

Policy

Secured Rental Policy

Incentives for New Rental Housing

Approved by Council May 15, 2012

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Table of Contents

- Background and Context..... 3
 - Housing Choice Supports a Diverse Population..... 3
 - Rental Housing Challenges 4
 - Housing Vancouver Strategy Context 4
 - Rental Housing Policies in this Document..... 4
 - Use of Residential Rental Tenure Zoning 4
- Secured Rental Policies 5
 - 1 Residential Rental Projects Under Existing Zoning 5
 - 1.1 Incentives..... 5
 - 2 Residential Rental Projects Requiring a Rezoning 5
 - 2.1 Incentives..... 5
 - 2.2 Exclusions..... 6
 - 2.3 Rezoning in Commercial, Multi-Family, Industrial and ODP Areas..... 6
 - 2.4 Rezoning in Low Density Transition Areas 8
- Other Policy Requirements..... 10
 - 3 Security of Tenure and Housing Agreement 10
 - 4 Affordability 10
 - 5 Housing for Families 10
 - 6 Tenant Relocation and Protection..... 11
 - 7 Green Buildings..... 11
 - 7.1 Rezoning Applications..... 11
 - 7.2 Development Permit Applications for Projects That Do Not Require Rezoning..... 11
 - 8 Community Amenity Contributions..... 11
- Implementation and Monitoring 12
 - Implementation 12
 - Monitoring 12
- Appendix: Eligibility Map..... 13

Background and Context

On November 26, 2019, Council approved amendments to the Secured Market Rental Housing Policy originally approved by Council in May 2012. This includes the following:

- Retitling of the policy.
- A framework to allow simplified rezonings in low-density areas previously enabled by the Affordable Housing Choices Interim Rezoning Policy, through standardized regulations in new rental zones. This was to be implemented as a pilot on a time-limited basis until June 30, 2022. Further details of the new zones to be brought back to Council for approval at a later date.
- Changes to the family housing requirements.
- Additional Green Buildings requirements.

Additionally, Council directed Staff to prepare changes to the C-2, C-2B, C-2C and C-2C1 district schedules to allow new 6 storey rental buildings through a development permit process instead of a rezoning, and that this be brought back to public hearing for Council's consideration.

On December 14, 2021, Council approved amendments to the Secured Rental Policy, including the following:

- Changes to align with amendments to the C-2, C-2B, C-2C and C-2C1 district schedules to allow secured rental building up to 6 storeys as a conditional use, and to generally remove C-2 zones from eligibility for rezoning under section 2.3 of this policy.
- Changes to align with the new RR-1, RR-2, and RR-3 district schedules introduced for use in future rezonings under section 2.4 of this policy, including further clarification of affordability requirements for below market rental and social housing projects.
- Changes to the eligibility requirements for sites in low density transition areas, including locational considerations, addition of a map illustrating eligible areas, and clarification of circumstances in which a CD-1 rezoning may be required.
- Other minor amendments to better align with rezoning opportunities previously enabled by the Affordable Housing Choices Interim Rezoning Policy in C-1 and RM-1 and RM-1N zones.

Housing Choice Supports a Diverse Population

Vancouver is a growing and diverse city with significant housing challenges. Creating new housing for all Vancouverites through a range of housing options is critical to ensuring a vibrant and diverse city.

As of 2016, 53% of households in Vancouver were renters¹. Renters in the city are a diverse group, including singles, families, and roommate households, and have a wide range of household incomes ranging from under \$30,000 to over \$80,000. The diversity of renters in Vancouver means that a broad range of housing types is required to meet the needs of these households.

Purpose-built market rental housing is a key source of secure, long-term housing for renter households earning a broad range of incomes. A robust supply of rental housing is also crucial for supporting a broad

¹ Census 2016

range of renter households in locations across the city, including areas accessible to transit and jobs, as well as in neighborhoods away from major arterial roads.

Rental Housing Challenges

Vancouver has the tightest rental market and one of the lowest vacancy rates in Canada, which over the last 30 years has averaged 0.9 percent². This is partly the result of limited new supply of rental housing in recent decades, along with the demand for rental housing from a growing population facing significant increases in the cost of home ownership. In this context, the need for suitable housing choices for renter households has grown dramatically.

Housing Vancouver Strategy Context

On November 28, 2017 City Council adopted the 10-year Housing Vancouver Strategy. A core objective of Housing Vancouver is to shift the supply of new housing toward the “Right Supply” that meets the needs of the diversity of households in the city. The Strategy identified the need for an additional 72,000 housing units over 10 years, of which 20,000 units are new purpose-built rental housing.

The Secured Rental Policy is part of the larger Housing Vancouver Strategy that also addresses the housing needs of moderate and low income households. The regulations contained in the Rental Housing Stock Official Development Plan and Single Room Accommodation By-law are in place to protect the stock of existing market rental housing. In addition, the Housing Vancouver Strategy targets 4,000 of the total 20,000 purpose-built market rental units as below-market rental, and includes aggressive targets for social, supportive, and co-op housing (12,000 units by 2028) to meet the needs of low income residents.

Rental Housing Policies in this Document

This document contains policies to encourage new purpose-built market rental housing. These policies are intended to increase the supply of secure market rental housing that is available to renter households. Affordability will be achieved through tenure, location, modesty in unit size, and over time as the buildings age, and through terms secured in Housing Agreements for projects including below-market rental units.

Use of Residential Rental Tenure Zoning

In May 2018, the Government of British Columbia amended the Local Government Act and Vancouver Charter to provide local governments with a new authority to zone for residential rental tenure. This tool allows municipalities to require new housing to be developed as rental in multi-family or multi-use areas; set different rules that restrict the form of tenure of housing units for different zones and locations within a zone; and require that a certain number, portion or percentage of housing units in a building be rental. This authority is utilized in the Secured Rental Policy in several ways:

- Amendments to the C-2, C-2B, C-2C and C-2C1 zoning districts approved by Council on December 14, 2021 include unique zoning provisions (e.g. height, density, and setback regulations) for residential rental tenure development.
- New RR-1, RR-2, and RR-3 district schedules approved by Council on December 14, 2021 enable new apartment, townhouse and mixed use buildings where 100% of the residential units are rental

² CMHC Rental Market Report

in tenure, for use in privately-initiated rezonings in low density transition areas (see section 2.4 of this policy and Table 2)

Secured Rental Policies

1 Residential Rental Projects Under Existing Zoning

Development permit applications for projects which can be approved under the existing zoning will be considered where 100% of the residential rental floor space is secured as non-stratified rental housing. Qualifying projects may be mixed use (i.e. include a commercial component), but all of the residential floor space must be rental.

1.1 Incentives

Projects which can be developed under the existing zoning are eligible for the following:

- Parking reductions as described in the Vancouver Parking By-law;
- City-wide and Area Specific DCL waiver for the residential floor space of the project; and
- Relaxation of unit size to a minimum of 29.7 sq. m (320 sq. ft.) provided that the design and location of the unit meets the livability criteria as defined in the Zoning and Development By-law.

Specific regulations for rental housing, such as increased maximum building height and density (e.g. allowances for 6 storey rental), are described in the C-2, C-2B, C-2C, and C-2C1 district schedules, the C-2, C-2B, C-2C, and C-2C1 Residential Rental Tenure Guidelines, and the Rental Incentives Program Bulletin.

For more information on available incentives, please refer to the Rental Incentive Programs Bulletin.

2 Residential Rental Projects Requiring a Rezoning

Rezoning applications may be considered for projects only if 100% of the residential floor space is secured as non-stratified rental housing. Qualifying projects may be mixed-use (e.g. include a commercial component), but all residential units must be rental in tenure.

2.1 Incentives

Projects requiring a rezoning are eligible for the following incentives:

- Additional floor area, height and new uses;
- Parking reductions as described in the Vancouver Parking By-law;
- City-wide and Area Specific DCL waiver for the residential floor space of the project; and
- Relaxation of unit size to a minimum of 29.7 sq. m (320 sq. ft.) provided that the design and location of the unit meets the livability criteria as defined in the Zoning and Development By-law.

For more information on available incentives, refer to the Rental Incentives Programs Bulletin.

2.2 Exclusions

These rezoning policies (section 2.3 and 2.4) apply city-wide, except in areas that have recently approved community plans (e.g. Cambie Corridor Plan, West End Plan, Grandview-Woodland Plan, Marpole Plan, and the Downtown Eastside Plan) or that are undergoing community planning programs and have interim rezoning policies in place (e.g. Broadway, Jericho Lands).

In community plan areas, secured rental projects may be eligible for incentives, with height and density set as per the applicable community plan policy.

2.3 Rezoning in Commercial, Multi-Family, Industrial and ODP Areas

Rezonings for 100% residential rental projects will be considered in the following locations:

- Areas close to transit, employment and services (e.g. commercial and mixed use zones);
- Multi-family areas (e.g. RM zones) for infill projects or projects on sites that do not have existing rental housing;
- Areas with existing rezoning policies or Official Development Plans that accommodate higher residential density (e.g. Downtown District and existing CD-1 zoning) and which do not conflict with existing policies for social housing; and
- Light industrial areas that currently allow residential (e.g. MC-1 and MC-2).

Table 1 outlines the additional height and density that may be considered for rezonings to CD-1 in commercial, multi-family, industrial, and ODP areas. Where appropriate, staff may support rezoning to a RR-1, RR-2 or RR-3 district rather than a CD-1.

2.3.1 Rezoning in C-2, C-2B, C-2C and C-2C1 Districts

As the C-2, C-2B, C-2C, and C-2C1 zoning districts include unique provisions for rental housing, rezoning for rental housing development will only be considered in exceptional circumstances, subject to staff review. Most secured rental projects in these zones will be required to develop in accordance with the applicable District Schedule.

In general, projects proceeding through a rezoning stream will not be considered for more height or density than can be achieved through the C-2, C-2B, C-2C, or C-2C1 district schedules (e.g. 6 storeys and 3.5 FSR or 3.7 FSR on large corner sites). These projects should also generally conform with the applicable C-2 district schedule and the associated design guidelines.

Circumstances where CD-1 rezoning may be considered will generally be limited to the following:

- Projects proposed on sites that are split zoned with a portion of the site zoned as C-2, C-2B, C-2C, or C-2C1; or
- Projects on sites to be created through a consolidation including parcels that are not zoned C-2, C-2B, C-2C, or C-2C1 and where all parcels are immediately adjacent to each other and more than 50% of the site area is zoned C-2, C-2B, C-2C, or C-2C1.

Table 1: Consideration for Rezoning in Commercial, Multi-family, Industrial, and ODP Areas

Areas	Existing Zoning District	Direction
Commercial Areas	C-1	Consider 4 storey mixed use, generally consistent with the RR-3A district Consider 6 storey mixed use, generally consistent with the RR-3B district, for projects including a minimum 20% of the residential floor area as units secured at below-market rents (<i>See section 4 for specific requirements</i>)
	C-2, C-2B, C-2C, C-2C1	In exceptional circumstances consider rezoning for 6 storey mixed use, generally consistent with the height and density regulations for rental housing specified in the applicable C-2, C-2B, C-2C, or C-2C1 district schedule. See section 2.3.1 of this policy for further details and criteria.
	C-3A	Consider additional density; adhere to existing height limits and generally to guidelines
Multi-family Areas	RM-1 and RM-1N	Consider additional height and density up to 6 storeys and generally consistent with the RR-2A, RR-2B, and RR-2C Districts Schedule or the RR-3A and RR-3B Districts Schedule and the locational and site context considerations for RS and RT zones (<i>See Table 2</i>)
	RM-3, RM-3A	Consider redevelopment of sites where existing rental units do not current exist and infill development where appropriate on sites where existing tenants are not displaced Adhere to existing height limits and generally to guidelines
CD-1 zoned areas	CD-1	Consider redevelopment of sites where existing rental units do not currently exist and infill development on suitable sites where existing tenants are not displaced; height and density as appropriate to location and context
Industrial Areas that allow residential	MC-1	Consider modest increases in height and density
Areas with Official Development Plans that allow residential	Various ODP areas	Consider development sites which allow for residential density where there are no conflicts with existing policies for social housing (e.g. the density bonus for social housing for small sites in the Downtown South) Consider additional density appropriate to context; adhere to existing height limits

2.4 Rezoning in Low Density Transition Areas

Rezoning for 100% residential rental projects will be considered for sites zoned RS or RT (except for RT-5 and RT-5N, RT-7, RT-8 and RT-10 and RT-10N) that are:

- On a block adjacent to an arterial road that is part of a TransLink bus route and that is within approximately 400 m of a larger neighbourhood shopping area; or
- On a block adjacent to an arterial road that is within 800 m of a TransLink rapid transit station (including RapidBus, 99 B-Line, Canada Line, Expo Line or Millennium Line stations) and that is within approximately 200 m of a smaller neighbourhood shopping area; and
- In an eligible area as illustrated by Map A in the Appendix.

2.4.1 Eligibility Requirements for Regular Sites – Rezoning to a Rental Tenure District Schedule

Table 2 provides direction for consideration of additional density for 100% rental projects seeking a rezoning in RS and RT zoned areas. To be eligible, sites should be generally regular in shape (rectangular), part of the regular street grid, and have a full lane to the rear.

Rezoning opportunities as described in Table 2 will generally only be enabled through rental tenure district schedules; rezoning to a site-specific CD-1 will only be considered as per section 2.4.2.

2.4.2 Eligibility Requirements for Irregular Sites – Rezoning to a Site-Specific CD-1

Sites that meet the location and site context considerations in Table 2 but are highly irregular in size, shape, context or other attributes may be eligible for rezoning subject to a customized review and response.

In general, irregular sites will not be considered for more height or density than may be achieved on a regular lot through the set rental tenure district schedule(s). In some cases, increased setbacks and reduced FSR may be required commensurate to the irregular context to allow for reasonable adjacencies.

Examples of sites where a CD-1 rezoning will generally be required include:

- Sites with limited street frontage or no lane
- Sites where a standard building shape as generally allowed in the applicable standard rental zone(s) and guidelines cannot be accommodated

2.4.3 Social Housing

Rezonings for projects where 100% of the residential floor area is secured as social housing will be considered on sites zoned RS or RT, including in locations that are not illustrated by Map A in the Appendix. The RR-2C district includes provisions to enable some additional density for 6 storey social housing developments on arterials. As appropriate, staff may also support consideration of rezoning to another RR district or a CD-1.

Table 2: Considerations for Rezoning in RS and RT Zones

Location	Building Types	Requirements and Guidelines
On arterial	<ul style="list-style-type: none"> Up to 4 storey mixed use Up to 5 storey residential apartment Up to 6 storey residential apartment or mixed use for projects including a minimum 20% of the residential floor area that is counted in the calculation of FSR secured as below-market rental units (See section 4 for specific requirements) or where 100% of the residential floor area is secured as social housing 	<p>Refer to the RR-2 and RR-3 district schedules</p> <p>Site should not leave any remaining RS or RT lot(s) with a total continuous frontage of less than 99 feet, or obstruct access to a lane for any remaining lot(s)</p> <p><u>Mixed use requirements (RR-3)</u></p> <p>Mixed use will generally be required for sites that:</p> <ul style="list-style-type: none"> are immediately adjacent to a property that has existing zoning for commercial use (C-1, C-2, C-2B, C-2C, C-2C1 or CD-1 with commercial retail at grade), or include a corner lot at an intersection where two or more of the other corner sites are zoned for commercial use <p>Mixed use will generally be optional for sites that include a corner lot or that have existing non-residential uses</p>
Off arterial	<ul style="list-style-type: none"> Up to 4 storey residential apartment or 4 storey townhouse 3 storey triplex or townhouse with up to 8 units 	<p>Refer to the RR-1 District Schedule, and the RR-2A district</p> <p>Site must not obstruct access to a lane for any remaining lot(s)</p>
	Up to 5 storey residential apartment flanking the arterial with a 4 storey transition to the off arterial block face	<p>Refer to the RR-2B district</p> <p>Site must be located at the corner of an arterial road, with a side property line flanking the arterial</p>
	Up to 4 storey mixed use	<p>Refer to the RR-3A district</p> <p>Site must have existing non-residential use</p>

Please also refer to the Rental District Schedules Design Guidelines for further guidance.

Other Policy Requirements

3 Security of Tenure and Housing Agreement

The rental units will be secured for a term of 60 years or life of the building, whichever is greater, through legal agreements, (i.e. Housing Agreement pursuant to section 565.2 of the Vancouver Charter, including non-stratification and no separate sales covenants), or any other legal mechanism deemed necessary by the Director of Legal Services and the Director of Planning.

4 Affordability

Projects proposing a 6 storey building under section 2.4 of this policy are required to achieve a minimum of 20% of the residential floor area that is counted in the calculation of FSR as units secured at below-market rents. In addition, all below-market units are required to meet the following requirements:

- Starting rents by unit type will not exceed a rate that is:
 - For 100% residential buildings, 10% less than the average rents as published by the Canada Mortgage and Housing Corporation (CMHC) for the city; or
 - For mixed-use buildings, 20% less than the average rents as published by CMHC for the city

Please refer to the most recent annual Rental Market Report for private apartment buildings published by CMHC for more information. Starting rents will be secured at the time of Council's approval of the rezoning, and may be increased annually until initial occupancy in accordance with the maximum annual increases authorized by the Province of British Columbia through the Residential Tenancy Act, and

- After initial occupancy, rent escalation during a tenancy will be limited to the increases authorized by the Residential Tenancy Act. Between tenancies, the rent may be re-indexed to the current CMHC average rent by unit type, applying the same discount rate (minimum 10% for 100% residential buildings and 20% for mixed-use buildings) as was secured at the time of rezoning approval.

Targeting a deeper level of affordability in a portion of the below-market rental units is encouraged where possible. For more information on starting rent information and program administration, please refer to the Rental Incentive Programs Bulletin.

5 Housing for Families

The Secured Rental Policy encourages the inclusion of family housing. The requirement for family housing units is set at 35% of units for all secured market rental developments under rezonings, as per the City's Family Room: Housing Mix Policy for Rezoning Projects. Family units are defined as units with 2 or more bedrooms, designed to meet the Council adopted High Density Housing for Families with Children Guidelines.

For projects that do not require rezoning, residential unit mix requirements may be specified in the applicable district schedule. The C-2, C-2B, C-2C, and C-2C1 district schedules require that residential rental tenure projects seeking density above 2.5 FSR and height above 4 storeys provide 35% family units (with 2 or more bedrooms). These units should be designed to meet the High Density Housing for Families with Children Guidelines.

6 Tenant Relocation and Protection

Where tenants will be displaced as a result of redevelopment, a tenant relocation plan as outlined in the City's Tenant Relocation and Protection Policy will be required. Please also refer to the Tenant Relocation and Protection Policy – Process and Requirements Bulletin.

7 Green Buildings

The Secured Rental Policy advances green building objectives and encourages the development of near-zero emission buildings.

7.1 Rezoning Applications

All rezoning applications considered under this policy will be expected to meet the Green Buildings Policy for Rezonings, and to employ zero emissions heating and hot water systems in the building, achieving a greenhouse gas intensity (GHGI) of 3 kg/m² or less.

For more information on these requirements and the documentation to be submitted, please refer to the Green Buildings Policy for Rezonings and the Green Buildings Policy for Rezonings – Process and Requirements Administration Bulletin.

7.2 Development Permit Applications for Projects That Do Not Require Rezoning

Some development permit applications for residential rental tenure development that do not require rezoning must also meet green building requirements. In C-2, C-2B, C-2C and C-2C1 districts residential rental tenure applications seeking additional building height and/or density, projects are required to:

- Employ zero emissions heating and hot water systems in the building, achieving a greenhouse gas intensity (GHGI) of 3 kg/m² or less; and
- Meet the energy efficiency and emissions requirements of the Green Buildings Policy for Rezonings, by meeting the requirements of either:
 - Passive House or an acceptable alternate near zero emissions standard; or,
 - Greenhouse gas, thermal energy demand, and total energy use intensity limits (GHGI, TEDI, and TEUI, respectively) as specified in the policy.

8 Community Amenity Contributions

Community Amenity Contribution (CAC) policies apply to private rezoning applications. Routine, lower density rezoning applications for secured market rental housing that meet the criteria set out in the Community Amenity Contributions Policy for Rezonings and other applicable Council approved policies and guidelines are not subject to a CAC.

Implementation and Monitoring

Implementation

The policies in this document provide clarity on the incentives offered to enable rental housing, as well as the scale of rental developments that may be considered. New development will be managed through privately initiated rezoning applications to unique CD-1s or through the use of rental zones in low density areas (e.g. RR-1, RR-2 and RR-3 district schedules). In addition, new rental development may proceed through development permit applications, including through district schedules which include provisions for residential rental tenure development (e.g. C-2, C-2B, C-2C and C-2C1).

Monitoring

The Housing Vancouver Annual Progress Report will track the rental units created through this policy on an annual basis, and measure and evaluate progress towards the City's approved housing targets in relationship to supply, income, and family housing.

Appendix: Eligibility Map

The map illustrates the areas that meet the locational criteria that apply under section 2.4 of this policy to sites zoned RS or RT. Other policy requirements beyond the locational criteria will also apply to determine eligibility. Further description is provided in the Rental Incentive Programs Bulletin.

Map A: Eligibility Map for Low Density Transition Areas

