



REFERRAL REPORT

Report Date: October 20, 2020
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Meeting Date: November 3, 2020

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TO: Vancouver City Council
FROM: General Manager of Planning, Urban Design and Sustainability
SUBJECT: Amendment to the Rental Housing Stock Official Development Plan

RECOMMENDATION

THAT the General Manager of Planning, Urban Design and Sustainability be instructed to make an application to amend the Rental Housing Stock Official Development Plan (RHS ODP) By-law and to amend the RM-2, RM-3, RM-3A, RM-4, RM-4N, RM-5, RM-5A, RM-5B, RM-5C, RM-5D, RM-6, and FM-1 District Schedules of the Zoning and Development By-law, to allow for one for one replacement of existing rental housing units required by the RHS ODP on another site that was subject to the RHS ODP before it was rezoned to allow for replacement housing, and is adjacent to the contiguous area of the zoning district of the site that requires the replacement housing;

FURTHER THAT the application be referred to public hearing;

AND FURTHER THAT the Director of Legal Services be instructed to prepare the draft by-law to amend the Rental Housing Stock Official Development Plan By-law generally as set out in Appendix B for consideration at public hearing.

REPORT SUMMARY

This report includes recommendations to enable consideration of innovative proposals to achieve rental replacement in zoning districts covered by the Rental Housing Stock Official Development Plan (RHS ODP) without displacement of existing tenants. This involves a minor amendment to the RHS ODP to clarify the types of rental replacement situations enabled under the RHS ODP and is aligned with the intent of the RHS ODP to ensure replacement of existing rental in the same area with no net loss of rental housing.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

- Rental Housing Stock Official Development Plan (2018)
- RM-2, RM-3, RM-3A, RM-4, RM-4N, RM-5, RM-5A, RM-5B, RM-5C, RM-5D, RM-6, and FM-1 District Schedules

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The City Manager and General Manager of Planning, Urban Design, and Sustainability recommend approval of the foregoing.

REPORT

Background/Context

Over half of Vancouver households are renters and typically earn low to moderate incomes; the 2015 median renter household annual income was approximately \$55,000 per year compared to approximately \$88,000 per year for median owner households. Vancouver's existing purpose-built rental housing stock consists of approximately 70,700 rental homes and is generally more affordable than other forms of market housing such as ownership or new market rental. The City's ten-year housing strategy, Housing Vancouver, provides direction to retain and renew existing rental housing as a core approach to ensuring the 'right supply' of housing in the city, alongside initiatives to create rental housing affordable to a diverse set of incomes.

The Rental Housing Stock Official Development Plan (RHS ODP) is an important tool to enable the retention and renewal of Vancouver's existing purpose-built rental housing stock. The RHS ODP achieves this by requiring one-for-one replacement of existing rental housing units in certain RM, FM and CD-1 zoning districts. The replacement rental units are required to be in the same zoning district as the existing rental building to achieve a no net loss of existing rental housing in the area. Approximately 54,900 units of rental housing are covered under the RHS ODP, or 78 percent of the total rental stock as of 2018. The RHS ODP has been successful in protecting against loss of this crucial existing rental supply. Despite facing redevelopment pressures in recent years, the RHS ODP has prevented loss of purpose built rental housing, with a net gain of approximately 3,500 units in areas protected by the RHS ODP from 2010 to 2018.

Strategic Analysis

The City has received an application under the Broadway Plan Interim Rezoning Policy to rezone 349 East 6th Avenue in the Mount Pleasant neighbourhood to permit the development of a residential building with 82 social housing units for seniors, families and people living with disabilities. The property is currently developed with a 23-unit strata-titled residential building. All units have been sold to the applicant and they are in the process of dissolving the strata corporation in accordance with Provincial regulations. This property is part of a land swap partnership with Brightside Community Homes Foundation, a non-profit housing provider, BC Housing and the applicant. The second property in this land swap partnership is 325 East 6th Avenue, which is currently owned and operated by Brightside and contains 36 existing social housing units.

Figure 1: Site locations and context

The applicant and BC Housing have acquired 349 East 6th Avenue for the purposes of developing a new social housing building to replace the aging two-storey wood frame social housing building currently located at 325 East 6th Avenue. The partnership agreement would involve Brightside purchasing the new building at 349 East 6th Avenue upon completion and relocating their existing tenants at 325 East 6th Avenue into the new building, which would be owned and operated by Brightside. The applicant would then acquire the property at 325 East 6th Avenue from Brightside.

The RHS ODP requires one-for-one replacement of existing rental housing units in new developments of three or more units in certain RM, FM and CD-1 zoned areas of the city. The RHS ODP applies to the Brightside property at 325 East 6th Avenue, which is within the RM-4 zoning district and contains 36 existing social housing units. 349 East 6th Avenue is also zoned RM-4, however the RHS ODP does not apply as the property contains all strata ownership housing and no existing rental housing units.

Currently the RHS ODP language requires one-for-one replacement of existing rental units either “on the site or in the same zoning district.” Rental replacement on a site “in the same zoning district” could mean replacement happens on a site other than the site that contained the original rental housing but is still in the same area. The rationale for this allowance is to provide for rental replacement proposals that contribute to the expansion of the existing rental housing stock without the eviction or displacement of existing tenants while ensuring no net loss of rental units in the area.

In typical rental replacement scenarios, existing tenants would have to move out and find other appropriate rental housing while the new building is constructed before they could return to a new unit. This lengthy process could result in tenants waiting five years or more. The process of being served an eviction notice and moving is hugely disruptive to tenants and often involves being forced to move out of their neighbourhood which can further impact their established community connections, and access to services and amenities. They will also face challenges in finding alternate rental housing options which are affordable and suitable (e.g. pet friendly or with enough bedrooms for their household size) given Vancouver's extremely tight rental market where rental vacancy rates have been persistently below 1 per cent. By enabling proposals that can replace rental housing on a nearby site that does not displace existing renters, these challenges can be avoided while enabling renewal and expansion of the existing rental stock.

The proposed application for 349 East 6th Avenue meets and exceeds the one-for-one rental replacement requirement by proposing 82 new social housing units to replace the 36 existing units. The application also meets the intent of the RHS ODP of replacing the existing rental units on a property "in the same zoning district," in this case RM-4. However, as the application for 349 East 6th Avenue is required to proceed through a rezoning process, which would change the existing zoning of the site from RM-4 to a CD-1 zone, the existing language in the RHS ODP is not sufficient to cover this situation. If this proposal did not require a rezoning, it would fully comply with the existing RHS ODP without the need for an ODP amendment.

To address this technicality, staff are proposing a minor amendment to the RHS ODP to clarify that rental replacement is allowed on a site which was originally in a zoning district that is subject to the RHS ODP, but has required a rezoning in order for rental replacement to occur. This approach will still ensure that the existing rental units are replaced within the same neighbourhood to achieve a no net loss of existing rental housing in the area. Staff consider this a minor amendment and do not see any risks associated with the proposed amendment.

The proposed amendment to the RHS ODP and the corresponding changes required to the relevant district schedules and zoning and development bylaws are contained in Appendix A and B of this report. Staff propose that the amendment to the RHS ODP would take effect on December 8, 2020 and would apply to new projects going forward, including the proposal for 349 East 6th Avenue. Should this amendment to the RHS ODP not be approved, then the proposed redevelopment of 349 East 6th Avenue would be at variance with the RHS ODP, and in contravention of section 563(2) of the Vancouver Charter, so staff would have to reconsider the status of that application.

Ongoing monitoring of the rental stock, including net loss, additions, and affordability, will continue to be reported out to Council annually as part of the Housing Vancouver Progress Report. Additional work around rental replacement without displacement of existing tenants is anticipated through the Vancouver Plan and Broadway Plan.

Financial Implications

There are no financial implications.

CONCLUSION

The City has received an application to replace existing social housing on 325 East 6th Avenue as required by the Rental Housing Stock Official Development Plan (RHS ODP) on an adjacent

site at 349 East 6th Avenue without displacement of existing tenants. The proposal meets the intent of the RHS ODP to enable one-for-one rental replacement “on the site or in the same zoning district”. However, because the application for 349 East 6th Avenue is required to proceed through a rezoning process that would change the existing zoning of the site from RM-4 to CD-1, the existing language of the RHS ODP is not sufficient to cover this situation. To address this situation, staff recommend a minor amendment to clarify the types of rental replacement situations enabled under the RHS ODP while ensuring that replacement of existing rental occurs in the same area with no net loss of rental housing.

It is particularly important to enable options for rental replacement and addition of new rental units without displacement of existing tenants during this time when the global pandemic has resulted in significant job and income loss, which has disproportionately affected low-income renter households. If approved, this amendment will enable consideration of future applications for rental replacement through innovative approaches that avoid tenant displacement in the redevelopment process.

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