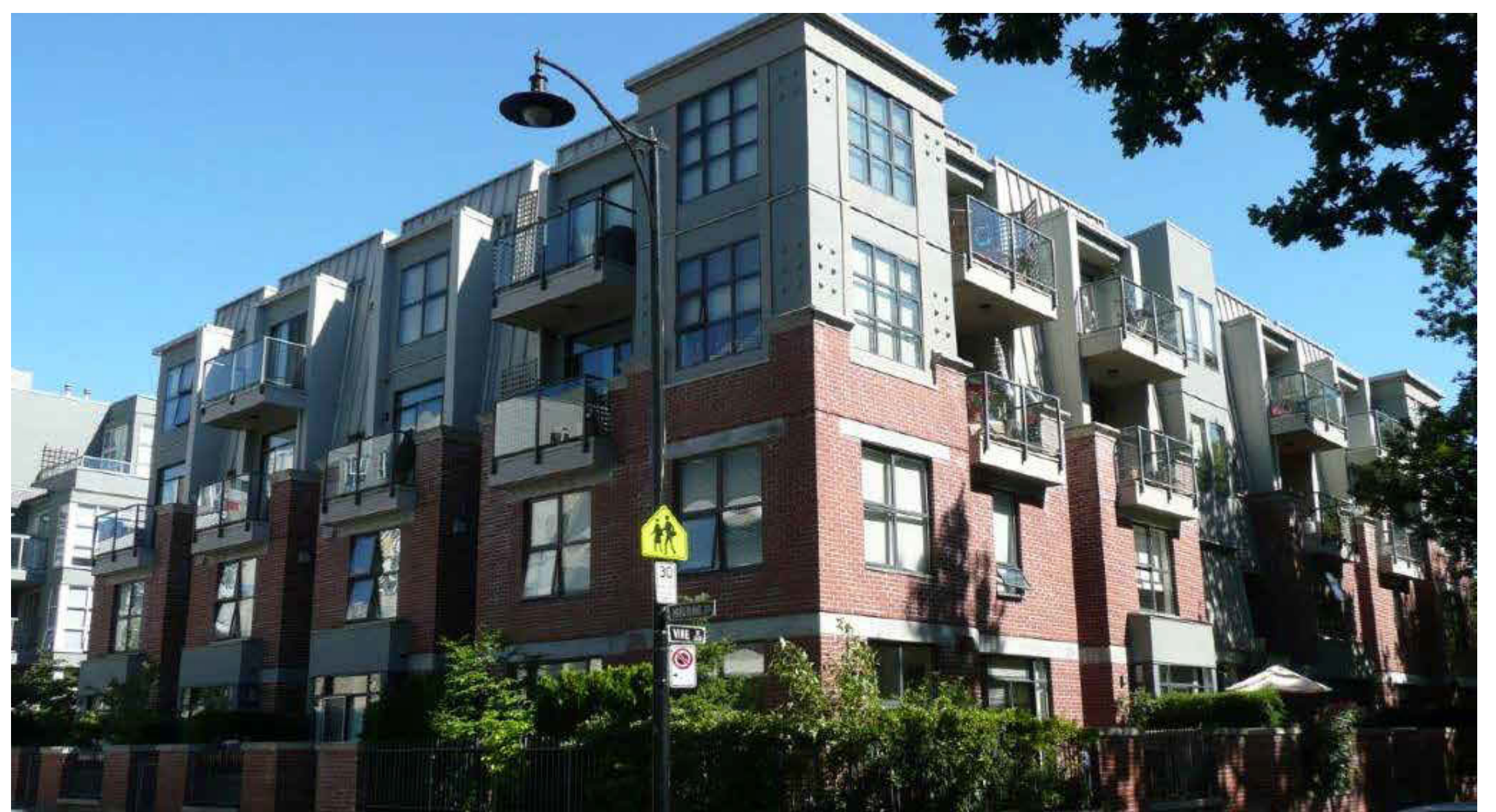
- To increase housing opportunities for renters in areas of the city where there is currently less purpose-built rental housing
- Rental housing development in low-density areas is more financially viable than in other areas of the city (e.g. multi-family areas)

Objectives

- Create a single rental housing incentive program to encourage purpose-built rental housing opportunities throughout the city to expand housing choice
- Provide more guidance and clarity on the type and size of buildings that can be considered based on locational criteria and context
- Encourage sustainable near-zero energy buildings with lower embodied greenhouse gas emissions (e.g. Passive House)
- Create more accessible housing units






What's Allowed Now?

- Current policy allows for consideration of purpose-built rental housing development near local shopping areas and on or near arterial streets that are on the Frequent Transit Network
- Policy excludes the Downtown Core and areas of the city with recent or upcoming community plans (i.e. Cambie Corridor, Marpole, Grandview-Woodland, etc.)
- Height and density depend on location and site context
- No more than two projects are allowed within 10 blocks of one another along an arterial street



ACTION AREA #2: PROPOSED APPROACH



Proposed Approach	Desired Outcomes
<p>In areas that are now eligible for rental housing under current policy, continue to consider new purpose-built rental housing (e.g. low-rise apartments up to 5 storeys), but provide more guidance around:</p> <ul style="list-style-type: none">• Location criteria (e.g. proximity to transit and daily needs)• Allowances for various site/location contexts (e.g. block and lot patterns and nearby building types)	<div><div> Diversify rental housing options</div><div> Increase housing choice for renter households</div><div> Streamline processes and clarify policy requirements</div></div>
<p>Include requirements for sustainable near-zero energy buildings and reduced embodied greenhouse gas emissions (e.g. Step 4 on BC Energy Step Code, Passive House, reduced parking requirements, etc.)</p>	<div><div> Respond to Climate Emergency</div></div>
<p>Include requirements and guidance for family housing and accessible units</p>	<div><div> Improve livability of rental housing</div></div>

ACTION AREA #3



Increase Rental Housing Options for Moderate Income Households

The *Housing Vancouver Strategy* identified that rental housing options affordable to moderate income households is a key gap in Vancouver’s current rental housing supply. To address this, the Strategy committed to introduce new programs to deliver permanently secured affordable rental housing targeted to moderate income households.

Objectives

- Deliver new rental housing with a portion of the units permanently secured at below-market rates that meet the affordability needs of households with moderate incomes
- Continue to test and demonstrate opportunities to use City incentives and tools to enable affordable rental housing without reliance on senior government subsidies

Current Approach

The Moderate Income Rental Housing Pilot Program (MIRHPP) is a new incentive program that explores opportunities to deliver new 100% rental buildings where at least 20% of the residential floor area is permanently secured at affordable below-market rates.

- The MIRHPP is designed to addresses a critical affordability gap in the local rental housing market
- Moderate income rental units are permanently secured at starting rates that match the affordability needs of local moderate income households earning approximately \$30,000 to \$80,000 per year
- Some income and eligibility criteria apply to moderate income rental units to ensure they are made available to households who need them while balancing the need to provide stability for households whose personal or financial circumstances change
- The MIRHPP currently enables consideration of up to 20 new buildings across the city. The pilot also included a limited proposal submission window that closed on July 1, 2019 and no new project proposals can currently be accepted

Maximum Moderate Income Rents and Targeted Household Incomes vs. Average Market Rents

Unit type	Moderate Income Maximum Average Starting Rent	Household Income Served (assuming 30% of income spent on rent)	2018 Average Market 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: CMHC 2018 Rental Market Report

ACTION AREA #3



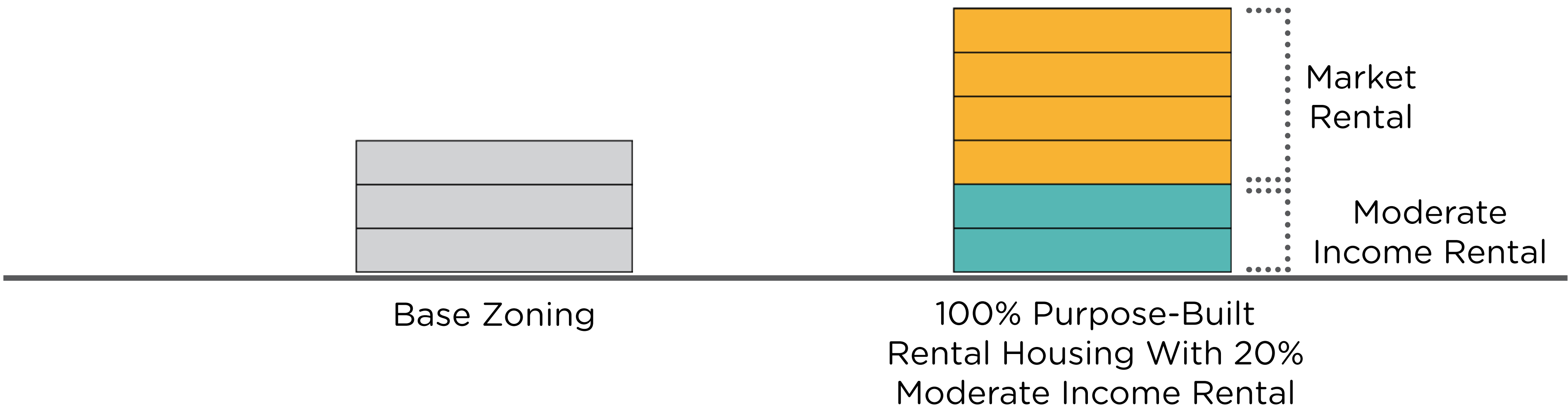
Moderate Income Rental Housing Pilot Program: Early Learnings

Project proposals under the Moderate Income Rental Housing Pilot Program (MIRHPP) are all still in the rezoning application process. However, through economic testing and City staff review of approximately 60 project proposals, staff have begun to identify early learnings.

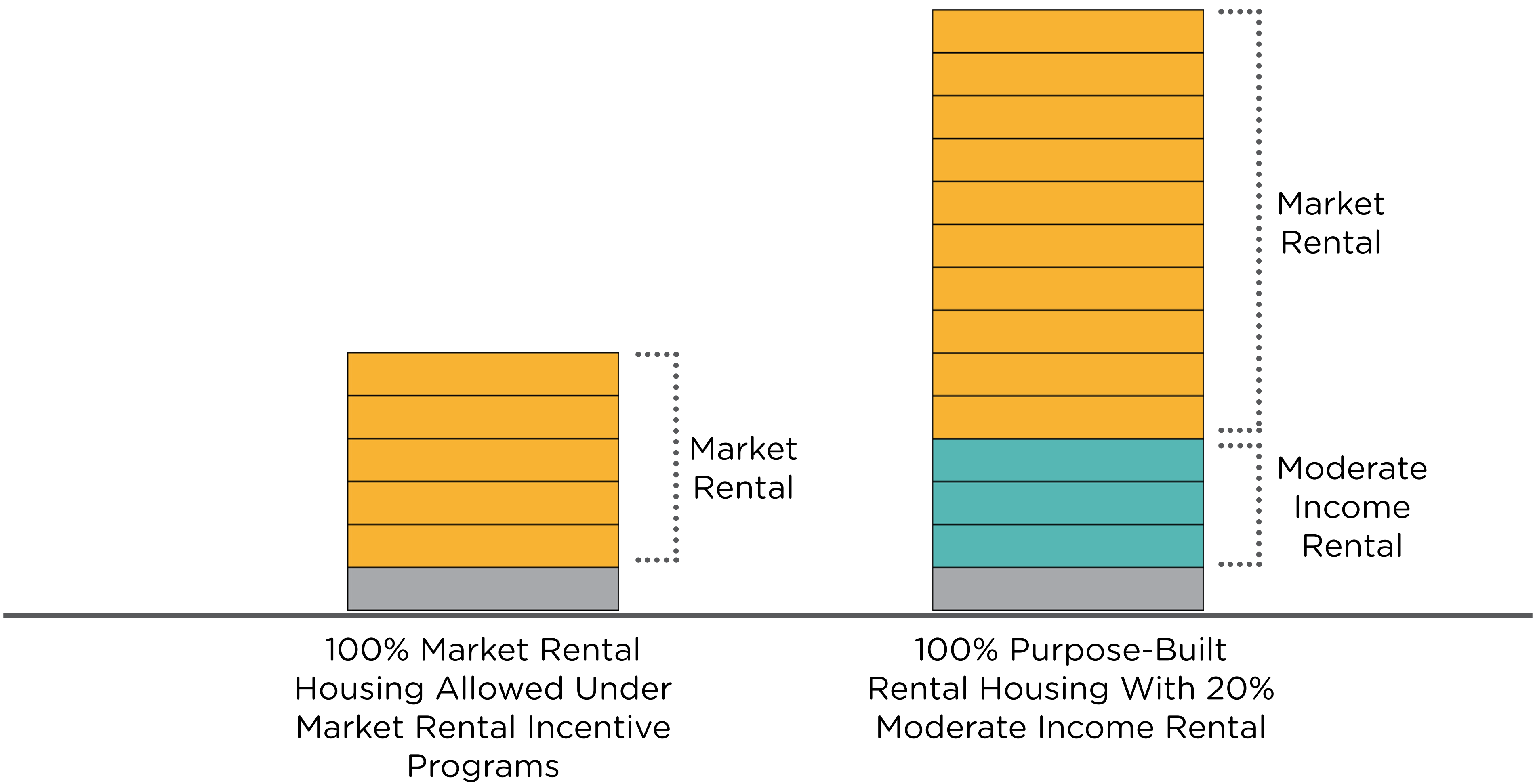
- Significant additional incentives are required to enable new rental housing to be secured at below-market rates affordable to moderate income households
- The primary incentive the City can offer to increase project viability is additional height and density

Depending on site context, substantial additional height and density may be needed. Examples include:

Residential Zones







Commercial Zones



Note: the residential zone is based on the RS-1 zoning district and the commercial zone is based on the C-2 zoning district

ACTION AREA #3: PROPOSED APPROACH



Proposed Approach	Desired Outcomes
<p>Explore opportunities to improve the Moderate Income Rental Housing Pilot Program (MIRHPP) by:</p> <ul style="list-style-type: none">• Clarifying policy requirements (e.g. affordability requirements, application processes, etc.)• Providing more clarity around project locations, heights, and densities	<ul style="list-style-type: none"> Increase housing choice for renter households Streamline processes and clarify policy requirements
<p>Seek potential opportunities to deliver more moderate income housing in strategic locations:</p> <ul style="list-style-type: none">• On major project sites• Through extension or expansion of the MIRHPP• Through existing and future community and neighbourhood plans (e.g. Broadway Plan)	<ul style="list-style-type: none"> Increase housing choice for renter households Enhance affordability of rental housing for moderate income households

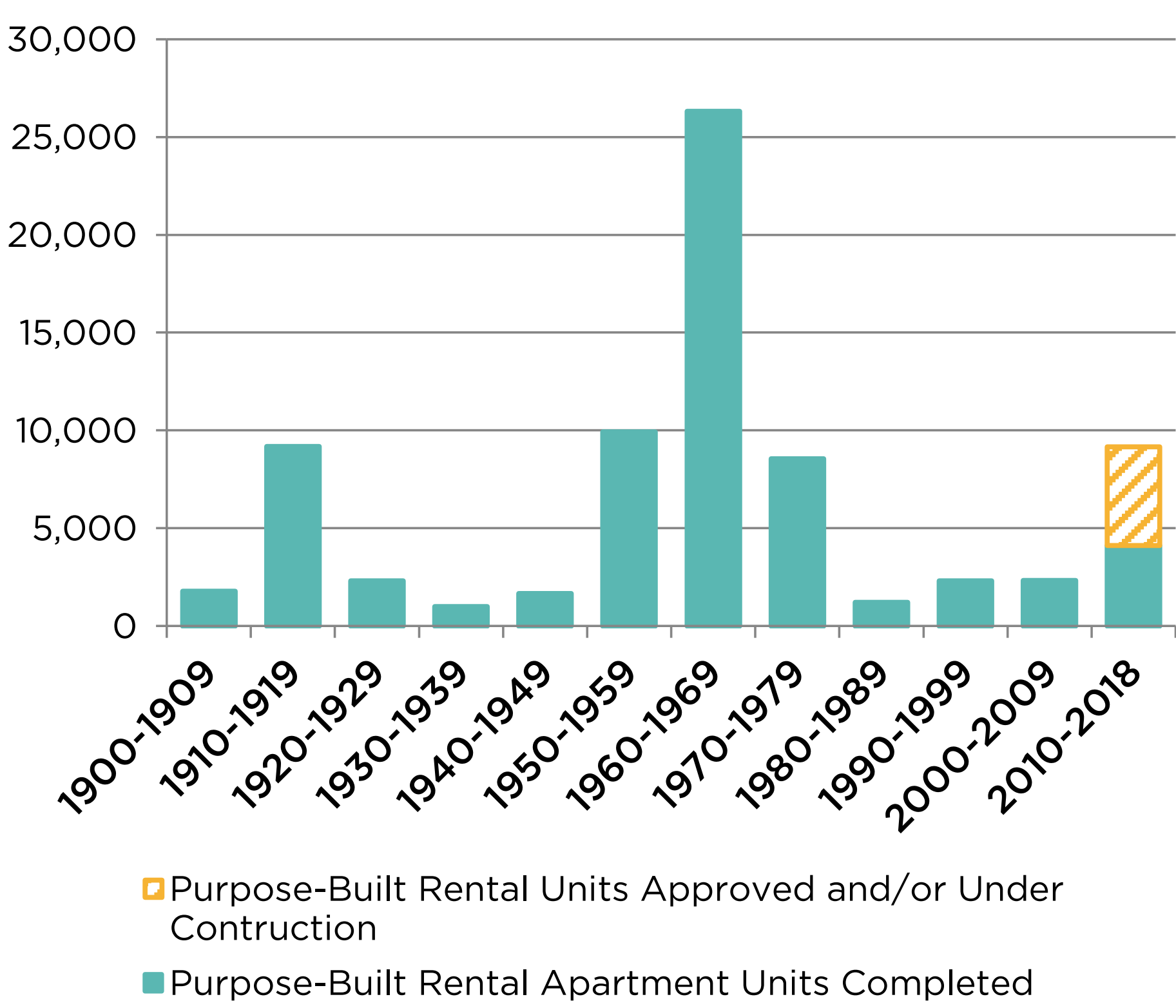
ACTION AREA #4

Encourage Reinvestment in Aging Rental Housing

Most of Vancouver’s purpose-built rental apartments were built over 50 years ago. There are almost 90,000 units of older market rental housing in the city. This housing has become more affordable over time with lower rents than what is typically seen in newer rental housing.

However, these buildings are aging and most do not meet modern seismic and energy codes. In some cases, key building systems are also reaching the end of life and require major upgrades. We have heard from owners of these buildings that many of these upgrades are costly and complex and that additional support may be needed.

Vancouver’s Purpose-Built Rental Housing Stock by Year Built



Objectives

- Incentivize upgrades to aging rental apartment buildings to extend the useful life of the building and help achieve sustainability and life-safety goals
- Protect existing renters from displacement and allow upgrades without impacts to their tenure



Current Approach

The City does not currently have specific policy to encourage reinvestment in aging rental apartments. More recently, the City has heard a need for upgrades to some aging rental buildings, which has prompted the City to explore potential actions.



ACTION AREA #4: PROPOSED APPROACH



Proposed Approach	Desired Outcomes
Form partnerships to explore a pilot program to support reinvestment of aging rental apartments while minimizing impact on existing tenants	 Protect existing affordable housing
Identify building upgrades to be included in the pilot program that help meet sustainability and life-safety goals	 Respond to Climate Emergency

OTHER HOUSING POLICY ACTIONS



In addition to the four Action Areas, there are a number of other housing policy initiatives related to the rental housing incentives review.

Development Cost Levy Waiver

DCLs are charged to new development in the city and help fund City resources, such as parks, childcare, social and non-profit housing, and engineering infrastructure. There are two types of City-wide DCLs in Vancouver: the City-wide DCL District, which is levied for affordable housing, parks, transportation, and childcare; and the City-wide Utilities DCL District, which is levied for utilities capital projects.

As an incentive to help deliver purpose-built rental housing, the City currently offers a waiver of all DCLs for rental projects that meet a set of criteria. A key finding from Phase I of the review was that the City's current suite of incentives (e.g. additional height and density, DCL waiver, minimum parking requirement relaxations) are necessary for purpose-built rental housing construction to be financially viable. The City's consultants found that additional height/density and the DCL waiver were the most important incentives.

Proposed Action:

- Continue to offer a waiver of City-wide DCLs for purpose-built rental housing projects as an incentive to help deliver new rental housing, but seek ways to improve clarity, transparency, and administration of the waiver
- Seek solutions to ensure that funding is secured for necessary City infrastructure upgrades associated with growth

Family Housing Policy and Design Guidelines

The City has policy and design guidelines to improve apartment livability for families with children, including Family Room: Housing Mix Policy for Rezoning Projects (2016) and the High-Density Housing for Families with Children Guidelines (1992). These policies provide requirements for rezoning applications proposing apartment buildings to provide 35% of units as 2 and 3 bedroom units, as well as guidance for building design to meet the needs of families.



Actions Underway:

- The City is currently in the process of reviewing family housing policy and guidelines to update and modernize the City's approach toward family housing for both renters and owners

OTHER HOUSING POLICY ACTIONS

Partnering with Senior Governments to Increase Rental Housing

Meeting the housing needs of renter households requires action from all levels of government. Actions that senior levels of government can take to help encourage new purpose-built rental housing include providing tax waivers for new rental development, providing low-cost project financing, and providing capital funding for non-profit social and supportive housing development.

Actions Underway:

- Continued discussions and partnerships with the federal and provincial governments to implement the National Housing Strategy and the BC 30-Point Housing Plan



Protecting Existing Rental Housing Stock

In addition to incentivizing new purpose-built rental housing, the City also has policy in place to protect existing rental housing. The Rental Housing Stock Official Development Plan (RHS ODP) covers specific zoning districts in the city and requires that redevelopment projects proposing 3 or more dwelling units replace every demolished rental unit. Nearly 80% of the City's purpose-built rental housing stock is located within areas covered by the RHS ODP.

Actions Underway:

- The City will continue to monitor existing rental housing stock and report key trends as part of the Housing Vancouver Annual Progress Report and Data Book
- Make protecting existing rental housing stock a key focus of upcoming community plans (e.g. Broadway Plan)



CLIMATE EMERGENCY RESPONSE



Responding to the Climate Emergency

In April 2019 City Council approved the Climate Emergency Response report to increase our efforts to tackle climate change. The report contains six ‘Big Moves’ to reduce Vancouver’s carbon pollution by building and expanding on our existing work to fight climate change.

Several of the big moves focus on actions that relate directly to new rental housing development opportunities that we are exploring through the rental review.

VANCOUVER’S RESPONSE

6 BIG MOVES



WALKABLE COMPLETE COMMUNITIES

By 2030, 90% of people live within an easy walk/roll of their daily needs.



SAFE & CONVENIENT ACTIVE TRANSPORTATION AND TRANSIT

By 2030, 2/3 of trips in Vancouver will be by active transportation and transit.



POLLUTION-FREE CARS, TRUCKS AND BUSES

By 2030, 50% of the kms driven on our roads will be by zero emissions vehicles.



ZERO EMISSIONS SPACE AND WATER HEATING

By 2025, all new & replacement heating & hot water systems will be zero emissions.



LOWER CARBON CONSTRUCTION

By 2030, the embodied emissions from new buildings and construction projects will be reduced by 40% compared to a 2018 baseline.



RESTORED FORESTS AND COAST

By fall 2020, to develop “negative emission” targets that can be achieved by restoring forest and coastal ecosystems.

+53 ACCELERATED ACTIONS

vancouver.ca/rentalhousing

CITY OF VANCOUVER

HOUSING VANCOUVER

WORKING TOWARD SUSTAINABILITY GOALS



The City's rental housing incentive programs can help contribute toward our climate emergency response in a number of different ways.

Creating More Complete Communities

By creating new purpose-built rental housing near where people work, shop, and play, we can help achieve more complete communities where residents can walk or roll to their daily needs.

What could this look like?

- New rental housing located near transit, shops, parks, services, and other amenities
- New mixed-use buildings with spaces for businesses that provide services to residents in the neighbourhood

Enabling Zero Emissions Buildings

The electricity and natural gas that our buildings use generate the majority of Vancouver's greenhouse gas emissions. A zero emissions building (ZEB) is highly energy efficient and uses only renewable energy.

What could this look like?

- Passive House
- Step 4 of BC Energy Step Code
- Electric space and water heating

Reducing Embodied Carbon

Embodied emissions from building materials such as concrete can be significant in the overall life-cycle emissions of a building. By enabling new construction that involves low levels of embodied carbon, including building designs that have less underground area built with concrete, the City can help to reduce those emissions sources.

What could this look like?

- New townhouses and small apartment buildings with no underground parking level
- Mid-size apartment buildings with only one level of underground parking

What is Passive House?

Passive House is a quality assurance certification which confirms that a building has been designed to achieve high levels of occupant comfort and energy performance.

A Passive House produces very low operating emissions relative to standard buildings and creates:

- High air quality levels
- Even temperature distribution
- Low noise levels
- Reduced heating and cooling costs

These features can be especially beneficial for buildings located on arterial roads with elevated traffic-related noise and air pollution levels.



Passive House purpose-built rental housing at 388 Skeena St

ADDITIONAL FEEDBACK?



Please use a sticky note to provide any other thoughts you have on the City's review of its rental housing incentive programs



Don't forget to take our survey on the City's rental housing incentive programs! The survey is open until September 30th.

Take the survey at

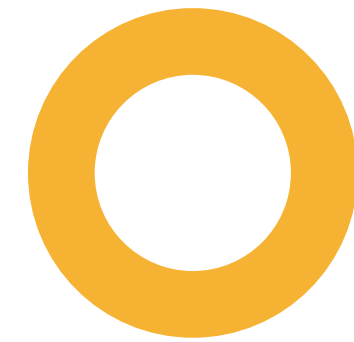
vancouver.ca/rentalhousing.

TIMELINE FOR RENTAL INCENTIVES REVIEW



PHASE I

August - November
2018



December 2018 -
June 2019

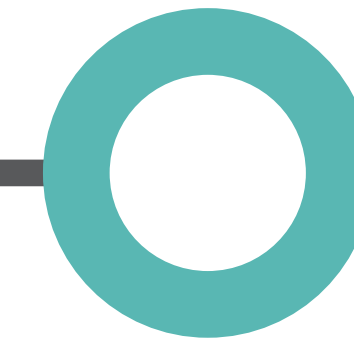


July
2019



PHASE II

August - October
2019



November
2019



January - March
2020



Early Review and Analysis

- Research and analysis
- Public & stakeholder consultation

Documenting Results of Existing Programs

- Documentation of program results by CitySpaces Consulting
- Financial testing by Coriolis Consulting

Council Update

- Overview of review to Council
- Presentation of key findings from Phase I

Policy Directions & Options

- Policy option identification and refinement
- Public & stakeholder consultation

Policy Changes and Council Decision

- Report to Council with policy recommendations
- Council decision

Implementation of Policy Changes

- Implementation of policy changes
- Public & stakeholder consultation

★ WE ARE HERE

OTHER CITY WORK UNDERWAY



City-Wide Initiatives

City-wide initiatives and policy programs underway that will influence and work with the rental incentive review to deliver on City-wide objectives.

City-Wide Plan

In November 2018, Council directed staff to work on a city-wide planning process. This process is expected to launch this year. The Rental Review is one of a number of city-wide land use policies that will feed into and be informed by the City-wide plan process.

For more information: vancouver.ca/citywideplan

Budget 2020

The City is seeking feedback from residents on priorities for City spending before the draft 2020 Budget is presented to Council in December 2019. City Council's priorities for alignment of spending for next year's budget is to maintain and improve core services that meet the daily needs of residents. Four additional priorities will also guide development of departmental service plans and budgets:

- Address affordability and the housing crisis
- Protect and build our economy
- Increase focus on diversity and critical social issues
- Accelerate action on climate change

For more information: vancouver.ca/budget

Broadway Plan

In June 2018, Council approved the terms of reference for a two-year planning program to develop a comprehensive area plan for Broadway, generally between Clark Drive and Vine Street. The Plan will focus on opportunities to integrate development around the Millennium Line Broadway Extension (Broadway Subway) to support the City's goals of creating affordable housing, job space, social and cultural amenities, and environmental sustainability.

For more information: vancouver.ca/broadwayplan