



The Vancouver Plan

Action while planning:

Amendments to the Zoning and Development By-law
to Increase Rental Housing in the C-2, C-2B, C-2C,
and C-2C1 Commercial Districts

July 23, 2020.

Planning
Vancouver
Together

RTS #13645

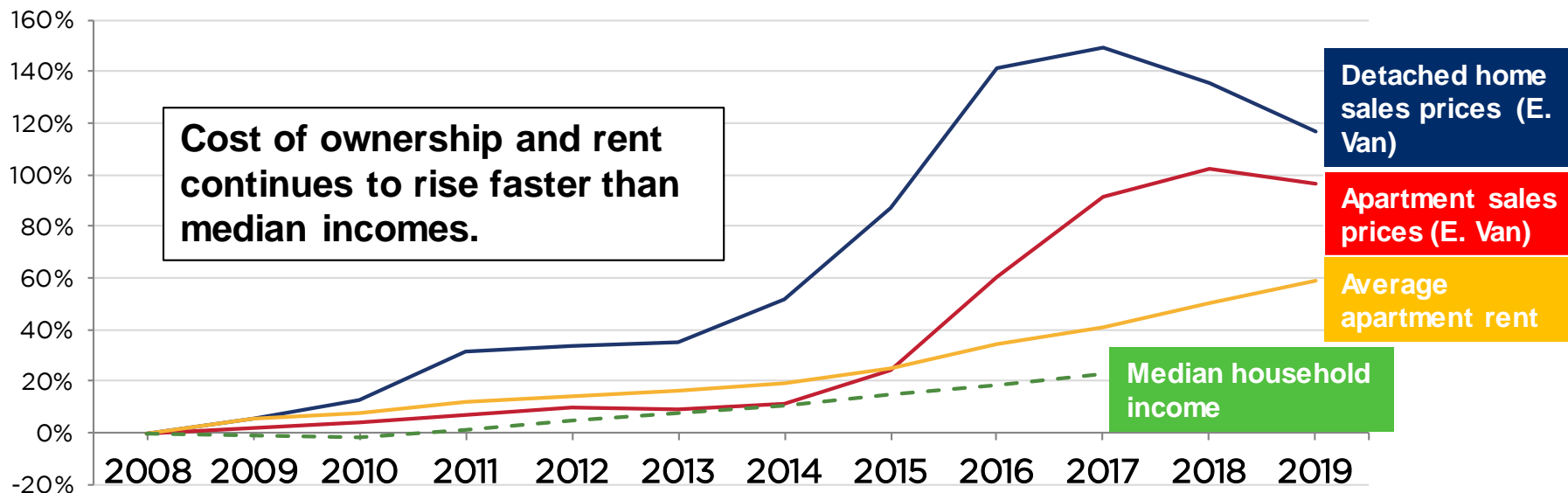
Vancouver's Rental System



The majority of Vancouver households are renters

- **53% of Vancouver households are renter households**
- **This trend is increasing, the cost of home ownership has increased even further from local incomes**

Percentage change in housing costs and median household income from 2008 levels, 2009-2019



* Source: Benchmark prices from MLS Home Price Index. All data for Vancouver East in October of each respective year.

** Source: CMHC 2018 Rental Market Report.

*** Source: Statistics Canada Income Statistics Division, 2016. Median Income is shown for all family units

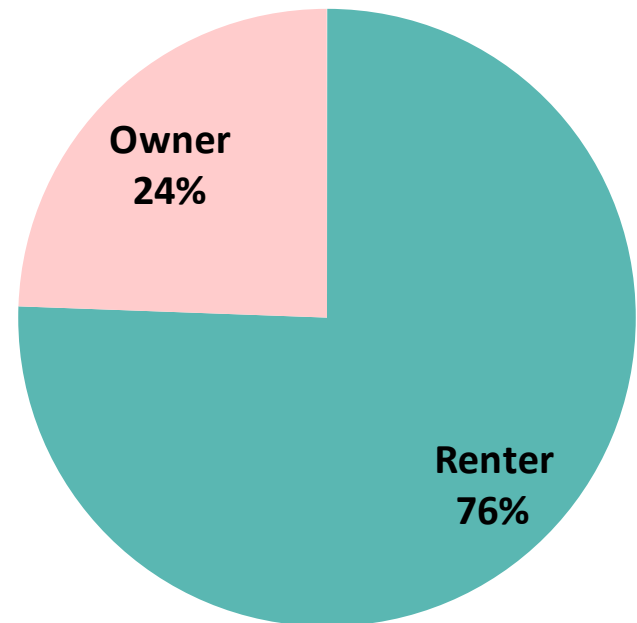
For all data, increases are from 2008 levels.

The number of renter households is increasing

This trend is increasing, as renters account for 76% of net new households in Vancouver



Net New Households by Tenure, 2011-2016

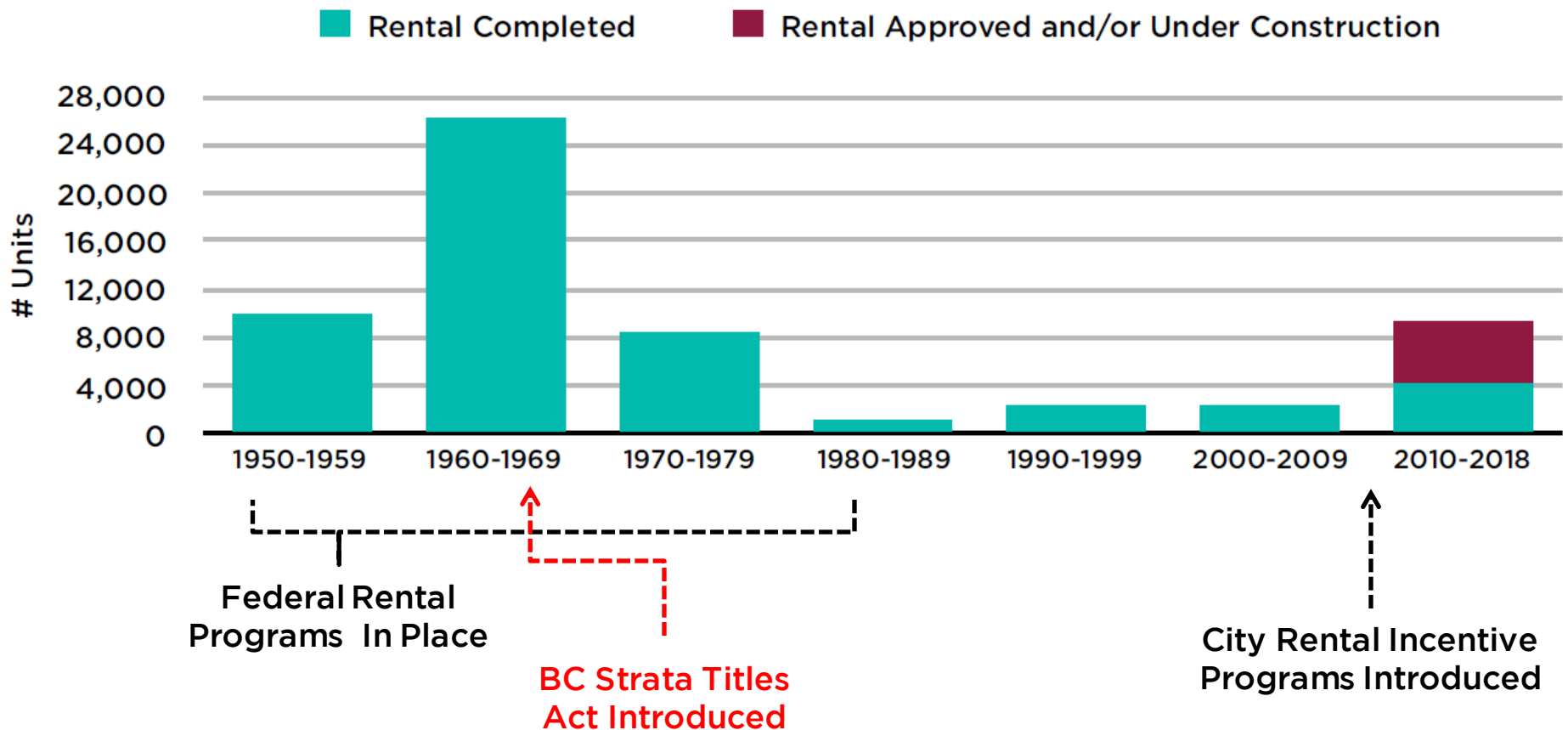


Source: Statistics Canada Census and National Household Survey

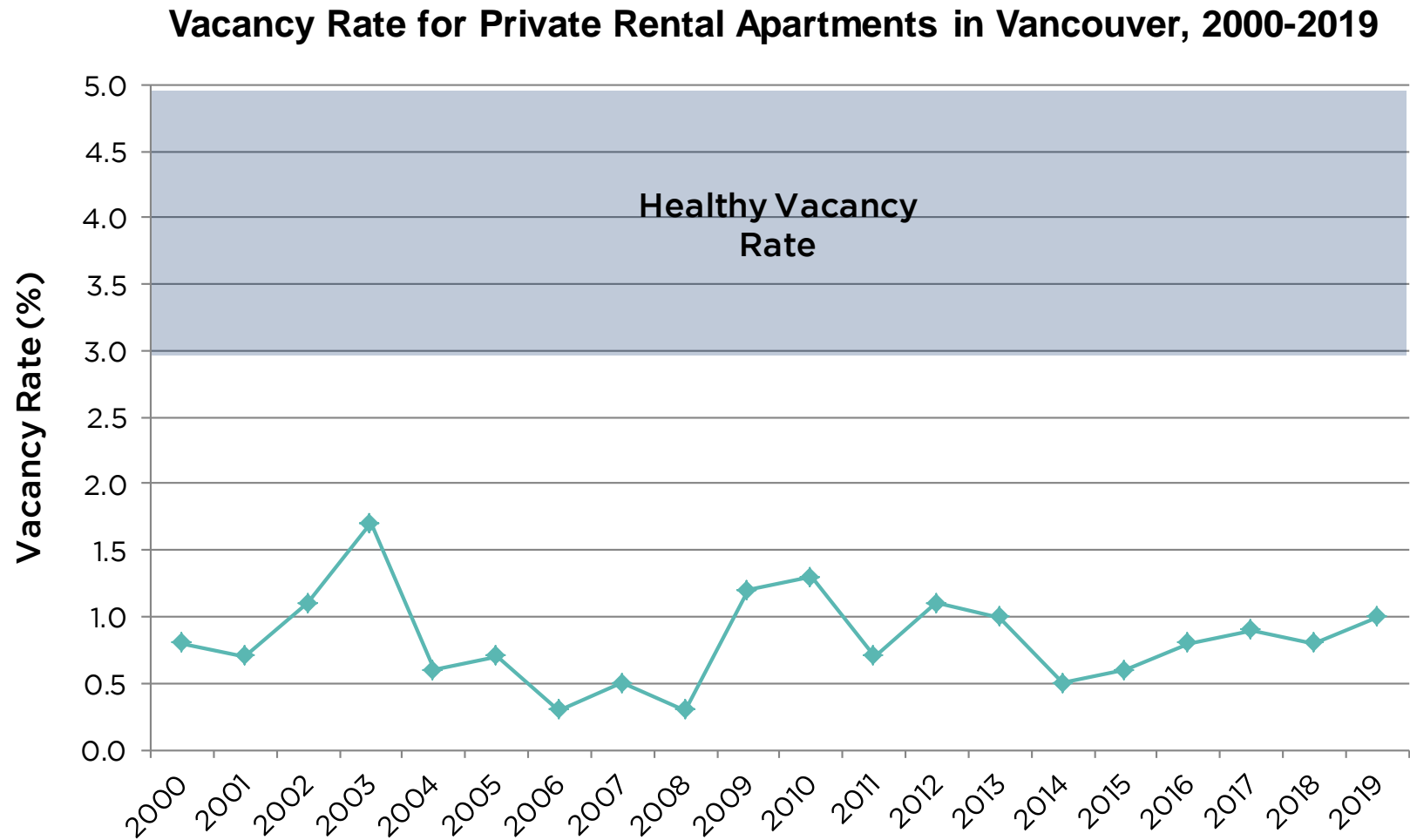
Note: Renter household proportion of net new households is calculated by dividing change in # of renter households by change in # of total private households

Very little new rental housing supply until recently

Historic Rental Housing Construction in the City of Vancouver



Persistently low rental vacancy rates



Housing Vancouver 10 Year Strategy



- Action to address speculation & support equity
- Support vulnerable residents
- Protect & retain the existing rental stock
- Shifting our new housing supply to the 'Right Supply'

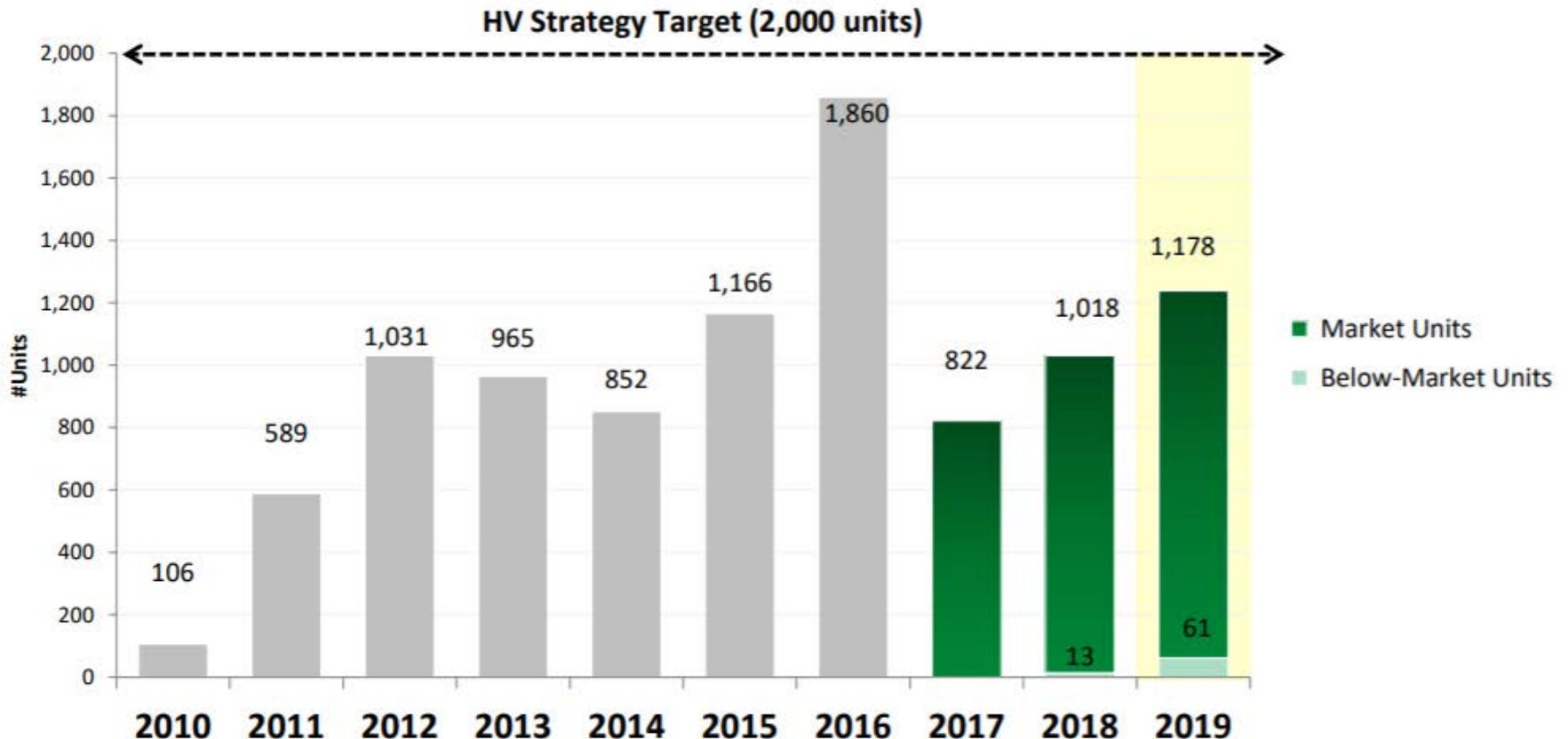
The 'Right Supply' is rental, including social and supportive housing with targets distributed across income levels to reflect who lives in Vancouver:

1. **12,000** new social/supportive units over 10 years
2. **20,000** new market rental units over 10 years
3. **35%** of housing is for families (2 & 3 bedroom units)



City is falling short of its rental housing targets

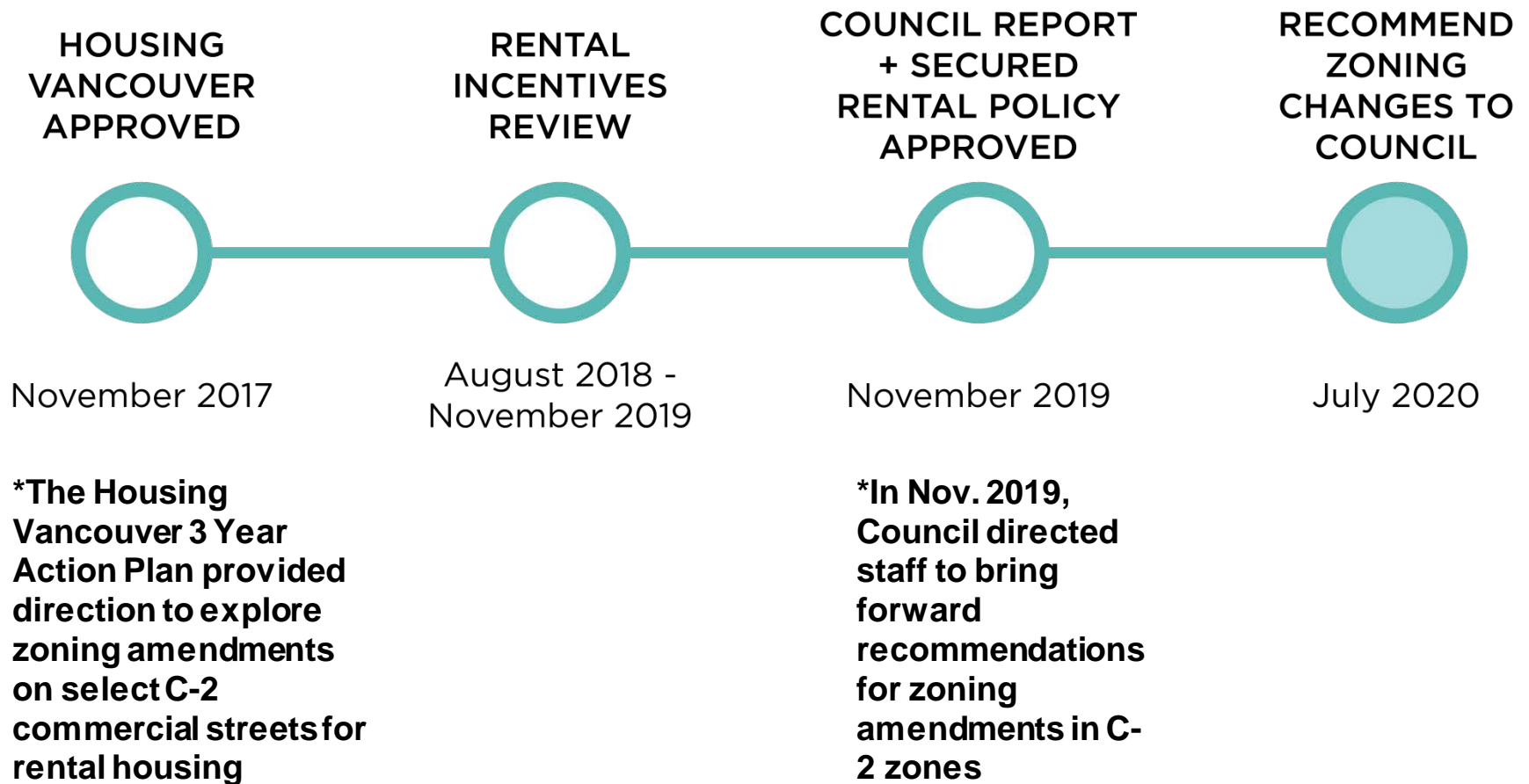
After 3 years, the City has approved only 15% of its purpose-built rental housing target – approximately half the pace needed to achieve 10 year targets



Policy Development – Timeline and Engagement



Timeline



Rental Incentives Review: Engagement

Staff conducted a comprehensive historical review of the City's rental incentive programs. This included two consultant reports and extensive public and stakeholder consultation.

Post occupancy survey

Survey of residents in recent rental buildings

Intercept survey

Pedestrian survey outside recent rental buildings

Talk Vancouver survey

Over 3,250 respondents

Open houses

Two open houses on the west side and the east side

Stakeholder workshops

Workshops with CoV RAC, UDI, and BIAs

Rental Incentives Review

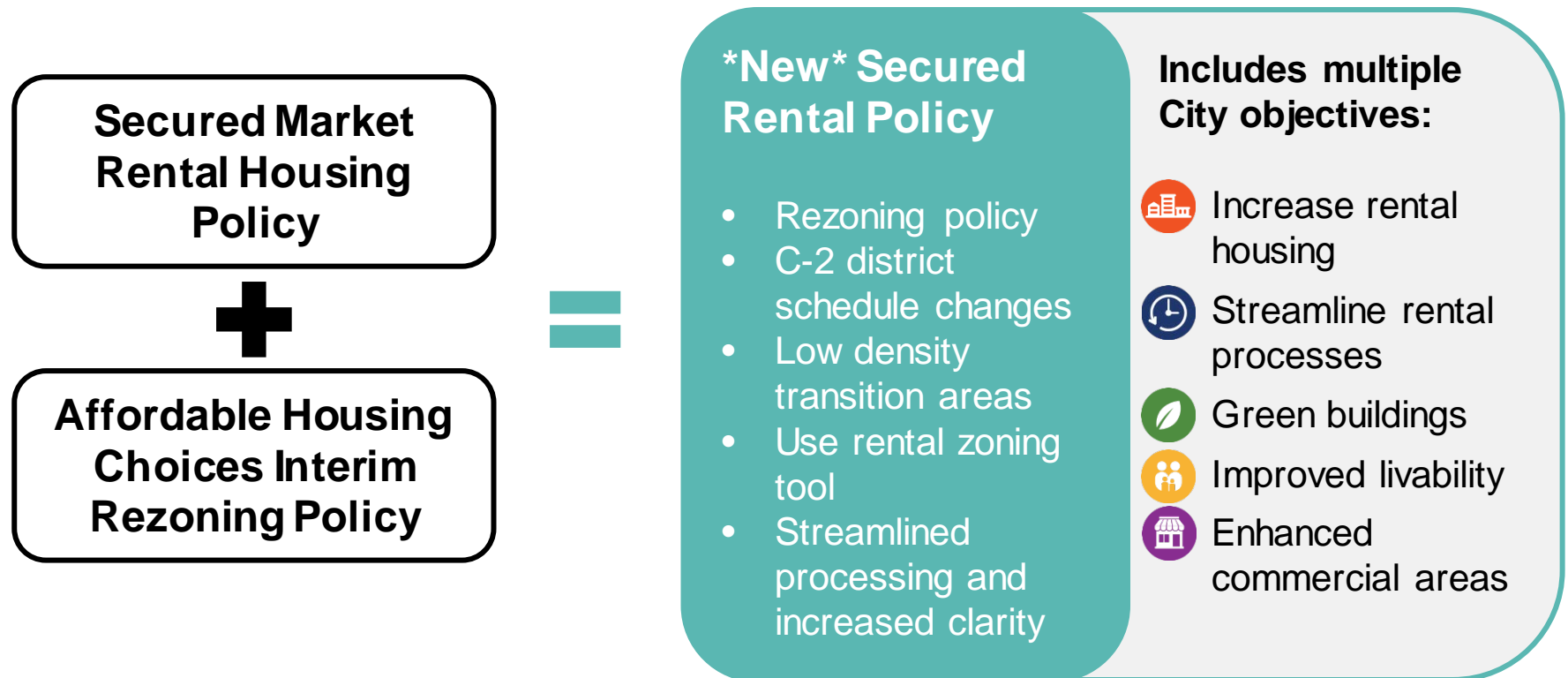


Rental Incentives Review: Key Findings

- Desire from residents for more purpose-built rental housing options
- Incentives are necessary to construction of rental housing viable
- Simplifying and shortening the development process for rental housing would help create more new rental homes
- Renters face challenges finding rental housing due to persistently low vacancy rates
- Desire for spatial equity and purpose-built rental housing options located in all areas of the city
- Measures to achieve deeper affordability are important – residents are willing to see taller/denser buildings to help create more affordable units



Council approved the new Secured Rental Policy



Secured Rental Policy approved



Improved Implementation of Rental in C-2 Areas

Approach Over Past Decade

Rezoning Process for C-2 Rental Development

RZ application: 9-12 months
DP application: 6-9 months



New Secured Rental Policy Direction

Unique Allowances for Rental Housing Enabled by Zoning

DP application: 6-9 months

- Ten years of learnings
- Over 25 projects approved
- ~1,500 new rental units

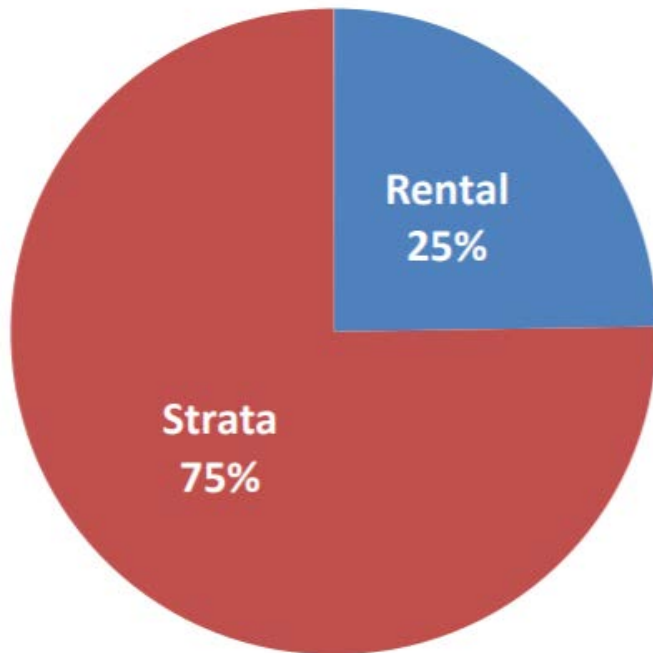
Secured Rental Policy approved



The majority of development in C-2 areas has been strata condominiums

Over past years, the majority of mixed-use development in C-2 areas has been strata condo development built under existing zoning allowances.

Distribution of mixed-use projects by tenure in C-2 zones by percentage of projects, 2009-2018



Source: Google Maps

Documents we are proposing to amend

- Zoning & Development Bylaw to include a new definition of residential rental tenure zoning
- C-2, C-2B, C-2C, and C-2C1 District Schedules
- New 6-storey design guidelines for C-2 rental buildings and amendments to the existing C-2 design guidelines
- Consequential amendments to the Secured Rental Policy to align with the proposed C-2 zoning changes



**Implementation of
Secured Rental Policy**



Proposed C-2 Zoning Amendments: Engagement

In the spring of 2020, Staff consulted the public and stakeholders on implementation of the Secured Rental Policy. Engagement was focused on proposed zoning changes in C-2 areas and proposals for new rental housing rezoning opportunities in low density transition areas.

Public information sessions

6 information sessions across the city

Online comment forms

Opportunity to provide comments online, as well as at information sessions

Stakeholder workshops

Workshops with CoV RAC, VCPC, UDI, BIAs, local architects\

Implementation of Secured Rental Policy



Proposed C-2 Zoning Amendments: **What We Heard**

The public had mixed opinions, but many were generally supportive of the proposed zoning changes.

Common supportive comments

- There is a need for new rental housing options
- These changes will help expedite delivery of new rental housing
- This will help enable renters to live near shops and services

Common concerns

- Shadows and impacts on shopping streets
- Building design and pedestrian interest
- Impacts on businesses
- Loss of neighbourhood character

What we heard from other stakeholders

- General support for measures to create more rental housing
- Desire for more building height and density than what is proposed
- Desire for flexibility in zoning to enable multiple different design approaches

**Implementation of
Secured Rental Policy**



Talk Vancouver Survey – Support for 6 Storey Rental in C2

We surveyed members of the public in 2019, asking them what they thought about the City's rental incentive programs.

- 85% believed there is a need to build more purpose-built rental in the city.
- 77% agreed that rental housing up to 6-storeys in C-2 was appropriate without a rezoning
 - *Appropriate places to build medium density development*
 - *Support for walkable communities*



Summary of Proposed Zoning Amendments



Goals of Proposed C-2 Zoning Amendments

The proposed zoning changes are intended to help achieve the targeted outcomes of the Secured Rental Policy, while also addressing public and stakeholder feedback that we heard during consultation.

Includes multiple City goals:

-  Increase rental housing
-  Streamline rental processes
-  Green buildings
-  Improved livability
-  Enhanced commercial areas



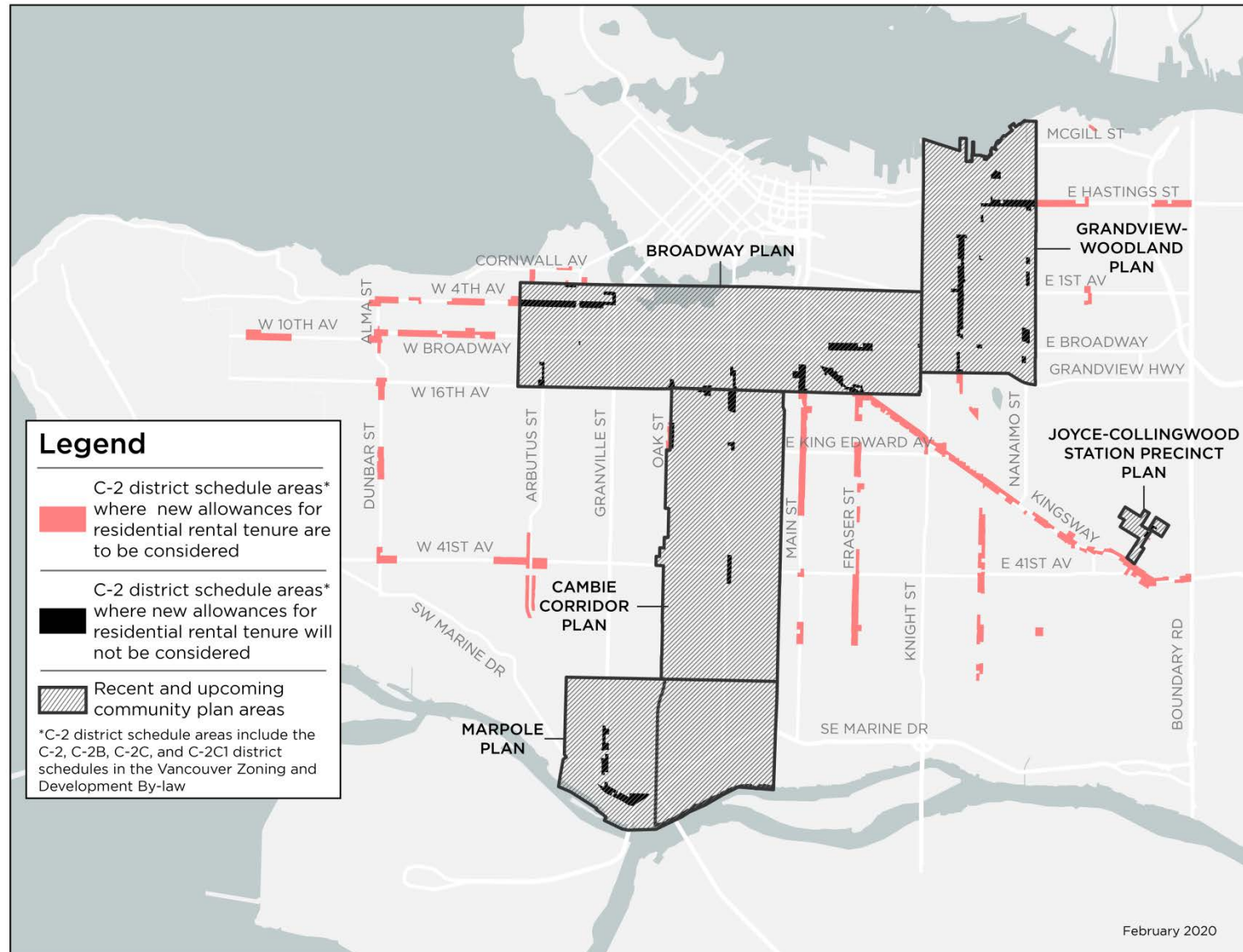
Proposed C-2 Zoning Amendments: Design Testing

The City retained Perkins + Will Architects to perform design testing for the draft C-2 zoning amendments. Testing results provided insights to inform the proposed C-2 zoning amendments. Perkins + Will's main findings were:



- **Simplified building forms with fewer building steps can help achieve the City's desired outcomes**
 - achieve green building objectives;
 - improve residential livability; and
 - enable wood-frame construction
- **Flexibility to enable multiple design solutions is important to help address unique site conditions**

Where the C-2 Zoning Changes for Rental Housing Apply



Encourage Rental Housing – Additional Height and Density

Current Approach

- Zoning enables 4 storey mixed-use buildings and up to 2.5 FSR*
- For rental housing, 6 storey mixed-use buildings are considered through a rezoning process, generally between 65 ft. and 80 ft. in building height

*Maximum density in C-2C and C-2C1 zones is 3.0 FSR

Proposed Approach

- Enable mixed-use development up to 6 storeys for rental housing, with a maximum density of 3.5 FSR and 3.7 FSR on larger corner sites and a maximum height of 22.0 m (72 ft.)
- Maintain current allowances for 4 storey development for mixed-use development where the residential portion is not rental

Rationale



Encourage new rental housing in response to help address lack of rental housing identified through public consultation



Increase clarity for rental development to help expedite processing



Create walkable complete communities to respond to the climate emergency

Simplify Building Forms

Current Approach

- In the C-2 zoning district, multiple building step backs are required at the rear of the building
- For 6-storey rental rezonings, the City has typically required a building step back at the front for the building and multiple building step backs at the rear of the building

Proposed Approach

- Require only a single building step at the rear of the building for upper storeys, 4.5 m (15 ft.) from the property line
- On narrow arterial streets where shadowing impacts are most significant, a building step may be required at the front of the building

Rationale



Encourage rental housing by reducing complexity of regulations



Enable sustainable, simplified, wood-frame buildings



Respond to public comment to reduce shadowing on local shopping streets

Ensure Solar Access

Current Approach

- No standardized approach to maintaining solar access and street enclosure for rental rezoning projects

Proposed Approach

- On narrower streets, require the upper portion of the building to be setback further from the property line
- Where the requirement applies will be mostly on arterials running east and west where shadow impacts are greater.

Rationale



Minimize shadowing and street enclosure to help respond to public concerns over impact to shopping streets

Help Meet Climate Emergency Objectives

Current Approach

- No green building requirements under existing C-2 zoning
- For 6-storey rental rezonings, the Green Buildings Policy for Rezonings applies

Proposed Approach

- Require green building standards for rental buildings
 - Passive House OR
 - Zero emissions heating/hot water, as well as energy efficiency requirements
- Enable simplified building forms which make it easier to achieve green building standards

Rationale



Work toward addressing the City's climate emergency

Create Flexibility in Design Approaches

Current Approach

- Multiple building setback requirements which reduce flexibility in building design

Proposed Approach

- On sites with typical depths, the allowable building envelope exceeds the maximum FSR allowance, which enables multiple building design approaches
- Enable additional building height (extra 7 ft) where greater commercial ceiling heights are provided
- Consideration for building height relaxations on sloping sites, as specified in the design guidelines

Rationale



Enable flexibility in design approaches to respond to different site conditions and objectives



Help enhance local shopping streets by providing flexibility for different types of commercial spaces

Enhance Public Realm and Shopping Streets

Current Approach

- Minimum front yard setback of 0.6 m (2 ft.) in C-2 zoning districts
- Typically seek greater setbacks for sidewalk widening for rezonings

Proposed Approach

- Minimum front yard setback of 2.5 m (8 ft.) for sidewalk widening
- On narrower streets, require the upper portion of the building to be setback further from the property line
- Guidance on articulating building frontages to maintain pedestrian interest

Rationale



Improve public realm through sidewalk widening



Minimize shadowing and street enclosure to help respond to public concerns over impact to shopping streets

Create Functional Commercial Spaces

Current Approach

- No portion of the 1st storey of a building to a depth of 10.7 m (35 ft.) shall be used for residential purposes
- In some C-2 zoning districts, a minimum of 0.35 FSR must be non-residential use

Proposed Approach

- Require a minimum of 0.35 FSR non-residential use at the ground level facing the street
- No portion of the 1st storey of a building to a depth of 10.7 m (35 ft.) shall be used for residential purposes
- Added building height enabled for higher commercial ceiling heights

Rationale



Help enhance local shopping areas by requiring commercial space minimums

Improve Residential Livability

Current Approach

- No family unit requirements under existing C-2 zoning
- For rental rezonings, a minimum of 35% of all units must be family units



Proposed Approach

- Require 35% of all units to be family units
- Encourage shared amenity spaces on the rooftop by considering height relaxations (for elevators, amenity rooms, etc.)
- Enable courtyard buildings to increase amenity spaces

Rationale



Ensure a diversity of different residential unit types



Encourage high quality shared amenity spaces



Enable building forms that have good residential livability

First Use of Residential Rental Tenure Zoning in Vancouver

Staff are proposing to add a definition of “residential rental tenure” to the Zoning & Development Bylaw. This definition includes market rental housing, social housing, and co-op housing.

In C-2 zoning districts, Staff are proposing to use this definition of residential rental tenure to provide unique allowances for rental buildings.

Add Definition of Residential Rental Tenure

- Market Rental Housing
- Social Housing
- Co-op Housing



Apply to C-2 Zoning Districts

- Apply residential rental tenure zoning in C-2 zoning districts to provide unique allowances for residential rental tenure buildings



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Other Minor C-2 Changes for all Development

- Intended to align form of development with the changes for rental housing
- Apply to all other development in C-2 zones (C-2, C-2B, C-2C, C-2C1) including in community plan areas
- No changes to the allowable density



Summary of Proposed Zoning Changes for All C-2 Development

	Current Zoning	Proposed Amendments
Density	<ul style="list-style-type: none"> Maximum of 2.5 FSR in C-2 and C-2B Maximum of 3.0 FSR in C-2C and C-2C1 	<ul style="list-style-type: none"> No change to overall density 0.35 FSR must be non-residential
Building Height	<ul style="list-style-type: none"> Maximum building height varies between 10.7 m (35 ft.) and 12.2 m (40 ft.) throughout various C-2 zoning districts In each zone, increases in maximum building height may be considered by Director of Planning or Development Permit Board Maximum conditional building height in C-2B is 15.3 m (50 ft.), in C-2C and C-2C1 is 13.8 m (45 ft.) 	<ul style="list-style-type: none"> No change to base maximum heights Allow building height relaxation to 15.3 m (50 ft.) in all C-2 zones provided the first storey facing the arterial street has a minimum floor-to-floor height of 5.2 m (17 ft.)
Front setback	<ul style="list-style-type: none"> In C-2, C-2C, and C-2C1, minimum setback of 0.6 m (2 ft.) and no setback requirement in C-2B 	<ul style="list-style-type: none"> Minimum setback of 2.5 m (8 ft.) for all C-2 zones
Rear setback	<ul style="list-style-type: none"> In C-2 zoning district, minimum setback of 0.6 m (2 ft.) and no setback requirement in C-2B, C-2C, and C-2C1 	<ul style="list-style-type: none"> Minimum setback of 1.5 m (5 ft.) for all C-2 zones

Related Issues



Concern over an Increase in property values

Despite greater heights and densities offered for rental housing in C-2 areas, the **proposed zoning changes are not anticipated to have an impact on existing property values.**

Financial Testing:

- The City engaged a consultant to perform financial testing for C-2 properties
- The consultant tested rental development at the general heights and densities being considered



Findings

Even with rental incentives, the most valuable property use in C-2 areas is generally the existing commercial property use or development of strata condominiums allowed by current zoning.

Commercial Spaces

During consultation, we heard concerns from the public about commercial spaces, including:

- Affordability of commercial spaces due to increasing lease rates and property taxes
- Displacement of businesses due to redevelopment; and
- The types of commercial spaces being provided in new buildings.



These topics are being addressed through the Employment Lands and Economy Review and Vancouver Plan. Staff anticipate a report to Council in Fall 2020, which will provide a review of options for supporting commercial tenants during redevelopment.

Extension of Rental Housing Stock Official Development Plan to C-2 Zones

In November 2019, Council directed staff to extend the Rental Housing Stock Official Development Plan (RHS ODP) to C-2 zones. The RHS ODP currently applies in certain multi-family zones and requires 1:1 replacement of all rental units which are demolished.

Next steps

This requires additional work items that are distinct from the recommendations being proposed today. Staff are commencing work to extend RHS ODP to C-2 zones, including analysis, financial testing, and engagement with the public and stakeholders. A report back to Council is anticipated for later in 2020

Alignment with proposed C-2 zoning amendments:

- An extension of the RHS ODP to C-2 areas would not have any impact on the proposed zoning changes being considered.
- Generally, the number of existing rental units in C-2 areas is quite small – this means that redevelopment for rental housing will almost always result in greater than 1:1 replacement of any rental units.

When will the Proposed Zoning be Effective?

Effective Enactment of Amended C-2 Zoning – September 30th

The rezoning option for C-2 projects under the Secured Rental Policy will be closed

POLICY TRANSITION PERIOD

Existing Applications under the C-2 district schedules can continue to be processed under the “old rules”

Instream rezoning applications and enquiries will continue to be processed.

This By-law is to come into force and take effect on **September 30, 2020**, except that it does not come into force or take effect and the C-2 District Schedule existing on *[one day prior to date of enactment]* remains in force with regard to any development permit applications accepted prior to *[date of enactment]*.



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Questions Received from Council

Thank you

