

MEMORANDUM

February 15, 2011

TO: Mayor Robertson and Councillors

COPY TO: P. Ballem, City Manager
S.A. Johnston, Deputy City Manager
M. Coulson, City Clerk
M. Welman, Director of Corporate Communications
W. Stewart Assistant Director, Corporate Communications
D. McLellan, General Manager of Community Services
B. Proskan, Acting Director of Social Development
F. Connell, Director of Legal Services
P. Judd, General Manager of Engineering Services

FROM: B. Toderian, Director of Planning

SUBJECT: CD-1 Rezoning - 10 Terry Fox Way (Concord 5B West)

At Council's Regular meeting of January 18, 2011, the above referenced rezoning application was referred to public hearing. At that time, Council asked for clarification and additional information on a number of items pertaining to the proposal. These included:

1. Outcomes of the public information session for the proposal;
2. Clarification regarding the 20% affordable housing policy;
3. Clarification regarding the noise and thermal comfort study;
4. Additional information regarding the Creekside Park Extension.

The following memo responds to those items, while providing clarity regarding district energy and bikeway improvements in the area. It also provides additional rezoning conditions of approval for noise, thermal comfort and district energy.

DISCUSSION

1. Public Information Session and Joint Working Group

A public information session was held on Tuesday, February 1st at the Roundhouse Community Centre to discuss the proposal. The format was a combination open house/facilitated presentation with a question and answer session to allow staff to hear from various members of the public. About 80 people attended the event, with 48 filling out comment forms. While the comment forms indicated general support for the project, there was considerable non-support for the proposed early advancement

of the two-acre Creekside Park Extension. The three main concerns regarding the park extension were the \$3.9 million value attached to the two acres of early-advanced park (with community members indicating should come for free as it is part of the overall public benefits strategy for False Creek North), the 15-year lease attached to the extension (which led to concerns that the ultimate park might actually be delayed because of this), and discussion as to why early construction of the entire Creekside Park is not being completed at this time. A few comments were received regarding height, density, and design of the project.

The project was also discussed with the Northeast False Creek (NEFC) Joint Working Group. Comments conveyed by individuals at the meeting expressed concerns with the public benefits package as proposed. Comments were also received by the False Creek Residents' Association and are attached as Appendix A to this memo.

2. Affordable Housing Policy

The rezoning of Area 5b West in NEFC includes a public benefit offering for affordable housing. This offering from Concord includes the transfer of two sites at 58 West Hastings Street and 117 East Hastings Street to the City for the purpose of developing affordable housing.

In considering this approach, staff from related departments feel that the acceptance of these two sites does not represent a significant change in the False Creek North policy for 20% affordable housing. Since 1993, the City has accepted cash-in-lieu payments from developers when no senior government programs have been in place to exercise options to purchase or construct social housing. These cash payments have resulted in reduced affordable housing achievement within the FCN ODP area. Rather than a change in policy, the acceptance of these sites in lieu of affordable housing sites within the False Creek North Official Development Plan (FCN ODP) area represents the strategic implementation of the policy in response to specific circumstances (i.e., rezoning sites too small for onsite non-market housing, uncertain senior government funding to develop airspace parcels, high quality non-market housing sites provided very near to the ODP area).

While cash contributions in lieu of affordable housing are not new, this is the first time that this option has been used to secure sites outside of the ODP area. Staff considered several options for delivery of affordable housing within the FCN ODP area (e.g. using cash-in-lieu payment to exercise options to purchase sites in FCN), and concluded that there are several benefits to securing the two sites on Hastings Street:

- A. The sites on Hastings Street have significant development potential. The site at 58 West Hastings Street has an approved development permit for 160 residential units. The site at 117 East Hastings Street has more limited development potential initially, but is a strategic acquisition at this location on East Hastings Street.

The types of affordable housing that could be achieved on these sites depend on a number of factors, the most important of which is the availability of funding from senior governments or other sources (e.g. foundations). If federal/provincial funding is available, these sites could be developed as entirely social or supportive housing targeting low-income households and those who are homeless or at-risk of homelessness. If senior government funding is not available in a timely way, the

City could partner with the private sector to develop low-end-of-market rental housing or mixed tenure and income projects where the sale of condominium units in part of the development is used to subsidize the inclusion of social housing units in the project.

- B. Staff considered using a cash-in-lieu payment to exercise options to purchase on affordable housing sites in FCN. This direction was not pursued for two reasons.
- First, those sites are already secured, as approximately 60 years remains on the City's option to purchase. The opportunity to develop these sites is not lost. In fact, the value of these sites to the City grows over time because our option-to-purchase price increases in line with the Consumer Price Index (inflation) whereas the cash-in-lieu price that a developer would pay to the City to convert the sites to market housing increases with the market price of the land (typically a much higher rate than inflation).
 - Second, exercising the option to purchase is not a straightforward process. In order to exercise the option, the City must meet a number of conditions included in the option agreement. For example, the option mechanism requires that a housing program be in place to build out the site at the time the City exercises the option. There is currently no housing program in place that could be accessed to develop these sites. Therefore, the City cannot simply exercise the option to purchase the available sites in FCN.
- C. The sites on Hastings Street will contribute to the implementation of the DTES Housing Plan. The principal goal of the DTES Housing Plan is to maintain the total number of low-income housing units in the DTES at approximately 10,000 units, while replacing the sub-standard Single Room Occupancy hotels with self-contained social housing on a one-for-one basis. At the same time, the plan calls for an increase in market housing in the area.

When the DTES Housing Plan was adopted in 2005, the roughly 10,000 low-income housing units in the area were split 50/50 between privately owned SROs and social housing. As of July 30, 2010, there were 3,777 SRO rooms and 6,484 social housing units in the DTES. As a result, the City is currently slightly ahead of our one-for-one replacement goal, and will move further ahead by 2013 after the completion of the social and supportive housing sites currently underway in the DTES (e.g. 1005 Station Street, 606 Powell Street, etc.).

While the City is on track to achieve one-for-one replacement of SROs with social housing, there is a significant need for additional social housing projects in the DTES. Additional projects are needed to replace the 3,777 remaining SRO rooms. Further, our recent progress towards this goal has been achieved in part through the provincial acquisition and renovation of 23 SRO hotels. While the acquisition and upgrading of these hotels was an important step in improving and stabilizing the stock, they will eventually need to be replaced with new social housing.

3. Noise and Thermal Comfort

Staff advised in the rezoning report that the options for the design of the façade of the buildings to achieve acoustic mitigation and thermal comfort targets needed to be further explored. It was also noted that a recommended approach would be presented

to Council at the public hearing, based on the analysis and recommendations of an Acoustic and Thermal Comfort Study, guided by the Council's event-related noise policies approved in November 2010.

Work is progressing on the applicant's acoustic and thermal comfort studies for 5b West and 5b East. Three options have been presented to staff providing a range of noise mitigation within the Council approved target range of 40 and 50 dBC in the interior of an apartment. These options are:

- A. an all glass façade with a design similar to that pursued elsewhere in False Creek North and in Yaletown, achieving interior noise music levels to between 48 and 51 dBC;
- B. a façade incorporating 50% glass and 50% concrete, achieving reduced noise levels to approximately 45 dBC (representing an approximately 30% reduction in noise over a glass façade as proposed in option 1); and
- C. a façade incorporating 15% glass and 85% concrete, achieving reduced music noise levels to approximately 40 dBC.

Staff have consulted with the City's acoustic consultant, BKL Consultants and they:

- recommend that a factor of safety be used in interior noise calculations; and
- advise that the noise reduction for Option 1 would be approximately 51 dBC based on the applicant's assumptions.

Staff are confident that it will be possible to achieve the Council-approved target for noise mitigation, and suggest that a definitive solution will be identified at the development permit stage. For example, the applicant will have a choice between a façade incorporating all windows (with enhanced noise mitigation performance) or a mixture of concrete (or other material providing equivalent acoustic performance) and windows. Lastly, there may be building façades that are not as heavily impacted by event-related noise (e.g. facades facing away from event venues) that will not need to incorporate a design that achieves the same level of noise mitigation.

4. Creekside Park Extension

In the rezoning report, staff have indicated the applicant will provide a lease for two acres of Creekside Park for a 15-year term. Staff wish to provide some clarity about the proposed CAC offering:

- While the exact configuration is not known at this time, staff anticipate the park will be located in the southeast corner of Area 9, just directly north of the existing Creekside Park.
- The proposal is for two acres of park space, which is net of the seawall extension in this location.
- The 15-year term is a maximum term. It is hoped Concord Pacific will provide the ultimate Creekside Park extension well before the term indicated in the report. Any difference in actual delivery timing from the 15 year term would be factored into CAC discussions on the Concord Area 6C lands.

- While there has been a value attached to the park space (which represents the opportunity cost of providing park space now rather than later), the park space is provided as an “in kind” CAC.

5. District Energy

With respect to the addition to the district energy condition, staff are providing the additional note to applicant (below) to provide some certainty to the applicant that there will be a District Energy system in place to allow for timely design and construction of the buildings on Area 5b East. Staff are confident there will be a district energy system for Northeast False Creek by December 2011.

6. CAC Allocation - Carrall Street Greenway

In the initial staff report, staff indicated that \$1,200,000 was allocated for bicycle improvements for the Carrall Street Greenway. Engineering Services has indicated the Carrall Street Greenway will be completed in this location as an obligation of the developer through the development of Area 6C, so the allocation should be to other bicycle and pedestrian improvements in the area. While the result will be improved connections to either the Seawall or Carrall greenway, the actual options will be reviewed as part of the Active Transportation Master Plan process.

RECOMMENDATIONS

1. THAT the conditions of approval of the form of development, as presented in Appendix B of the Policy Report dated January 4, 2011, entitled “CD-1 Rezoning - 10 Terry Fox Way (Concord Area 5b West)” be amended to add the following conditions:
 - a) under “District Energy” add the following additional note to applicant at the end of condition (b) 25:

Additional note to applicant: The City of Vancouver will, by December 31, 2011, advise the Applicant as to the name of the party that is the holder, or the name of the party that is reasonably likely (in the opinion of the General Manager of Engineering Services) to be the holder, of the City of Vancouver’s Retail Franchise for Northeast False Creek Low Carbon Renewable District Heating Services. If the City of Vancouver fulfills the foregoing requirement, then the Applicant will be required, in accordance with the above condition, to connect to the district heating system of the Retail Franchise holder. Knowing the name of the Retail Franchise holder will assist the Applicant to gain information regarding detailed design of the interface of in-building mechanical systems with the district energy system, and provide the Applicant lead-time to enter into energy supply contracts with such holder in advance of heat delivery being required to the Applicant’s buildings. If the City of Vancouver does not advise the Applicant by December 31, 2011 of the name of the party that is the Retail Franchise holder or the name of the party that is reasonably likely to be the Retail Franchise holder, the Applicant will be free to enter into energy supply contracts with an alternate district energy service provider.

b) Under "Planning" add the following new conditions after condition (b) 20 and renumber the subsequent conditions in section (b):

21. Design development of the façades to achieve noise mitigation that is, with a reasonable degree of certainty, as determined by the Director of Planning, within the Council-approved performance target of 40 - 50 dBC;
22. That passive design strategies (such as solar shading and building facade design, and as further described in the Passive Design Toolkit - Best Practices, City of Vancouver, November 2008) be pursued and operable windows be provided (for use during non-event periods) to reduce the energy use.

Note to applicant: Residential units may be air conditioned in cases where a thermal comfort study shows that a comfortable temperature cannot be maintained during warmer months with the windows shut, and where all available passive design measures have been employed. This will ensure that residents can enjoy a reasonable degree of quiet during the warmer months when there will be more events. The thermal comfort study should incorporate the consideration of options that emphasize passive design strategies and mechanical ventilation, with no air conditioning and options that incorporate air conditioning. Air conditioning should only be pursued when it is proven that reliance on passive design strategies and mechanical ventilation will not result in comfortable interior temperatures with the window shut during the warmer months.

2. THAT the condition of by-law enactment (c) 5, concerning the Community Amenity Contribution, as presented in Appendix B of the Policy Report dated January 4, 2011, entitled "CD-1 Rezoning - 10 Terry Fox Way (Concord 5b West)", be amended to strike out the words "along the Carrall Street Greenway" and replace them with "within the Northeast False Creek area".

Brent Toderian
Director of Planning

BT/DD/ws
Attachment

Statement to the Joint Working Group
February 3, 2011

The False Creek Residents Association has participated in the City's various processes on NE False Creek for years. During this period, there have been a number of situations that have seriously strained our commitment to the process. For example, the November 5, 2009 Staff Report to Council was a flashpoint as this report appeared to us to ignore quite completely all community input during many meetings of the Consultative Committee. This almost terminated any participation in what appeared to be a totally meaningless time waster. However, when Council accepted the High Level Review report, an amendment moved by Councillor Geoff Meggs recommended a joint working group.

After considerable discussion and persuasion we were convinced to come back to the table and participate in the new process. We were assured that we would be heard. During this Joint Working Group process, FCRA members have devoted countless volunteer hours - reviewing proposals, attending meetings, making presentations. We have also spent countless hours reviewing minutes - minutes which still have yet to be approved as they continuously fail to represent the perspectives raised by community members.

Since the summer of 2010, our participation has increased with regular 'facilitated discussions' between the City and Concord Pacific and our association representing the Community. Again - we have devoted countless volunteer hours. Notwithstanding any of this, we find ourselves back at the same point back in November 2009-- **staff recommendations to City Council fly in the face of everything our association has communicated with respect to community perspectives and concerns.**

For the past 20 years City staff have maintained that Lot 9 had no value. The City has stood by silently while the property owner paid approximately \$4,400 per year in taxes - less taxes for 12.3 acres of prime waterfront property than one would expect to pay for a 1 bedroom condo in one of Concord's buildings.

Now suddenly the City proposes to use 2/9th's of the park site, "temporarily" for a 15 year period. In exchange, the City will give Concord Pacific a CAC credit of \$3,893,309.00 to compensate them for what Michael Flanagan has termed loss of their "lucrative commercial ventures". **Either the property has value and should be taxed accordingly, or not.**

The Staff Report says that "\$4.3 Million of the CAC for this site is for the advancement of Creekside Park." Council has previously directed staff to consider ways to achieve this. **How postponing the park for 15 years can be said to "advance" the park boggles the mind.**

There is nothing in the Community Benefits package that benefits the existing community, or the people who will be living in the proposed 4 new high rise towers. The Joint Working Group could have been and should have been a collaborative, transparent and open process. It has now deteriorated into secrecy and back room deals that have nothing to do with the community or its needs.

In our view the City's strategy has been to keep us busy with junior staff at various tables while senior staff negotiate the real deal.

We will continue to maintain a 'watching brief' on the Joint Working Group, however, we will step up our efforts to ensure that the Mayor, Council and City Manager and the community hear directly from the FCRA. To that end, this statement has been sent directly to these parties.