

Refers Item No. 3
Public Hearing of July 26, 2011

MEMORANDUM

July 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 Communications
W. Stewart, Assistant Director, Corporate Communications
D. McLellan, General Manager of Community Services
B. Proskan, Deputy General Manager of Community Services
B. Toderian, Director of Planning
F. Connell, Director of Legal Services
P. Judd, General Manager of Engineering Services
M. Flanigan, Director of Real Estate Services
A. Pitre-Hayes, Director of Sustainability
A. Bond, Assistant Director of Housing Policy

FROM: K. Munro, Assistant Director of Planning, Current Planning Division

SUBJECT: CD-1 Rezoning - 7101-7201 Granville Street (Shannon Mews)

On June 30, 2011 the above-referenced rezoning application was referred to public hearing. As committed to in the staff report, this memorandum reports to Council on a number of matters. Further, staff are recommending three additional changes - to Appendix A, Appendix B and a diagram in the body of the report. Specifically, this memo addresses the following:

1. Tenure of Proposed Rental Units;
2. Confirmation of the Offered Community Amenity Contribution and Recommended Allocation;
3. Sustainability Conditions related to Renewable Energy;
4. Condition to reduce the Height of Block F;
5. Diagram to Appendix A (draft CD-1 by-law);
6. Figure 3 - Illustrative Diagram of Recommended Building Heights in Storeys.

DISCUSSION

1. Tenure of Proposed Rental Units

As noted in the staff report, one of the Guiding Principles established by Council in 2009 was that any rezoning application should “replace and increase the amount of market rental housing units ...” on the site. The Shannon Mews site currently accommodates 162 rental units, with 19 units located in the three heritage buildings (the Mansion, Coach House and Gatehouse) and 143 units located within the townhouse buildings. The rezoning application proposes to develop 187 new rental units to be located in Block C, in the southeast portion of the site and the proposal is to convert the heritage buildings into 15 units, for a total of 202 rental units on site. The application, therefore, satisfies the principle that seeks to “replace and increase” the market rental housing units on the site.

The applicant has offered to secure the tenure of the 187 rental units in Block C through a Housing Agreement for a term of 60 years or the life of the building, whichever is greater. This is consistent with the City’s current practice when market rental housing has been achieved through new development.

With regard to the 15 units proposed in the three heritage buildings, the applicant initially indicated an intent to strata title those units and to sell them as market condominiums, rather than to retain them as rental housing. In response to concerns expressed by the tenants who currently occupy the heritage buildings, however, the applicant has now agreed to secure those 15 units as rental accommodation for a period of 20 years so that the current tenants will have housing security. It remains the intention of the applicant to convert those units to strata title ownership.

Staff are supportive of the mix and tenure of the units proposed in this application for the following reasons:

- if approved, the application will result in the achievement of a better than 1:1 replacement ratio of the existing 162 rental units;
- 187 new market rental units would be secured for 60 years or the life of the building, whichever is greater;
- 15 market rental units would be secured for a 20-year term; and
- a tenant relocation plan that includes the 20-year rental term for the 15 heritage units has been negotiated between the applicant and the existing tenants.

Recommendation Regarding Rental Tenure

THAT the conditions of approval of the form of development, as presented in Appendix B of the Policy Report dated June 24, 2011 entitled “CD-1 Rezoning - 7101-7201 Granville Street (Shannon Mews)” be amended as follows:

- a) Under (c) “Conditions of By-law Enactment” replace condition 14 with the following:
 14. Execute Housing Agreements to secure the following market rental units as rental on a month-to-month or longer basis, on terms satisfactory to the Director of Legal Services and Assistant Director of Social Infrastructure, including that:

- the 187 new dwelling units in Block C shall be secured for a term of 60 years or for the life of the building, whichever is greater, and be subject to a non-stratification covenant and no-separate-sales covenant;
- the 15 dwelling units in the Mansion, Coach House and Gatehouse shall be secured for a term of 20 years, and be subject to a no-separate-sale covenant, pursuant to the other Housing Agreement.

Note to Applicant: These Housing Agreements will be entered into by the City by by-laws enacted pursuant to Section 595.2 of the *Vancouver Charter*.

2. Confirmation of the Offered Community Amenity Contribution (CAC) and Recommended Allocation

As noted in the staff report, preliminary financial analysis and discussion with the applicant had suggested that a cash CAC offering in the order of \$20 million could be appropriate as part of this application. Having concluded the matter of the tenure of the rental housing units in the heritage buildings, as discussed above, and factoring in staff's recommended reduction in overall site density from 1.64 to 1.60 Floor Space Ratio (FSR), Real Estate Services staff have concluded that the increase in land value associated with this rezoning warrants a CAC offering of \$20.7 million, which has been offered by the applicant. Real Estate Services staff recommend that this offer be accepted.

At the request of the ARKS Housing Sub-Committee and the Shannon Mews Neighbours Association (SMNA) staff have consulted with these two groups to seek their perspective on the allocation for the offered CAC. The SMNA advised that they were unable to provide input prior to this memo being finalized. In correspondence received on July 11, 2011, the following desired improvements were noted by ARKS representatives, based on ARKS Vision directions:

- improvements to the Kerrisdale Community Centre and the Cyclone Taylor Arena;
- renewal of the Marpole Community Centre;
- walking, cycling and other pedestrian improvements along the Arbutus Corridor;
- improvements to the washrooms and change rooms at Maple Grove Pool.

Staff recommend that the CAC associated with this application be allocated through a future process with Council approval, noting that contributions to open space, greenways and bikeways, or other civic/cultural amenities in the general area be considered.

Recommendation Regarding Community Amenity Contribution

THAT the conditions of approval of the form of development, as presented in Appendix B of the Policy Report dated June 24, 2011 entitled "CD-1 Rezoning - 7101-7201 Granville Street (Shannon Mews)" be amended to add the following condition:

- a) Under (c) "Conditions of By-law Enactment" add the following conditions under the heading of "Community Amenity Contribution":
 15. Pay to the City, prior to enactment of the rezoning by-law, a cash Community Amenity Contribution in the amount of \$20.7 million, which has been offered by the applicant.

3. Sustainability - Renewable Energy

As noted in the staff report at the time of referral, a District Energy Pre-Feasibility study was submitted as part of the rezoning application and has been reviewed by staff. Findings indicate several potentially feasible renewable energy system opportunities offering electrical savings, greenhouse gas (GHG) reductions and economic advantages compared to a business-as-usual approach. Conditions related to a renewable energy system were still under discussion at the time that Council considered referral of this rezoning application to public hearing so were not included in the staff report. Staff are recommending that conditions be added to address renewable energy matters.

Recommendations Regarding Renewable Energy

THAT the conditions of approval of the form of development, as presented in Appendix B of the Policy Report dated June 24, 2011 entitled "CD-1 Rezoning - 7101-7201 Granville Street (Shannon Mews)" be amended to add the following conditions:

- a) Under (b) "Conditions of Approval of the Form of Development" add the following conditions under the heading of "Renewable Energy":

Renewable Energy

48. Provide for any further feasibility study and technical investigation required to confirm the preferred approach to implementing the Renewable Energy technology (i.e. sewage heat recover or alternative) to the satisfaction of the General Manager of Engineering Services.
49. The renewable energy sources (i.e., sewage heat recovery or alternative) shall provide a minimum of 70% of total annual space heating, cooling, and domestic hot water energy requirements delivered as part of the renewable energy system to buildings within the development and to the satisfaction of the General Manager of Engineering Services. Remaining annual and peak load energy demands shall be provided by high efficiency gas boilers.

Note to Applicant: Findings of the District Energy Pre-Feasibility Study, provided by Busby Perkins + Will (2011), indicate the potential to service 85% of the annual energy demands for space heating, cooling and domestic hot water via renewable sources at costs below a business as usual approach. Further analysis may be required to assess in more detail the optimal sizing of the renewable energy system, however a target above 70% is anticipated to be achievable and reasonable based on this preliminary study.

50. A Renewable Energy System shall reduce GHG emissions by a minimum of 50% relative to business-as-usual heating (where residential units would otherwise be heated with electric resistance heat with natural gas combustion for heating of ventilation air, common and non-residential spaces, and domestic hot water, and through the use of chillers and cooling towers for any space cooling requirements). Lower GHG reduction targets may be considered where the above-listed target is shown to be economically infeasible. Such claims must be made to the satisfaction of the General Manager of Engineering Services.

Note to Applicant: Selection of the preferred renewable energy technology and approach to implementation must be approved by the General Manager of Engineering Services as further information regarding feasibility of technology and approaches to implementation are determined. The applicant is advised to work closely with staff to ensure emerging detailed building designs coordinate with potential energy system design requirements.

51. The energy system shall be designed in such a way as to enable energy metering and the monitoring of performance metrics during system operation for the purpose of preparing system performance reports, which shall include items such as: amount of heating and cooling energy produced, actual measurements of peak and annual cooling and heating loads (including domestic hot water and make-up air, separated into commercial and residential components), heat recovery from cooling on an annualized basis, coefficients of performance of any heat pumps in cooling and heating mode, boiler use and efficiency, associated electricity and natural gas demand of heating equipment and any auxiliary electrical demands associated with the system including, but not limited to, pumping, and, if applicable, long-term expected performance or changes in performance of the Renewable Energy System sources.
52. Space heating and ventilation make-up air shall be provided by hydronic systems, without electric resistance heat, distributed heat generating equipment gas fired make-up air heaters, etc.
53. Detailed design of the Renewable Energy System must be to the satisfaction of the General Manager of Engineering Services.
54. No heat producing fireplaces are to be installed within residential suites.

Note to Applicant: All fireplaces are discouraged. A letter from a Professional Engineer outlining any provision for ornamental fireplaces is to be submitted at the time of application for Building Permit to state that the fireplaces installed are not heat producing.

THAT under the conditions of approval of the form of development, as presented in Appendix B of the Policy Report dated June 24, 2011 entitled "CD-1 Rezoning - 7101-7201 Granville Street (Shannon Mews)" be amended to add the following conditions:

- a) Under (c) "Conditions of By-law Enactment" add the following conditions under the heading of "Renewable Energy"

Renewable Energy

16. Undertake and complete further site testing and/or analysis as may be required to confirm the viability of the preferred form of the Renewable Energy System and provide updates to the General Manager of Engineering Services which summarize such testing and/or analysis, all of which must be to the satisfaction of the General Manager of Engineering Services.
17. Enter into such agreements as the General Manager of Engineering Services and the Director of Legal Services determine are necessary to implement and operate the Renewable Energy System which may include but are not limited to agreements which:

- (a) require the development and operation of the Renewable Energy System;
- (b) require buildings on the site to connect to the Renewable Energy System;
- (c) grant the operator access to the Renewable Energy System;
- (d) provide for adequate and appropriate space to be utilized for a Renewable Energy System plant (at the City's option, to be secured either through an option to lease (long-term) in favour of the City or through an option to purchase in favour of the City, which in either case may be assigned to the utility operator);
- (e) require the delivery to the City of detailed performance reporting on the Renewable Energy System, on a schedule, containing information, and prepared in a form required by the General Manager of Engineering Services; and
- (f) require delivery to the City, at a stage determined by the General Manager of Engineering Services, of confirmation that all permits and approvals required to construct and operate the Renewable Energy System have been issued, including if applicable, a certificate of public convenience and necessity.

4. Additional Condition to Reduce the Height of Block F

"Urban Design" condition (b) 1 in Appendix B contains recommendations for reductions in the maximum building height for Blocks C, D and G. It was staff's intent to also recommend a reduction in the building height for Block F to be no more than nine storeys, but a reference to Block F was inadvertently missed. Staff are recommending a revision to the conditions of enactment to correct this.

Recommendation to Reduce the Height of Block F:

THAT the conditions of approval of the form of development, as presented in Appendix B of the Policy Report dated June 24, 2011 entitled "CD-1 Rezoning - 7101-7201 Granville Street (Shannon Mews)" be amended to add the following conditions:

- a) Under (b) "Conditions of Approval of the Form of Development" add the following condition under the heading of "Urban Design":
 - 1.(d) the maximum height of Block F shall be no more than nine storeys.

5. Diagram for Appendix A (Draft By-law)

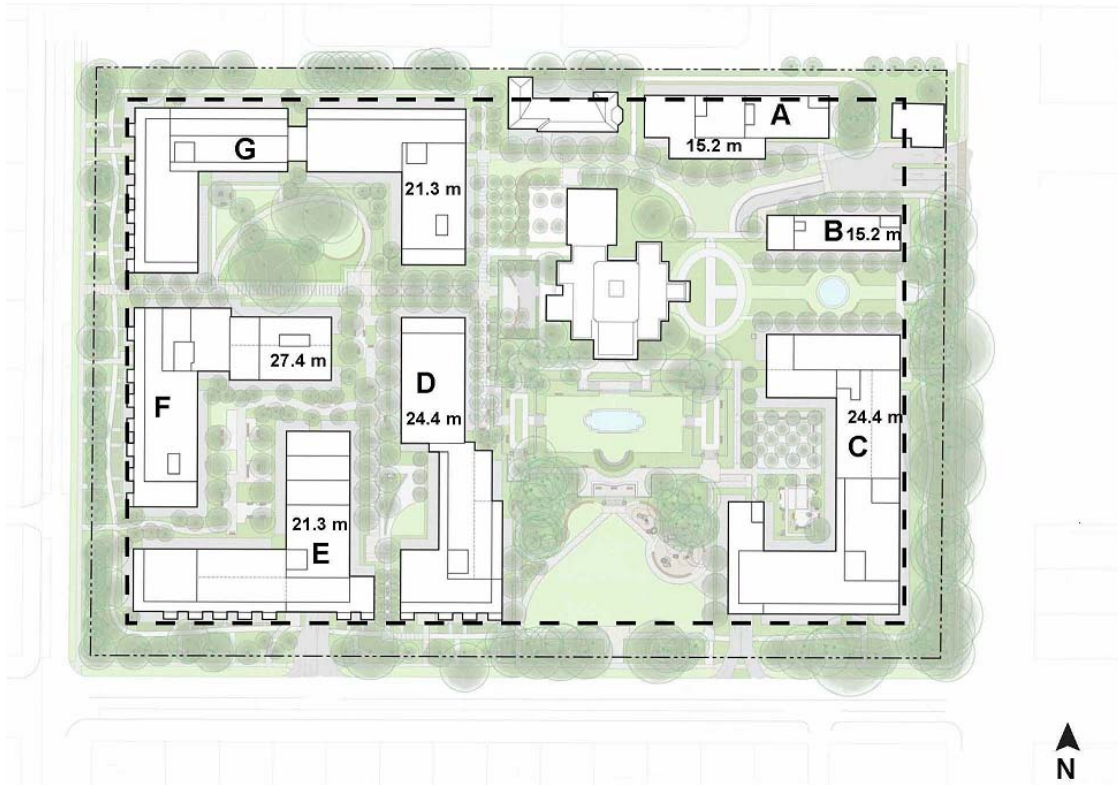
The draft by-law for the rezoning contains maximum building heights, by building block, but the diagram which identifies and labels the blocks was inadvertently left out of the draft by-law. To ensure clarity in the by-law, staff are recommending that a diagram be added.

Recommendation to Add a Building Height Diagram:

THAT Appendix A to the Policy Report dated June 24, 2011 entitled "CD-1 Rezoning - 7101-7201 Granville Street (Shannon Mews)" be amended as follows:

- a) Appendix A, Draft CD-1 By-law Provisions, Section 6. Height, be amended to insert Figure 1: Maximum Building Heights:

Figure 1: Maximum Building Heights



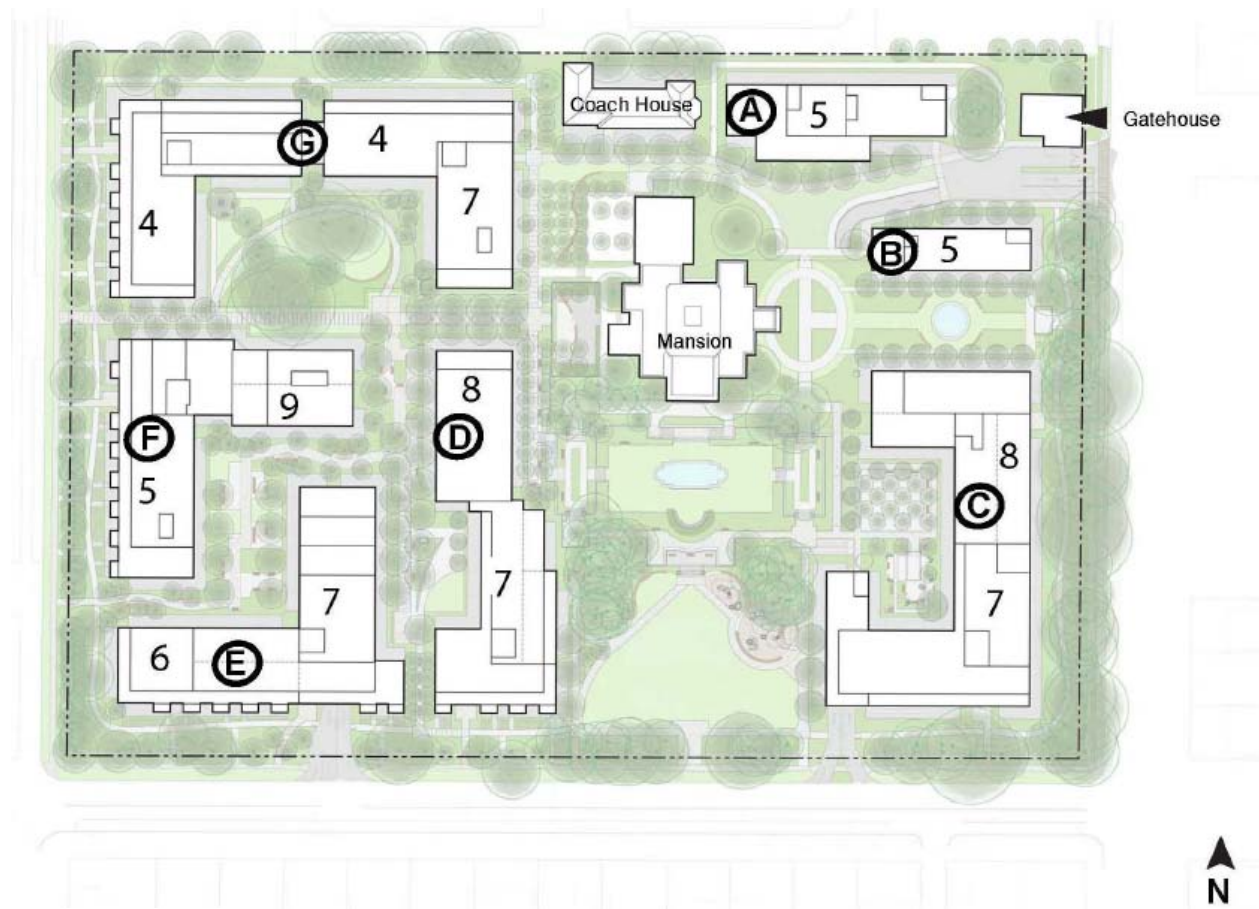
6. Figure 3 - Recommended Building Heights in Storeys

In the Policy Report dated June 24, 2011 entitled "CD-1 Rezoning - 7101-7201 Granville Street (Shannon Mews)", the intent of Figure 3 was to graphically illustrate the implications of staff's recommended reductions in building heights, as verbally noted in the Urban Design conditions in Appendix B. Subsequent to the report being finalized inconsistencies were discovered. Staff are recommending that Figure 3 be replaced with the following updated diagram.

Recommendation to Replace Figure 3:

Delete Figure 3 on page 12 of the Policy Report and replace it with the following:

Figure 3: Illustrative Diagram of Staff's Recommended Building Heights in Storeys



K. Munro

K. Munro, Assistant Director of Planning
Current Planning Division

KM/AH/ws