Streamlining Rental

Amendments to the C-2, C-2B, C-2C and C-2C1 Zones and Creation of New Rental Zones for Rezonings in Surrounding Low Density Areas

Public Hearing
November 2, 2021

CITY OF VANCOUVER | Vancouver Plan

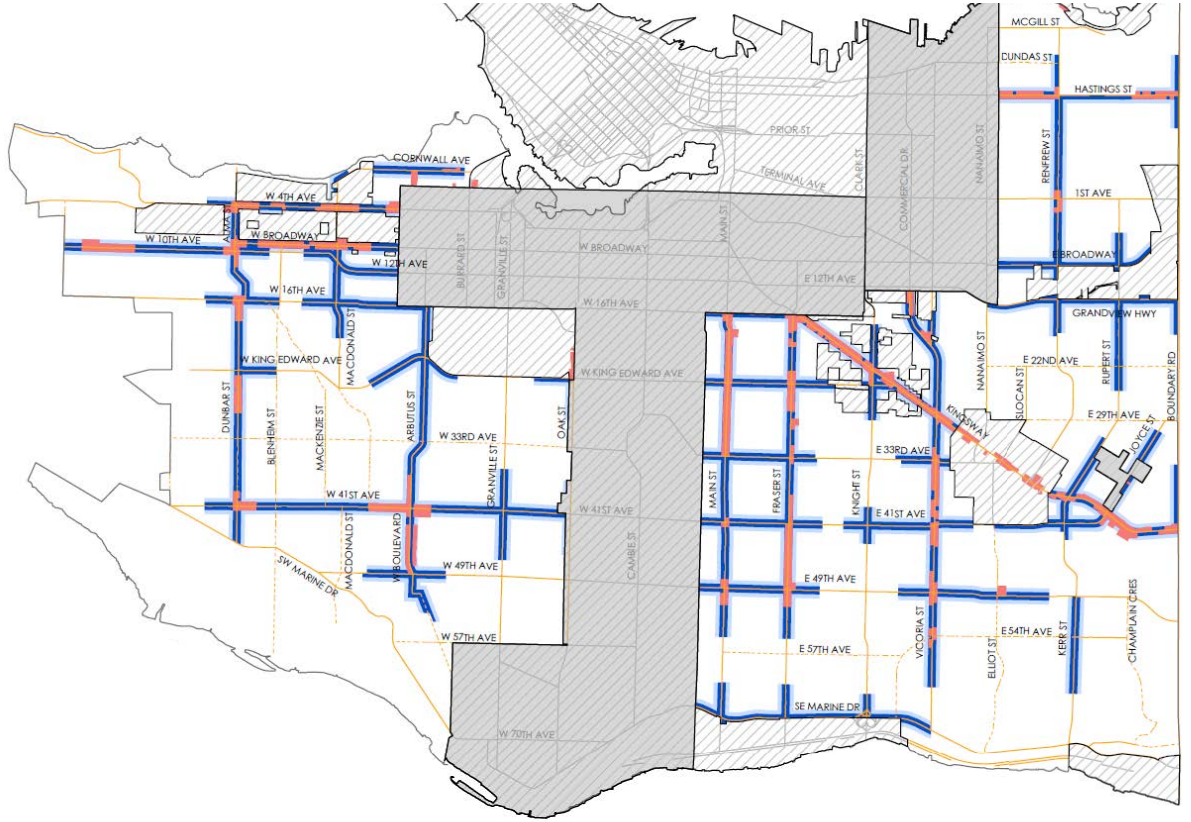
Streamlining Rental - Summary of Proposal

1. Amend the **C-2, C-2B, C-2C, and C-2C1 zones to allow 6 storey rental buildings** without a rezoning, *and minor amendments to C-2 zoning for all new development to align with the proposed changes for rental*

2. Add **new standard rental district schedules** for use in future rezoning applications under the Secure Rental Policy in low density areas

3. Consequential changes to the **Secured Rental Policy** to the locational criteria for low density areas

Locating Rental Housing Near Shopping & Transit



C-2 areas eligible for 6 storey rental under development permit

Areas eligible for rezoning: RS & RT sites on and off arterials

CITY OF VANCOUVER | Vancouver Plan

Where Did This Initiative Come From?

Secure Rental Policy (November 2019)

Rental 100

+

Affordable Housing Choices Interim Rezoning Policy

=

Secured Rental Policy (Nov. 2019)

Key Implementation Actions:

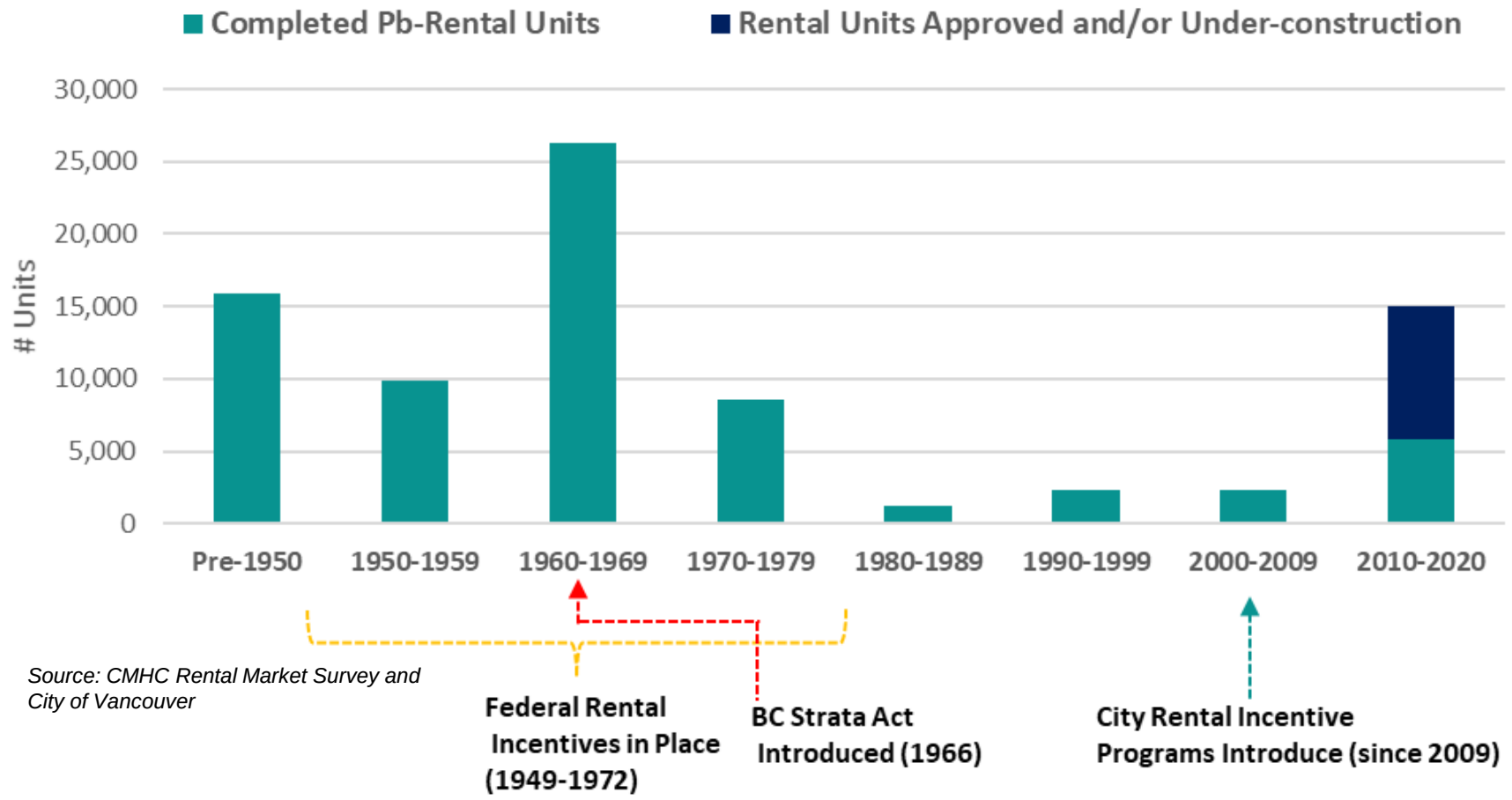
- Process improvements for projects in C-2 and low density (RS & RT) areas

Vancouver Plan Quick Starts Action Report (July 2021)

- Council directed staff to report back on the Streamlining Rental work with proposed by-law amendments for consideration at a public hearing in Fall 2021

Little New Secured Rental Housing Built in Recent Decades

Historic Rental Housing Construction in the City of Vancouver, 1950-2020



Source: CMHC Rental Market Survey and City of Vancouver

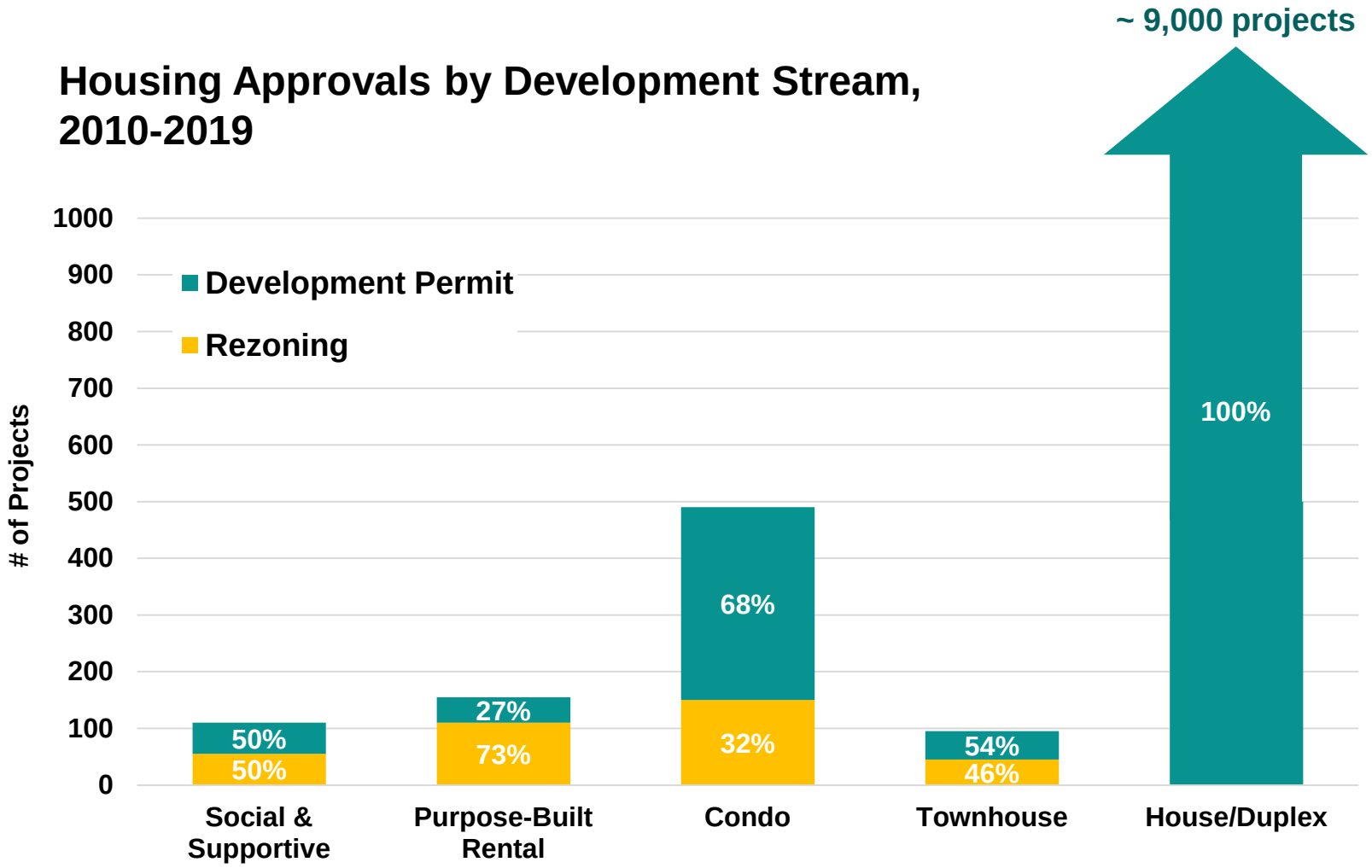
Limited new supply has contributed to **very low vacancy rates**

- 0.9% average over the last 30 years
- Healthy vacancy rate considered to be 3% minimum

Planning Vancouver Together

City Approvals Processes Favour Ownership Housing

Housing Approvals by Development Stream, 2010-2019



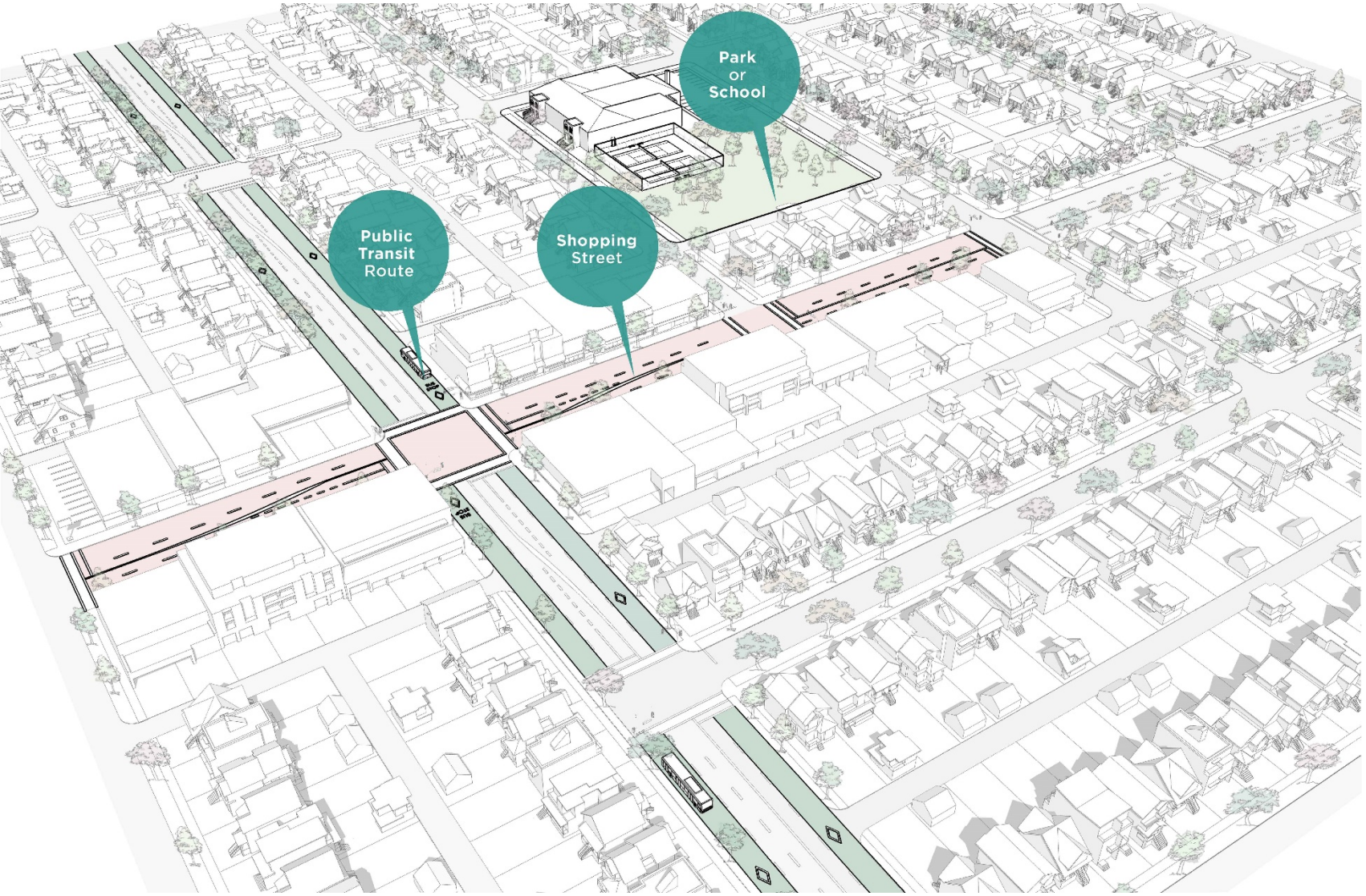
Provincial Expert Panel on Housing Supply and Affordability: Critical need to streamline and speed up approvals

Planning Vancouver Together

Streamlining Rental Near Local Shopping Areas and Daily Needs

CITY OF VANCOUVER | Vancouver Plan

Where are changes proposed?



Outside of recent or ongoing community planned areas

- **In C-2 zones**
- **In RS and RT zones in close proximity to daily needs including:**
  - Neighbourhood shopping nodes (generally zoned C-2),
  - Public transit, and
  - Parks or schools

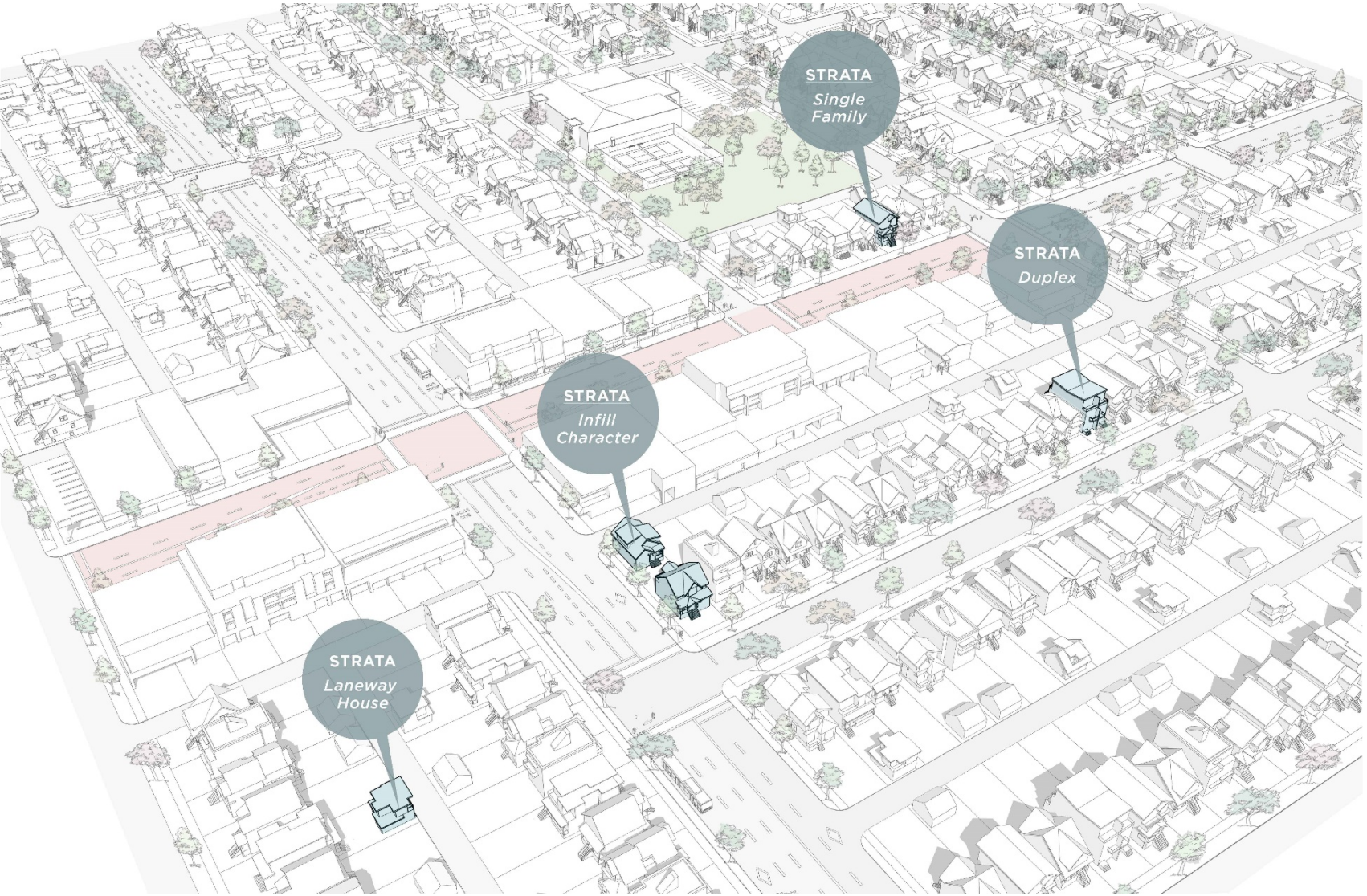
What is currently being built?

SHOPPING STREETS (C-2)

Strata 4-storey mixed-use buildings

Rental 6-storey mixed-use buildings through rezoning

What is currently being built?

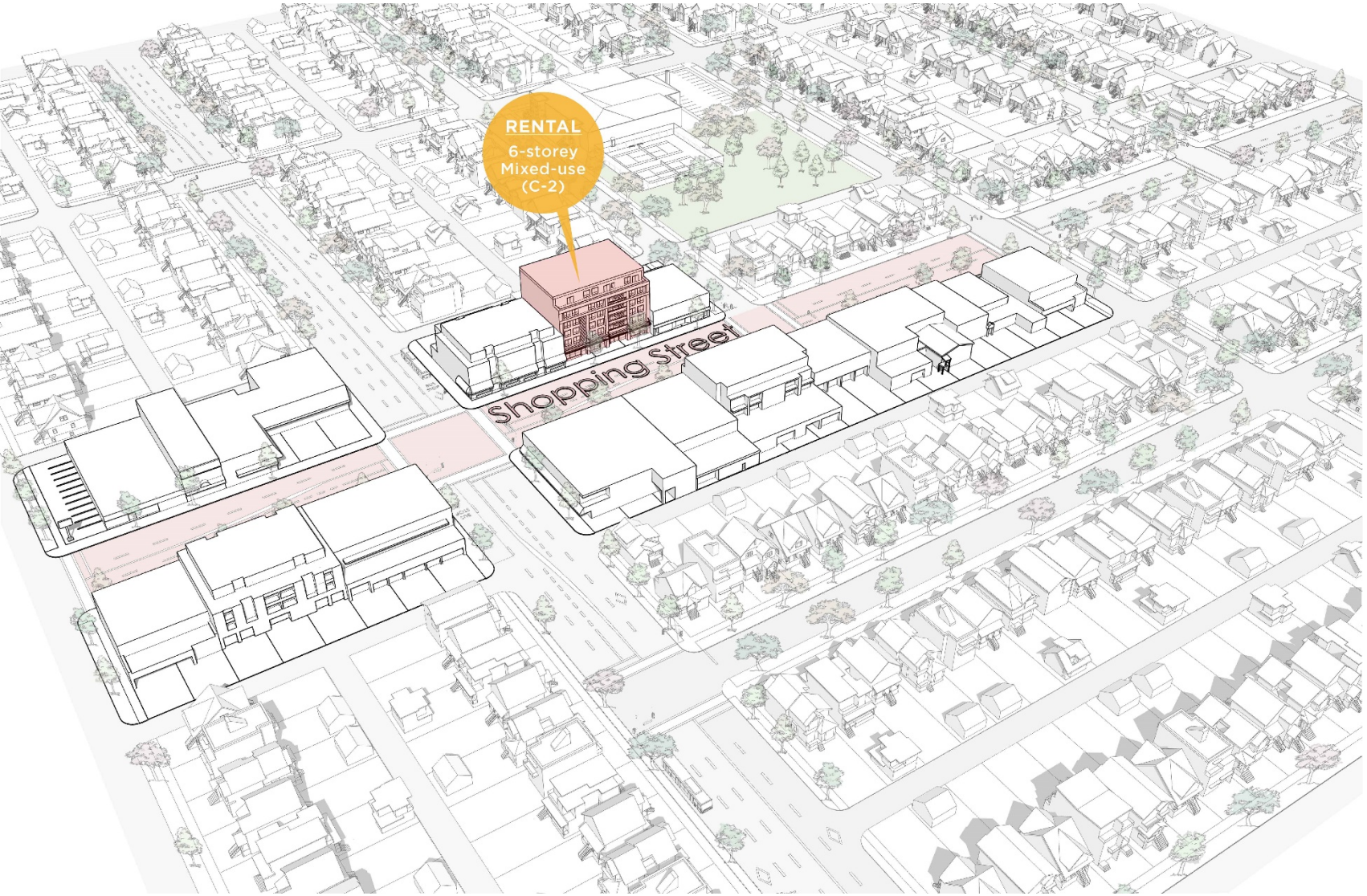


LOW DENSITY AREAS (RS/RT)

Mostly one-for-one replacement of single family houses, with some:

- Laneway Houses
- Duplexes
- Character Infill (Coach Houses)

What is being proposed?



SHOPPING STREETS (C-2)

Zoning changes to enable **6-Storey Rental Mixed-use Buildings** without rezoning

Enhanced Public Realm

- Wider sidewalks
- Weather protection
- Shadowing mitigation

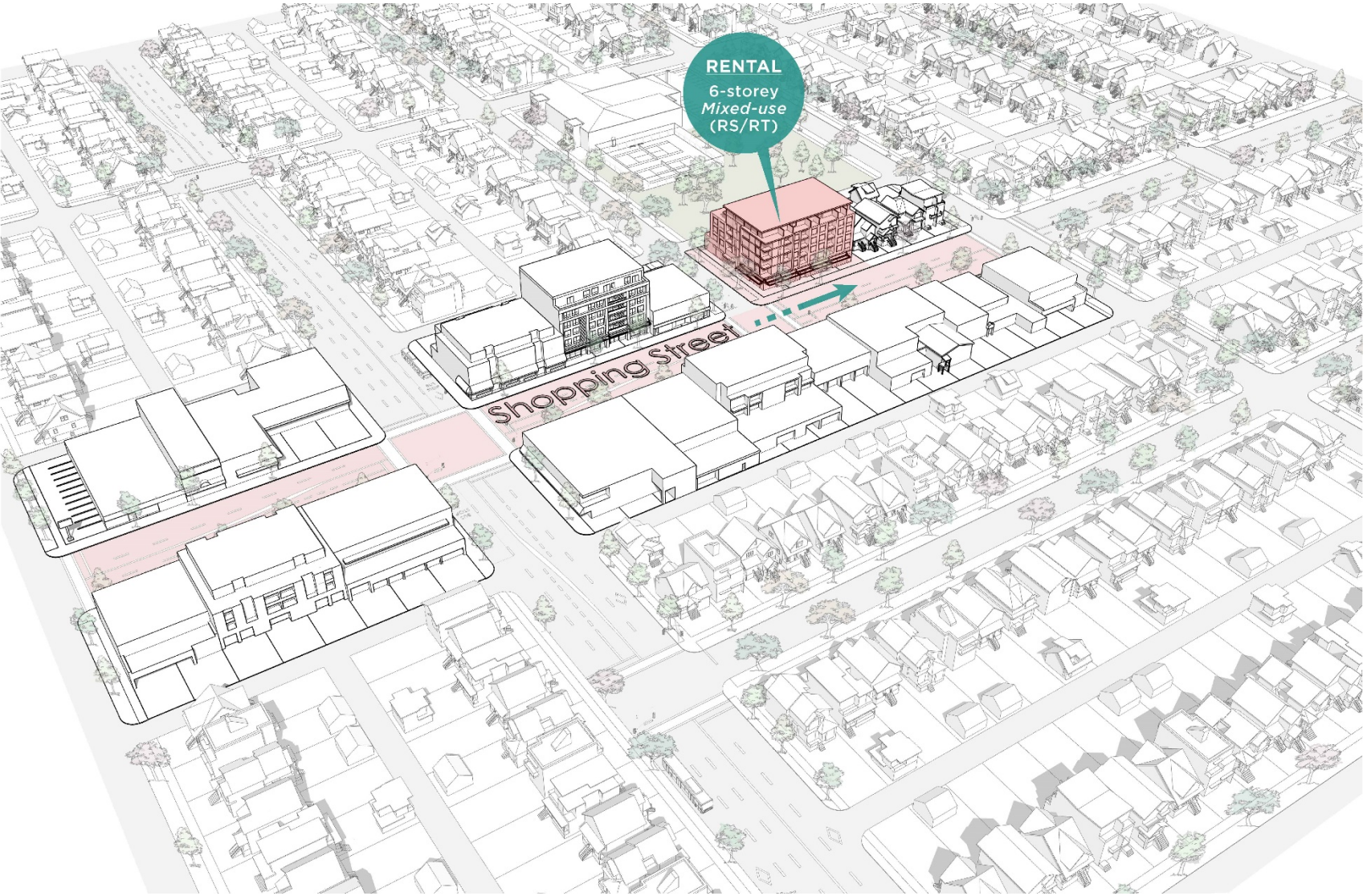
Greener Buildings

- Simpler buildings (less stepping)

Strengthened Shopping

- Higher ground floor heights
- Minimum commercial space requirements (0.35 FSR)
- Higher customer base to support local businesses

What is being proposed?



SHOPPING STREETS (RS/RT)

New standard rental zones to simplify future rezonings for **Rental Mixed-use Buildings**

- 4 storeys
- 6-storeys, if providing 20% of units below-market rents

Additional Benefits

- Extended commercial nodes with greater retail opportunities

What is being proposed?

ARTERIAL STREETS (RS/RT)

New standard rental zones to simplify future rezonings for **Rental Apartment Buildings**

- 5 storeys
- 6 storeys, if providing 20% of units below-market rents

Greater Housing Choice

- Closer to daily needs and transit

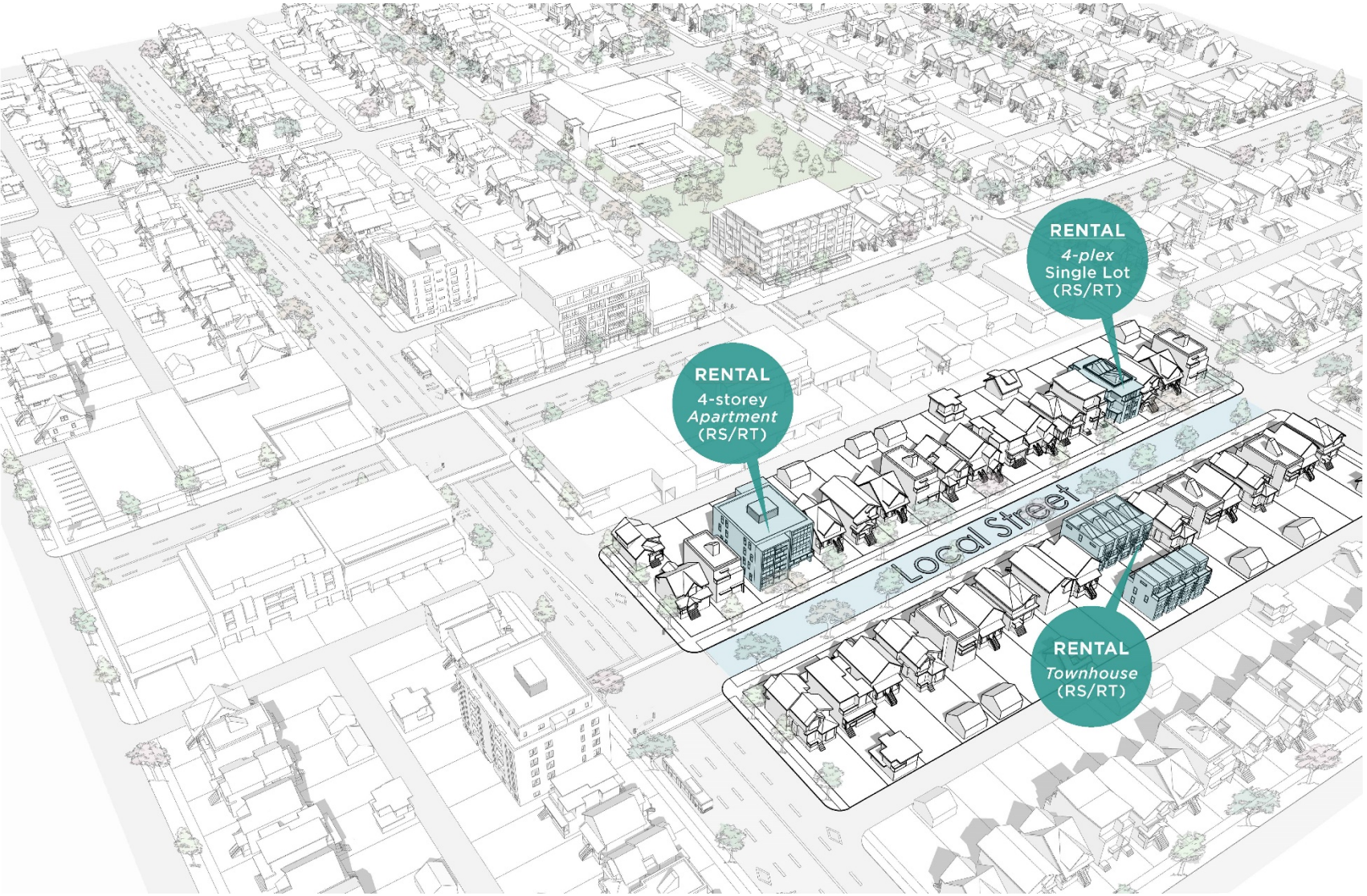
Zero Emissions Buildings

- Simple building forms
- Electric water / space heating

Improved Livability

- Greater daylight access and ventilation (avoid deep units)
- Family-sized units [2BD+]

What is being proposed?



LOCAL STREETS (RS/RT)

New standard rental zones to simplify future rezonings for **Rental Apartment Buildings**

- 4 storeys

Rental Townhouses

- 3 to 4 storeys
- Multiplexes (single lot)

Incremental Growth

- Limited assembly
- Limited building depth

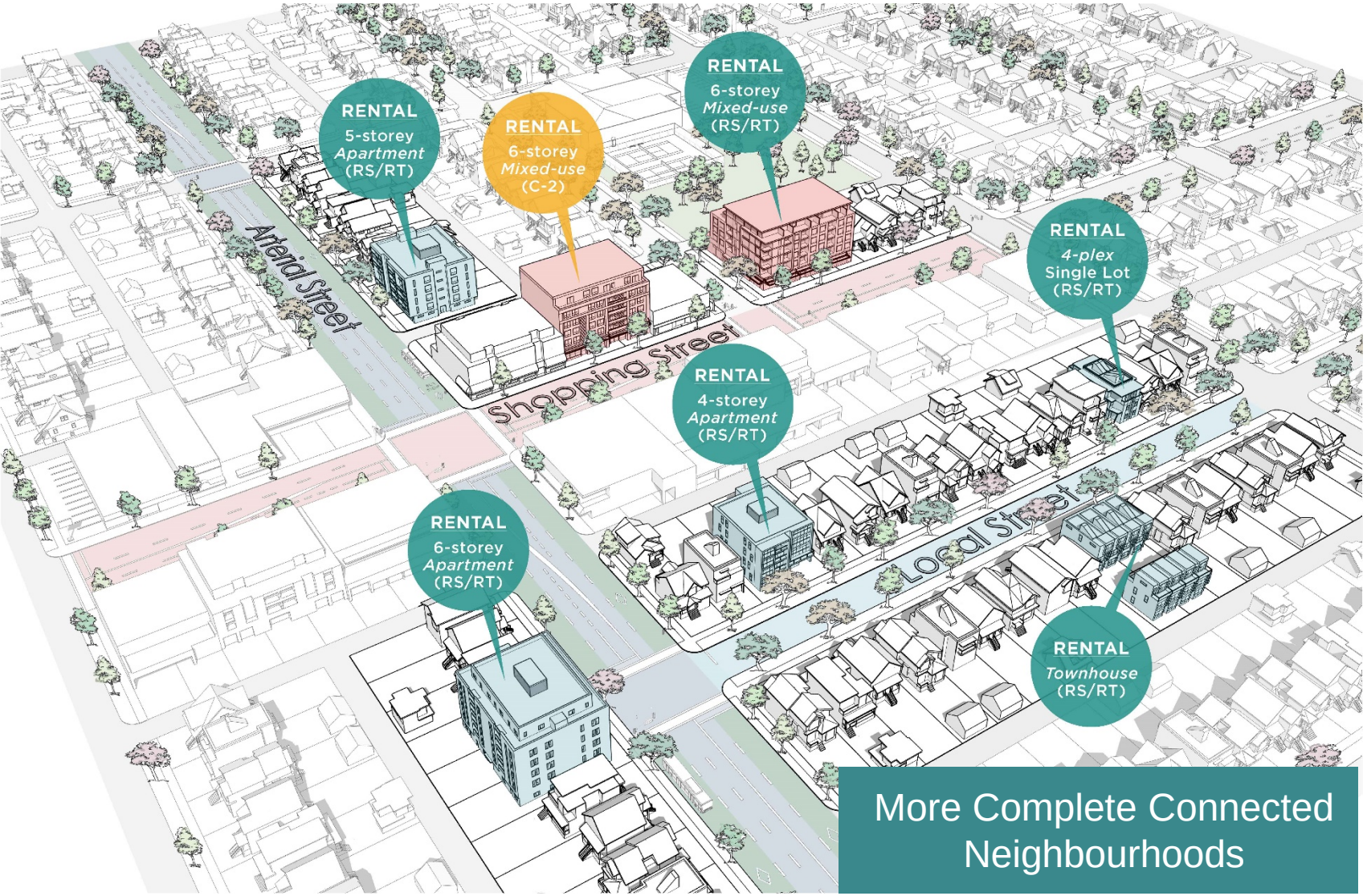
Green Buildings

- Simple building forms
- Surface parking options

Improved Livability

- Away from noise and air pollution from Arterial streets

What would be achieved?



More Complete Connected Neighbourhoods

- Increased housing choice for renter households
- Streamlined process and clearer policy requirements
- Diversified rental housing options in low density areas near shopping
- Reduced carbon pollution from buildings and transportation
- Enhance neighbourhood shopping areas
- Improved livability of rental housing

CITY OF VANCOUVER | Vancouver Plan

Planning Vancouver Together

Vancouver Plan Alignment & Quick Start Action

Streamlining Rental would advance multiple Vancouver Plan goals:

Goal #3: **A Sustainable, Carbon-Neutral City**

Goal #5: **An Affordable City with Diverse and Secure Housing**

Goal #7: **Complete, Connected and Culturally Vibrant Neighbourhoods**

Climate Emergency Action Plan

Streamlining Rental Would Help Reduce Carbon Pollution From Buildings and Transportation by:

- Creating more complete, connected neighbourhoods where more residents can live within a short walk or roll of their daily needs and transit **(Big Move 1 & 2)**
- Requiring all rental buildings to have zero-emissions heating and hot water systems **(Big Move 4)**
- Enabling buildings with less embodied carbon pollution, including through wood frame construction and less underground parking **(Big Move 5)**

Summary of Zoning Amendments - C-2 Commercial Areas

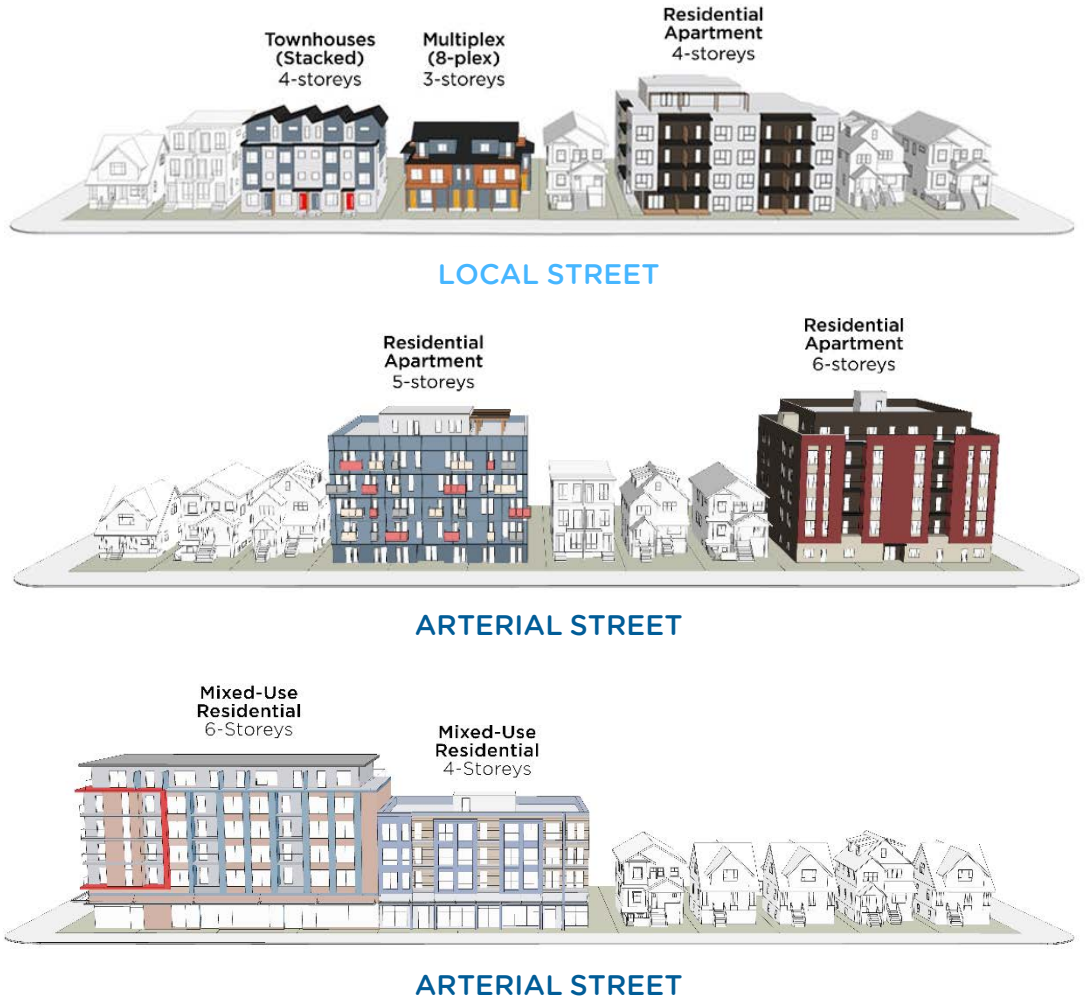
District Schedule	Building Types
Amended Zones **C-2, C-2B, C-2C, C2-C1**	**6 Storey Mixed-Use Rental** • 3.5-3.7 FSR • Min. 0.35 non-residential FSR • Max. height up to 72 ft. if 17 ft. ground floor height provided • Increased front & rear yards to enhance public realm • Family housing & green buildings requirements
	All Non-Rental Development (e.g. 4 Storey Mixed-Use Strata) • No change to max. FSR • Min. 0.35 non-residential FSR • Max. height up to 50 ft. if 17 ft. ground floor height provided • Increased front & rear yards to enhance public realm

Summary of Zoning Amendments - New RR Zones For Rezoning in Low Density Areas Near Shopping & Transit

District Schedule & District	Building Types	On Arterials	Off Arterials
New Zone **RR-1**	**3-4-storey Townhouse** (1.2-1.45 FSR)		✓
	3-storey Multiplex (1.0 FSR)		
New Zone **RR-2A, RR-2B and RR-2C**	**4-storey Apartment** (1.75-2.0 FSR)	✓	✓
	5-storey Apartment (2.2-2.4 FSR)	✓	**
	6-storey Apartment (2.4-3.0 FSR)*	✓	
New Zone **RR-3A and RR-3B**	**4-storey Mixed-Use** (2.4-2.5 FSR)	✓	
	6-storey Mixed-Use (3.4-3.5 FSR)*	✓	

*below-market units or social housing required

**only permitted on larger sites flanking an arterial



Planning Vancouver Together

Consequential Updates to the Secured Rental Policy

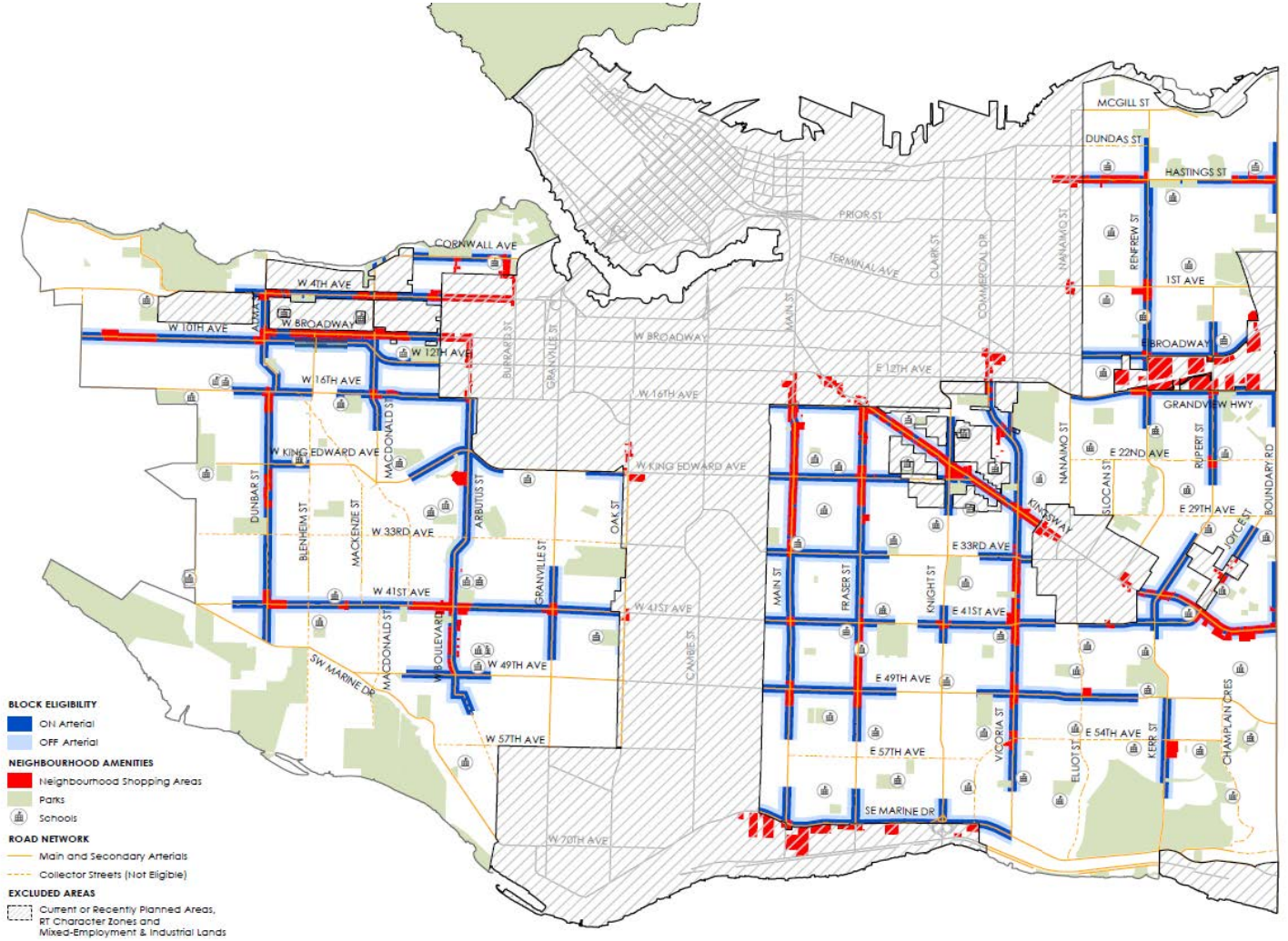
Refinements to the Areas Eligible for Rezoning

Sites in low density areas (RS and some RT zones) within a short walk or roll of daily needs – shopping, public transit, parks, schools

Key Location Criteria:

- First full block along arterial roads with bus service or near rapid transit
- Within a ~5 minute walk of a neighbourhood shopping area

Locating Rental near Shopping and Transit



Greater Affordability - Below-Market Rental in 6-Storey Projects

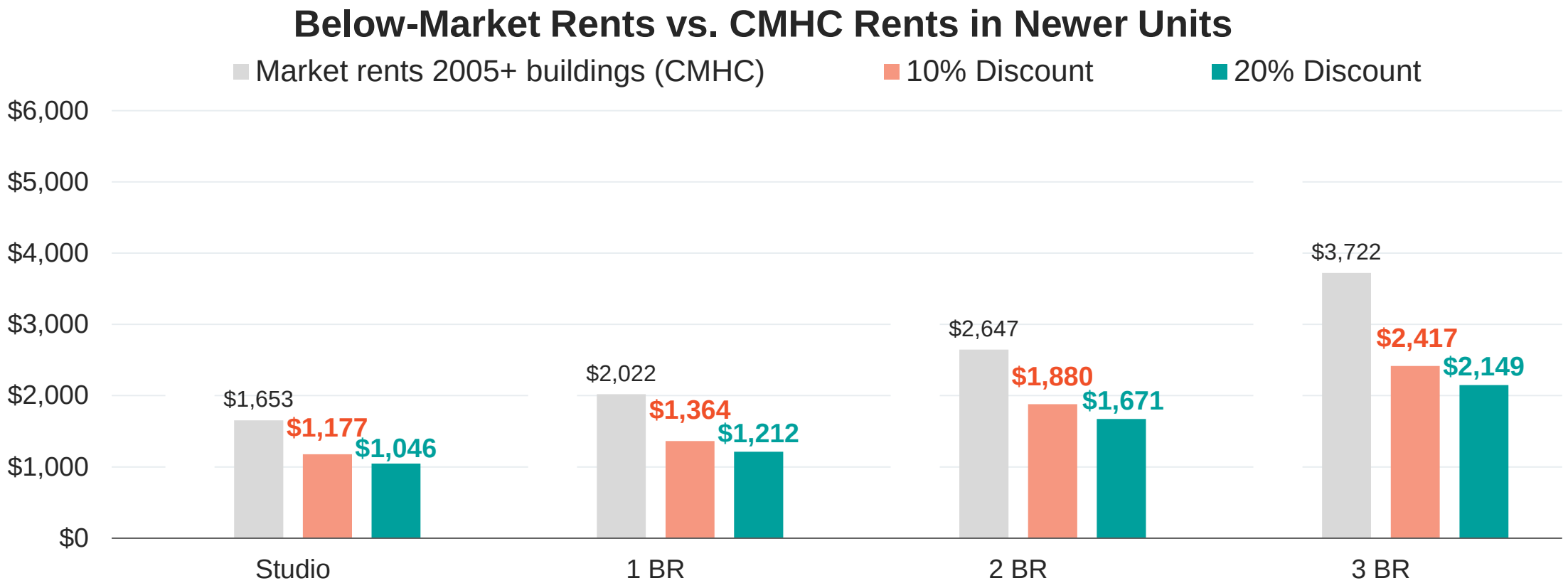
Min. 20% of the residential floor area must be secured as **Below Market Rental** units with permanently secured affordability:

- **100% Residential Buildings**
  Rents min. 10% below CMHC AMR (all units, city-wide)
  ≈ 30% discount to market rents for newer units

- **Mixed-Use Buildings**
  Rents min. 20% below CMHC AMR (all units, city-wide)
  ≈ 40% discount to market rents for newer units

- **Vacancy Control at Unit Turnover**
  Rents can be reset using the same 10% or 20% discount to current-year CMHC rents

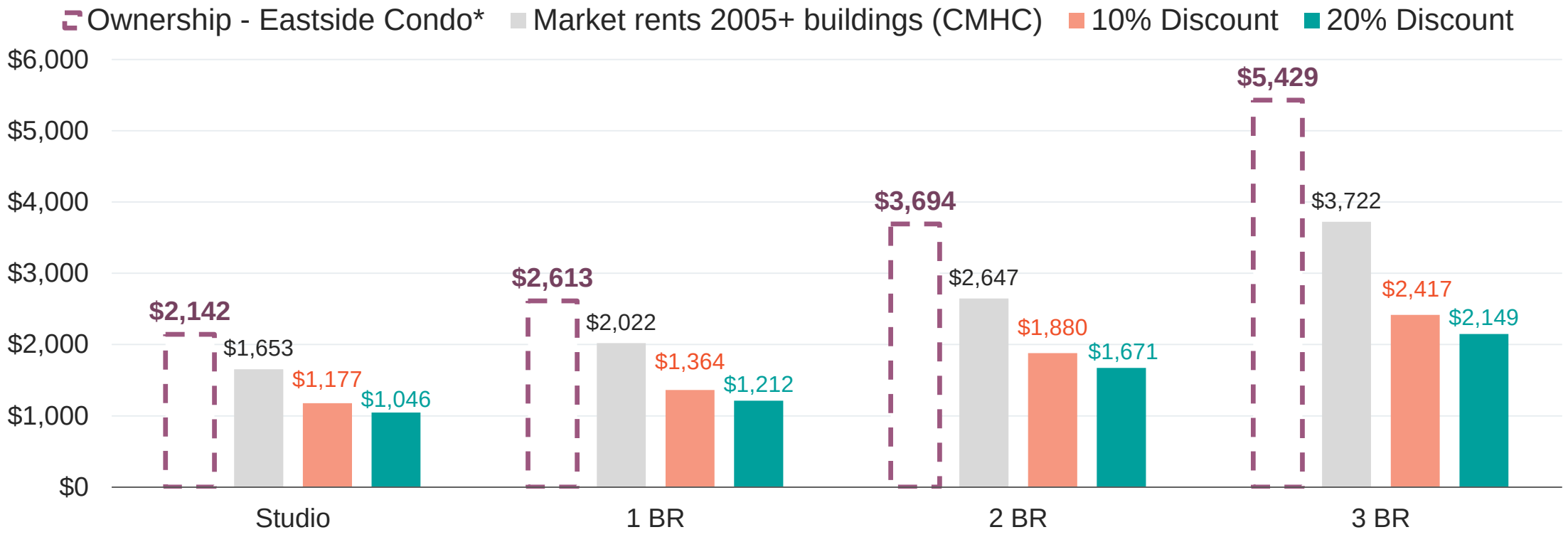
Greater Affordability - Below-Market Rental in 6-Storey Projects



Incomes Served Spending 30%								
	$47k	**$42k**	**$55k**	**$48k**	**$75k**	**$67k**	**$97k**	**$86k**

Homeownership is Out of Reach For Many in Vancouver

Below-Market Rents vs. CMHC Rents in Newer Units and Monthly Ownership Costs



	Studio	1 BR	2 BR	3 BR
Incomes Served Spending 30%	**$86k**	**$104k**	**$148k**	**$217k**
20% Down Payment	**$82k**	**$101k**	**$141k**	**$213k**

*Based on 2020 median sales data from BC Assessment for Condos in Vancouver East, with a 20% down-payment, 5% interest rate, 25-year amortization, strata fees and property taxes

Greater Affordability - Social Housing

Additional Density and Locational Flexibility for Social Housing projects up to 6 Storeys on Arterials

- Residential buildings: 2.7-3.0 FSR
- May also utilize mixed-use RR zone (up to 3.5 FSR)

Social Housing

- Must be owned and/or operated by a non-profit society or co-op, or government.
- Provides secure rental and co-op housing at rates affordable to a range of incomes, generally <$50K for singles and <$80K for families. Some specializes for specific groups, including Indigenous, seniors, singles, families

1425 & 1451 E 12th

5688 Ash

3510 Fraser

1885 E Pender

Engagement

CITY OF VANCOUVER | Vancouver Plan

Recent Vancouver Plan Engagement

9,708

responses to Vancouver Plan General Survey

90+

Vancouver Plan Stakeholder/Activator Circle Workshops

2,451

responses to Displacement & Exclusion Housing Survey

9

My City My Neighbourhood Workshops

6

Sketching the Future Workshops

CITY OF VANCOUVER | Vancouver Plan

Planning Vancouver Together

Recent Vancouver Plan Engagement - Key Themes

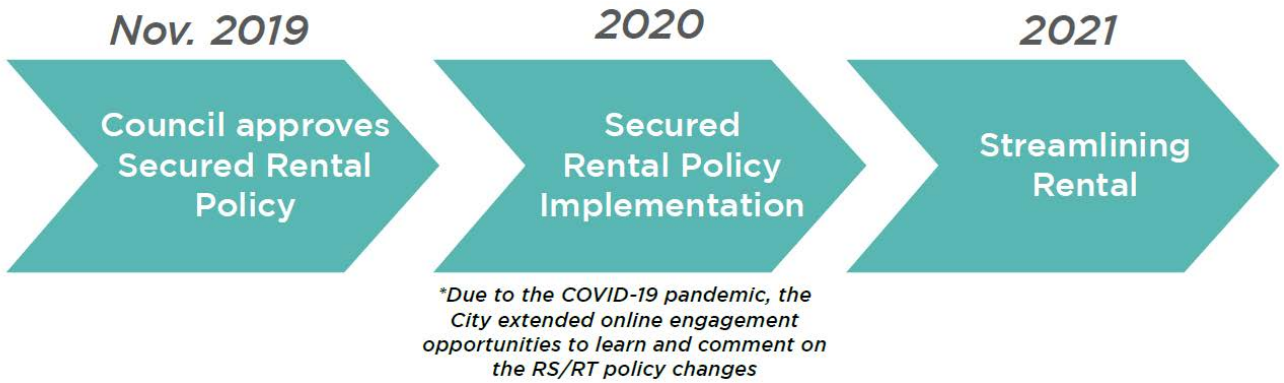
Key Housing Themes

- **More affordable housing** - add new housing types and options throughout the city.
- Strong support for concept of **complete neighbourhoods**
- More diversity of housing types and tenures – **missing middle housing**
- Social connections and proximity to grocery stores, places to eat & drink, shops, services, public open space

77% **strongly agree/agree that all neighbourhoods should have all types of housing** *(supportive, social, purpose-built rental housing apartments, condos and houses) (n=2,450)*

Rental Policy Work - Who Did We Engage?

Over 20,000 points of contact with residents and stakeholders since 2019 through Secured Rental Policy Engagement Activities



~3,500
Participants in surveys, open houses, comment forms and virtual sessions

~107,000
Impressions through social media campaigns; as well as notification through email lists, posters in community centres and VPL Branches, newspapers

8
Public Information Sessions (6 In-Person and 2 Virtual)

40+
Online planner office hour meetings with the public and industry partners

25+
Stakeholder and Advisory Committee Meetings (RAC, BIAs, UDI, local architects)

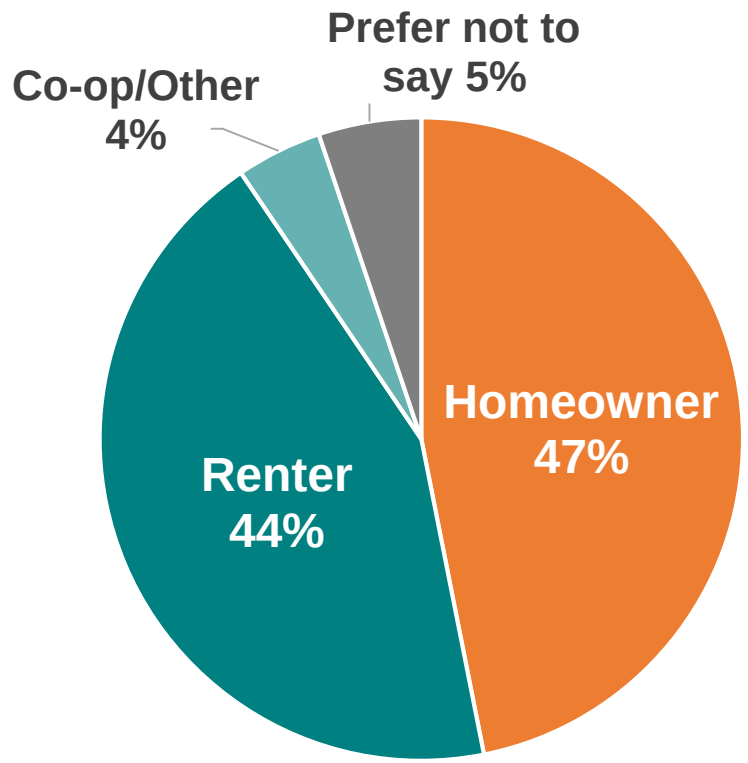
14,000+
Visitors to our ShapeYourCity

Kitsilano Information Session, March 2020

Fraser Street Information Session, March 2020

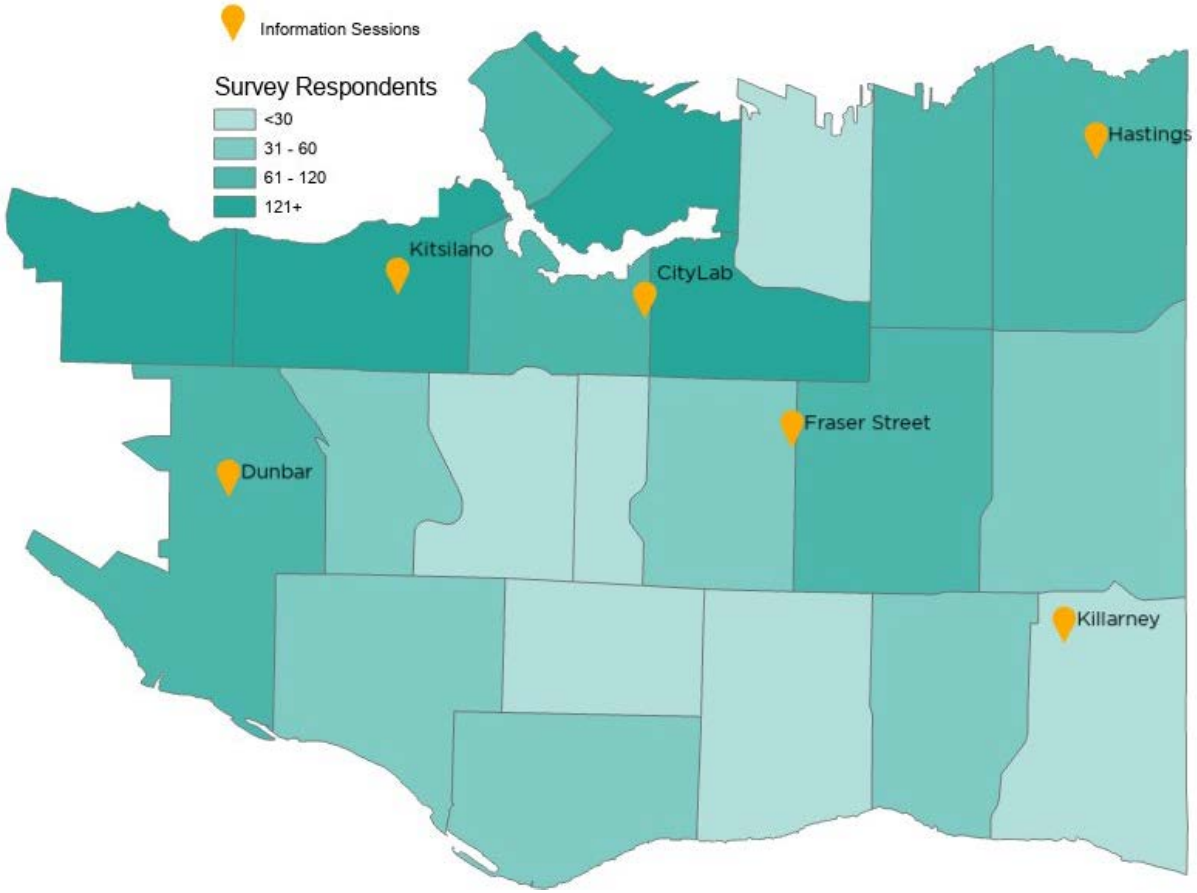
Who Did We Engage? Renters & Owners In All Neighbourhoods

Housing Tenure of Survey Respondents



Survey responses n=1,700

2020 Information Session Locations & Survey Responses by Neighbourhood



Survey Responses n=1,700
Prefer not to say/no response to this question = 135

What We Heard - Broad Support for Proposed Actions

Broad Support:

- **For missing middle type rental buildings in complete neighbourhoods**
- **For rental housing in more neighbourhoods**
  - **72% of survey respondents** supported rental (e.g. social housing and below market rental)
- **To make it faster and easier to build new rental housing**

83% of renters supported the changes, emphasizing:

- Security of tenure
- Opportunities to live off arterials
- Proposal should extend to more areas

51% of homeowners supported the changes, many noted concerns:

- Shadowing, privacy, property values, parking
- Pace of change
- Impact on renters in secondary suites

Shadows are an illegitimate concern when people are forced out of the city, or on to the streets, because of the ridiculously tight rental market
-Renter Participant

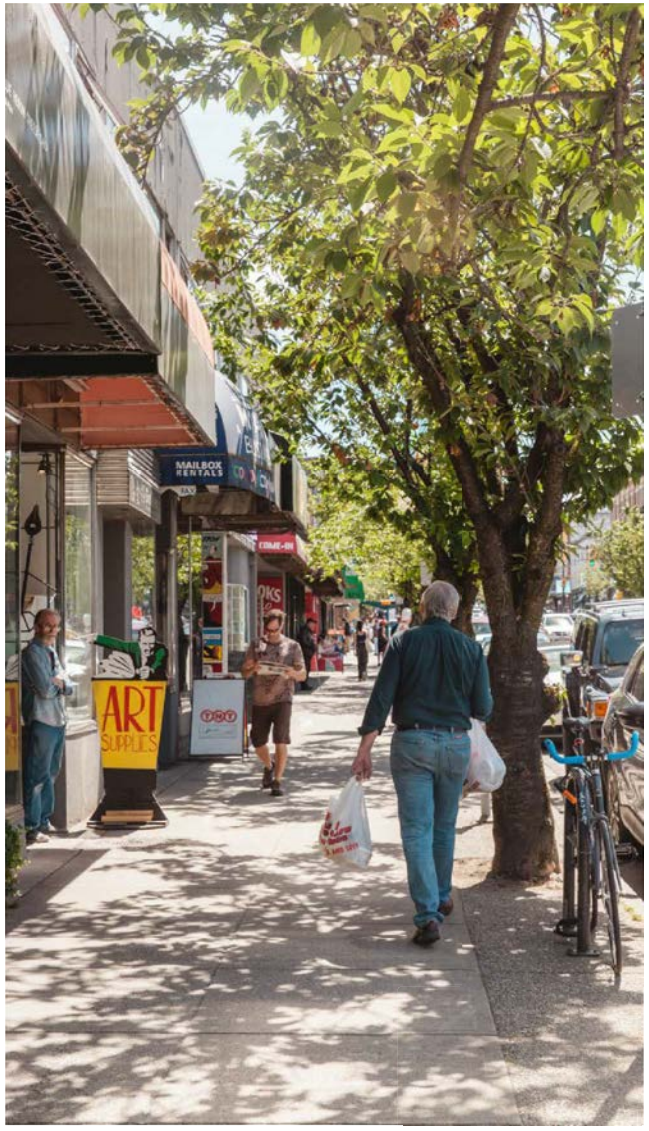
I am worried that our property will be overshadowed and views will be blocked because our neighbour wishes to redevelop. This will impact enjoyment of our property
-Homeowner Participant

**Survey responses n=1,700*

What We Heard - C-2 Commercial Areas

- Support for locating rental near amenities and shopping, improving commercial spaces and public realm

- Some concerns around displacement, affordability of existing rental and commercial space, height and scale of new buildings, and shadowing

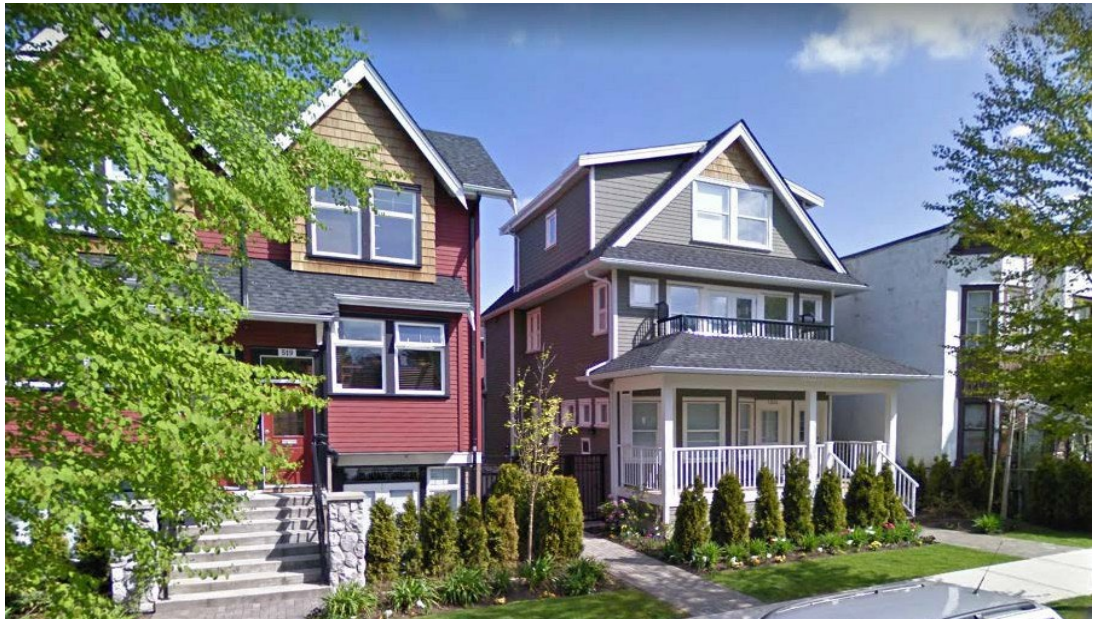


What We Heard - Low Density Areas (RS/RT)

- Support to locate new rental opportunities off-arterials; changes don't go far enough

- Concerns:
  - Building design and shadowing, particularly off arterials
  - Loss of neighbourhood character and heritage
  - Displacement of renters living in suites

- Confusion that this is a brand new policy



Responding to Key Concerns - Risk of Renter Displacement

Recent Actions to Protect Renters & Rental Housing

Rental replacement requirements in C-2 Areas (April 2021)

- Council approved the extension of the Rental Housing Stock ODP to C-2 areas to apply rental replacement requirements

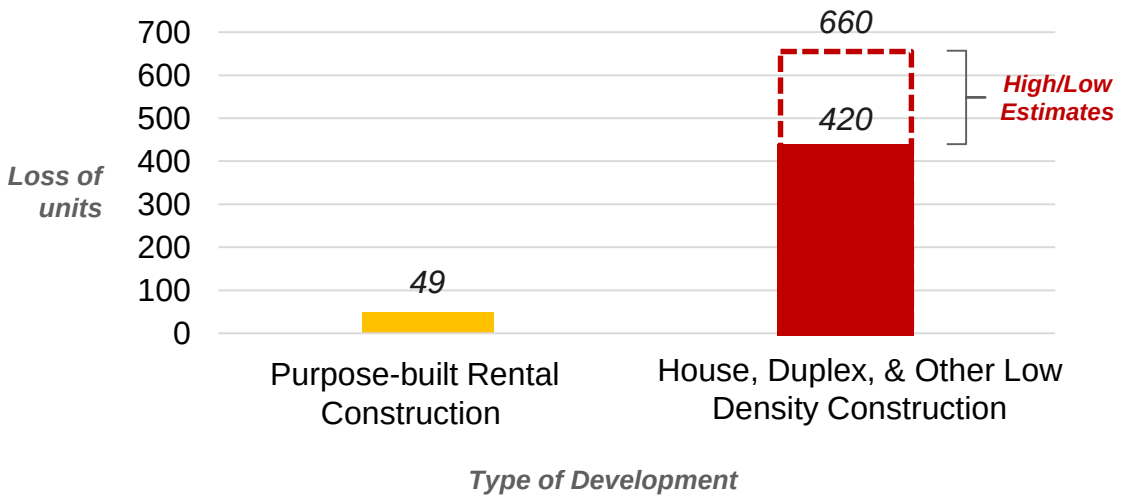
Tenant Relocation & Protection Policy extended to low density areas (June 2019)

- Protection & compensation for renters impacted by projects that involve lot assembly

Low Risk of Renter Displacement Due to New Rental Development (RS/RT areas)

Redevelopment of houses, duplexes and other ownership housing results in significantly greater loss of existing rental than the construction of new secure rental units

Loss* of Rental Units by Type of Development in Low Density Areas Covered by the Secured Rental Policy, 2012-2021



**A net gain of 908 units of new secured rental housing* in RS/RT zones has resulted from approvals RS/RT zones since 2012 under the AHC IRP*

Responding to Key Concerns - Impacts on Existing Businesses in C-2 Zones

Streamlining Rental would enable more residents to live in and near local shopping areas and add opportunities for new mixed-use buildings

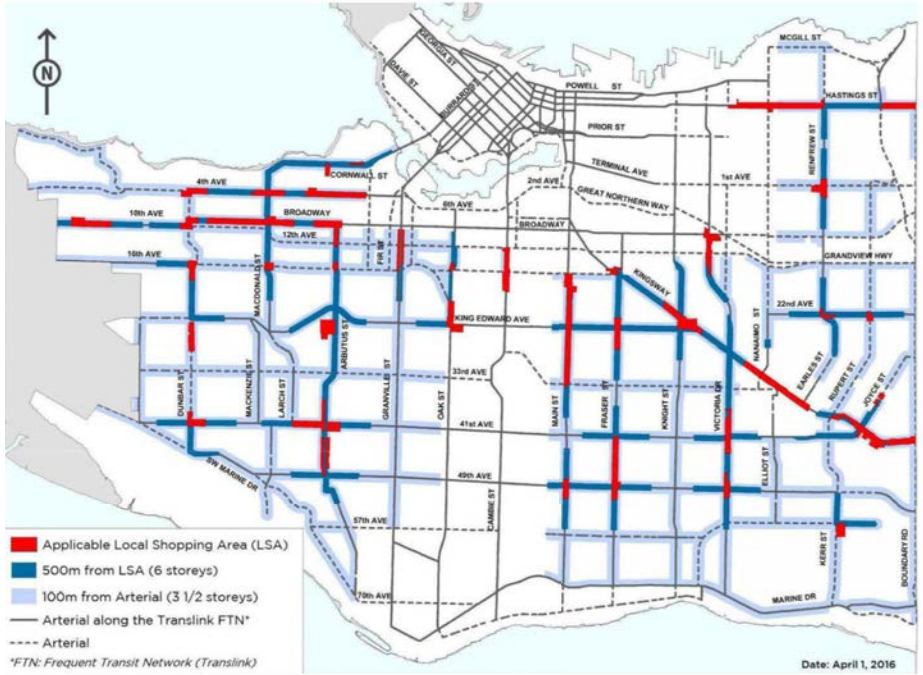
- Additional foot traffic and local customer base
- New spaces for businesses without displacement of existing ones

Commercial Tenant Assistance Program
(In Progress)

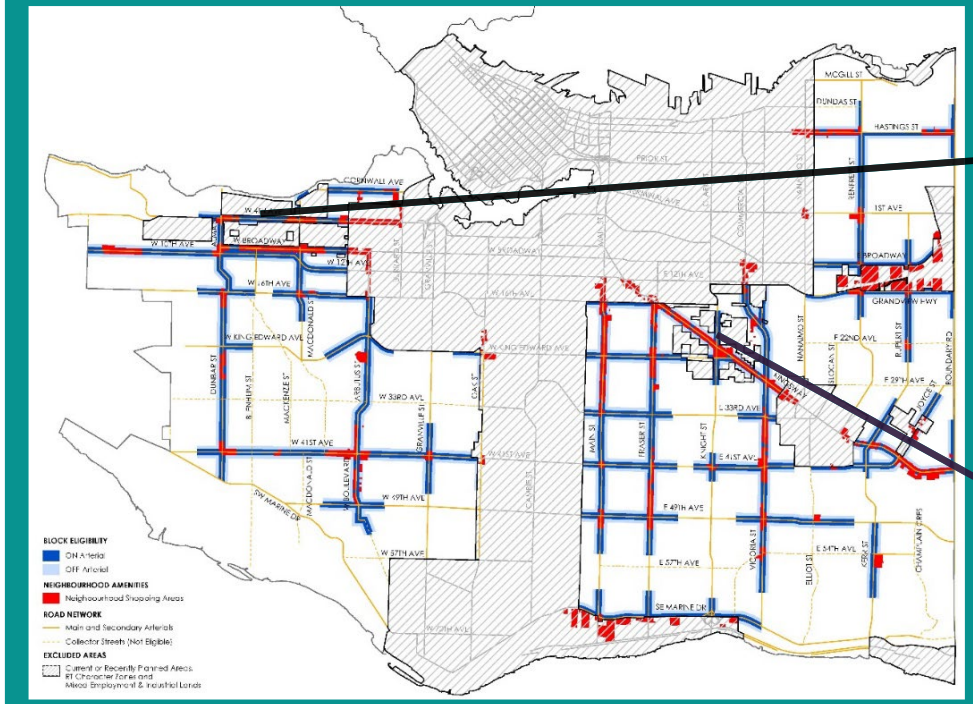
- Deliverables will include: Consistent and accessible **relocation planning information and educational resources** for a wide variety of tenants

Responding to Key Concerns - Refinements to Eligibility Criteria

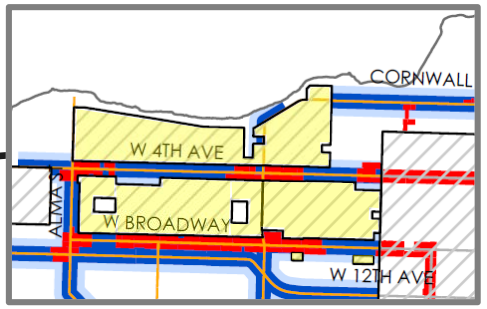
Affordable Housing Choices Policy (2012)

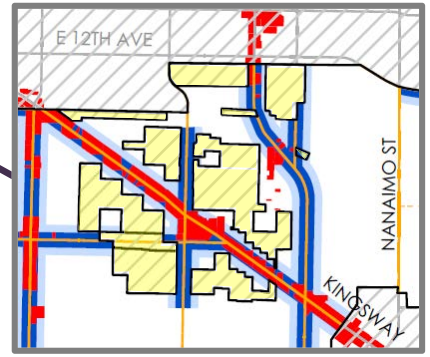


Secured Rental Policy (2019) Proposed Updates



RT Areas Removed from Eligibility





Increased focus on locations near shopping, transit and other daily needs

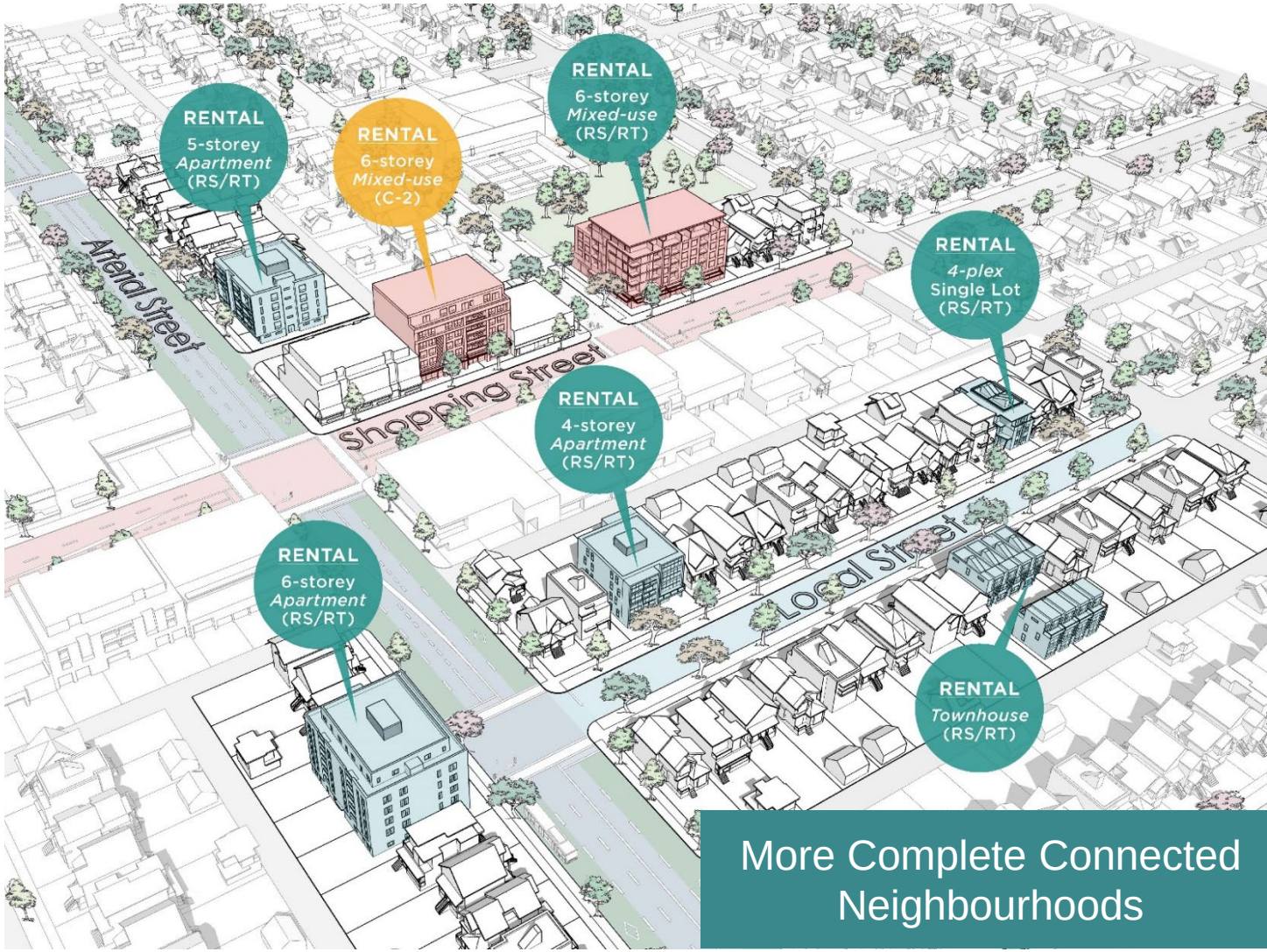
Areas with more heritage and character houses and secondary rental removed from eligibility (RT-5, RT-7, RT-8, and RT-10 zones in Kitsilano and Kensington-Cedar Cottage)

CITY OF VANCOUVER | Vancouver Plan

Summary of Proposal

Proposed zoning changes to C-2 commercial districts and creation of new rental zones for use in simplified rezonings in surrounding low density would:

- Streamline the delivery of new market and below-market rental housing
- Add new missing middle rental buildings
- Create more complete neighbourhoods
- Respond to the climate emergency



Thank you.

CITY OF VANCOUVER | Vancouver Plan