

**Rezoning Application at 105 Keefer Street and 544 Columbia Street
Staff Responses to Council Questions at Public Hearing
(Part 2)**

Staff have provided responses to questions raised by Council on Tuesday May 23 (Part 1). The following are staff responses to questions raised by Council, between Thursday May 25 and Monday May 29, 2017, during the Public Hearing for 105 Keefer Street and 544 Columbia Street.

1. **Staff were asked if the proposed floor area is comparable to what is achievable under HA-1A zoning since floor area is not limited in HA-1A zoning.**

Response: As shown in Figure 4 of the staff report, the proposed FSR is comparable to recent approvals under the HA-1A zoning for a number of reasons:

- Other developments achieved approximately 7.0 FSR or higher, while limited to 90 ft., by having less setbacks on the upper-storey and rear of the building.
- The particular context of these sites was less sensitive.
- During the Development Permit process, staff did not hear a significant amount of concerns about the proposed density from the public or advisory groups.

2. **Staff were further asked if the FSR proposed in this application could be achieved in a nine-storey building form on this site.**

Response: A nine-storey building form on this site would not likely achieve the same amount of density that is proposed in this rezoning application. The design guidelines would require upper level setbacks and there are limited opportunities to relocate the density currently proposed above the ninth storey.

3. **Staff were asked if the height of the proposed building would interfere with the site line to the moon from Sun Yat-Sen Gardens during new moon and other key festivals.**

Response: Staff have received advice from the resident astronomer at the Planetarium that a view analysis of the moon is possible, but not as straightforward as analysis of the path of the sun (for example, in a shadow study). The path of the moon, unlike the sun, is not constant. It shifts every 9 years. Also, like the sun, the moon travels across the sky over the course of a night. Therefore, even if the view to the moon is obstructed by a building at one point, it will become visible at another point of the night.

Figure 4 in Appendix D of the staff report contains an image of a view taken from the water pavilion inside the garden that would give an indication of the amount of proposed building that can be seen from the garden.

4. Staff were asked about the timeline for the upcoming staff report with recommendations on Chinatown development policy changes. How soon after the Council's decision would the changes be implemented?

Response: Staff are preparing a report to provide Council with updates on the Chinatown Economic Revitalization Strategy and recommendations on amendments to Chinatown policy. Any recommended changes to Chinatown zoning would be referred to a Public Hearing, which will probably take place in the fall. Council could choose to approve the recommended amendments to HA-1 and HA-1A zoning immediately after the scheduled Public Hearing.

5. Staff were asked if there are any other in-stream rezoning enquiries or rezoning applications being considered under the *Rezoning Policy for Chinatown South (HA-1A)*?

Response: Aside from 105 Keefer Street, there is one active rezoning application at 728-796 Main Street. There are no active rezoning enquiries.

6. Staff were asked to clarify whether the subject site's 149-foot frontage on Keefer Street contravenes the *Rezoning Policy*.

Response: Under 6(b) of the *Rezoning Policy for Chinatown South (HA-1A)*, the recommended development site frontage for a rezoning is 75 ft. to 125 ft. The intent of this recommendation is to discourage large consolidations of existing small sites. Where existing sites already exceed the recommended 125 ft. frontage, staff have not required dis-assembly of the existing site into smaller lot frontages in order to fit the recommended site frontage.

7. Is it possible for Council to refer this application back to staff to reconsider appropriate height and massing for this site?

Response: As part of the review of the rezoning application, staff have assessed the height and massing for this site through multiple iterations and have arrived at the recommendation presented to Council in the report. Council can 1) approve the application as recommended, 2) approve the application with changes, including changes to the by-law height and density, or 3) refuse the application. Staff do not recommend that the application be sent back to staff.

8. The report states there is a possibility to extend the 10-year lease for the seniors' cultural/activity space. Staff were asked if an extension must be mutually agreed to and would it be at the same below-market rental rate.

Response:

- The applicant/owner is offering the seniors organization a reduced rent for 10 years.
- The 10 year lease would be between the owner and a registered Non-Profit Organization/seniors group (on terms and conditions acceptable to the City).
- Any extension beyond 10 years would be at the discretion of the owner, and would be negotiated on terms and conditions agreeable to both the owner

and the NPO/seniors group. The rental rate would be agreed as part of those negotiations; however the owner would be under no obligation to offer below-market rental rates.

9. Staff were asked that whether there is an assessment of needs and assets for seniors in Chinatown.

Response: The following stats are from 2011 Census data:

- Chinatown seniors: 30% male; 70% female
- % of individuals 65+ with Chinese language mother tongue: 69%
- Monolingual seniors: 90% of seniors with a Chinese mother tongue are unable to hold a conversation in English
- 56% of seniors in Chinatown live alone

Further, according to the National Household Survey, 55% of seniors in Chinatown are low income.

During the City's Community Services Grant reviews in 2015, a number of organizations brought up the concern that Chinese-speaking seniors in Chinatown/DTES/Strathcona were lonely, isolated and underserved.

In March 2016, staff called a meeting of organizations that provide services to the Chinese seniors population to review the 2007 report "Chinese Seniors And Services In Downtown Eastside, Chinatown, Strathcona." They confirmed that the report findings are still valid. Since then, the Vancouver Foundation has provided a \$10,000 grant to support a project that will work toward better coordination of services and the development of a Chinese Seniors Advisory Council. In addition, the City will be supporting the project through a \$50,000 Social Innovation Project grant.

Staff will work with the Chinese Seniors Advisory Council and area service providers to understand how we can best support seniors in Chinatown.

10. Staff were further asked if social impact assessments (SIAs) are conducted as a regular part of planning analysis of larger or significant projects and whether the City has analyzed the social and economic impacts of the recent market development on Chinatown.

Response: The City has conducted SIAs as part of major planning programs and Projects (such as Downtown Eastside, Northeast False Creek, Providence/St. Paul's). The 2014 Downtown Eastside SIA included Chinatown. If Council would like staff to take a deeper look into the impacts in and around Chinatown on senior population specifically, staff would be happy to do this.

11. On page 19 of the staff report, there is a statement that "there would be no increase in land value generated from the market component". Clarification was sought as to whether the "market component" refers to the market condos or the commercial spaces on the ground floor.

Response: Reference to “market component” refers to all the market residential strata and commercial density in the project.

12. Staff were asked to explain why there are no CACs being offered. Specifically:

a) does the provision of 25 units of social housing factor into the “no CACs” conclusion?

Response: No, the provision of social housing was not a factor in the CAC evaluation. There is no CAC because CAC is based on increase in land value generated by the increase in floor area achieved through rezoning. In this case, the floor area achieved through rezoning is comparable to floor area achievable under HA-1A zoning.

b) is the below-market rent for the commercial unit for seniors’ cultural use the main reason for why there is no CACs?

Response: The below market commercial space does have an effect on the development proforma as it will reduce any potential increase in land value (i.e. land lift). However, its effect is relatively small.

c) do the three top floors of condos generate an increase in land value since they are of higher values than lower floors?

Response: Staff did include a higher value associated with these three partial top floors. Regardless, the development proforma review indicated no increase in land value, relative to land value under existing zoning. Overall, whilst there is a relatively small increase in the total market residential floor area, any value increase is offset by the proposal’s generous provision of common amenity areas in the building as well as a reduction in ground-floor commercial floor areas due to the introduction of the publicly accessible passageway.

13. Staff were asked if the City has land independently appraised before staff assess whether there would be an increase in the land value generated by the rezoning and what factors are considered in assessing whether/how much of an increase in land value is generated by the rezoning.

Response: The City’s practice is to undertake a staff review of the development proformas provided by the applicant. This does not normally include an independent appraisal.

When determining whether or not there is an increase in land value, the development proforma estimates sales revenues, and then deducts development costs, financing and developer’s profit to arrive at a residual valuation of the rezoned land. In this case, there is no increase in land value because the proposed density through rezoning is comparable to what can be achieved under the existing zoning.

14. Staff were asked to clarify the Province of BC's policy and best practices surrounding CACs: are they voluntary contributions? can a city impose a CAC the same way it can charge a fee for a DCL?

Response: As outlined in the Provincial Guidelines "*Community Amenity Contributions: Balancing Community Planning, Public Benefits and Housing Affordability*", CACs are amenity contributions agreed to by the applicant/developer and the City as part of the rezoning process initiated by the applicant/developer. CACs are secured either by using a Fixed Rate CAC Target approach or through Negotiated approach. In both cases, the contribution must be agreed to by both parties. The agreed-to contribution is secured by Council at public hearing and is realized when the rezoning is enacted.

15. Other than the Cambie Corridor, are there any other areas in the City where there is a targeted "flat rate" CAC in policies for community amenities?

Response: There are several other areas in the city with a Fixed Rate CAC Target, including Southeast False Creek, Cambie Corridor, Little Mountain Adjacent Area, Norquay, Marpole and Grandview-Woodland.

16. Staff were asked how much money a low-income senior would actually receive from OAS including the guaranteed income supplement (assuming that the senior has the requisite 10 years in Canada but only the minimum required time and no other income).

Response: A senior who is 65 or older and has no pension or other income will receive \$1,442/month in OAS and GIS. This amount would be reduced (\$1,098.70) if they had a partner who received OAS or some other pension benefit (but their combined income would go up).

17. In response to the submission from the Chair of the Seniors Advisory Committee, staff were asked if this project was formally presented to that Committee and if so, was the presentation made by the applicant, BC Housing and/or staff.

Response: Neither staff, BC Housing, nor the applicant team have presented the project to the Seniors Advisory Committee.

18. Staff were asked to clarify the definition of social housing and the level of affordability that would be achieved in the 25 social housing units in the subject rezoning.

Response: The city-wide definition of social housing requires that:

- the units must be owned by a non-profit, or by or on behalf of government;
- 30 per cent of the units (or in this case 8 units) must be rented at rates affordable to households with incomes below the Housing Income Limits (or HILs), and finally, that,
- the units must be secured as rental for the longer of 60 years or life of the building through legal agreements.

The city-wide definition of social housing also applies to Chinatown. Under the City's current DCL By-law, there is no added affordability requirement in Chinatown as there are in other parts of the Downtown Eastside.

However, as indicated by the BC Housing representative at the hearing, the intent is to deepen the level of affordability in all 25 units of the social housing to ensure they meet the needs of vulnerable Chinatown seniors.

19. Assuming there was a willing seller, staff were asked what it would cost to buy the land, how much more it would cost to build seven stories of self-contained social housing and a floor of free community space and further, how much it would cost to operate the housing at pension rate?

Response: Real Estate Services estimated \$22M in land costs. However, this does not take into account the owner's expectations or any other costs they've incurred which they may wish to recover.

Approximately \$32.5M would be required to build seven storeys of self-contained social housing and a floor of free community space.

Operating costs for the housing are estimated at \$1M/year for every 100 units. The free community space would likely also have a cost to operate and wouldn't be pulling in any rent.

(Please note: staff quoted the construction cost as "\$39.2 M" in error when addressing Council on the morning of May 29, 2017.)

20. Does the City own properties of an equivalent enough size and zoning that could be made available for a land swap if the owner of 105 Keefer and 544 Columbia streets is willing?

Response: The City does not currently have available a site of equivalent size and zoning for a land swap. City owned development sites are being developed through VAHA or partnerships with BC Housing and non-profit housing providers.

21. Staff were asked how this application is different from 450 Gore Street, for which Council recently approved a rezoning that allowed for a number of units with no dedicated social housing units or partnership with BC Housing. Could the applicant have chosen to submit a Secured Market Rental Housing application and not provide the 25 units of social housing and partnership with BC Housing, as well as the other public benefits included in this application?

Response: The two sites in question - 450 Gore Street and 105 Keefer Street - are subject to different policies. The site at 450 Gore is located in the RT-3 (Strathcona) area and, through rezoning, additional height can be considered for the provision of Secured Market Rental Housing.

The subject site at 105 Keefer can be considered for rezoning under the *Rezoning Policy for Chinatown South (HA-1A)*, which allows for greater height to secure

public benefits that may include on- or off-site benefits such as heritage conservation, cultural projects, or social housing.

For the subject application, which includes primarily market housing, the provision of the on-site social housing is not a requirement under the policy. The applicant could have put forward an application for Secured Market Rental Housing, without the social housing or other public benefits.

22. Many speakers have stated they would like to see 100% social housing on the site. As the site is owned by a private developer, if this application was not approved, would the developer still be able to build on the site within the zoning? If so, would they be able to build “luxury” condominiums, as long as the building was 90ft. or below?

Response: The developer is entitled to make a development permit application under existing zoning and could build all strata market residential units in a building that is up to 90 ft. high.

23. Does this project fit into the City’s Housing Re:Set and family housing policy?

Response: Much of what we have heard from speakers at this Public Hearing echoes concerns that were raised during the Housing Re:Set — the housing crisis has intensified, with impacts disproportionately felt by the most vulnerable, and affordability concerns are not just related to housing, but also include cost of living in relation to food, childcare and other needs.

The City has a family housing policy that requires 35% of market residential units in a project to have two or more bedrooms suitable for families, designed in accordance with the *High Density Housing for Families with Children Guidelines*. For market residential development in Chinatown and Downtown Eastside, 25% of the units are required to have two or more bedroom units for families. This slightly lower percentage of family housing requirement reflects the unique characteristics as well as the need to replace SRO stock in the area. However, the proposal for 105 Keefer Street currently provides 34% family housing.

24. Staff were asked whether the purchase of the 25 social housing units by BC Housing at \$7.3M was a good deal and whether it would be at cost or at a profit for the applicant.

Response: BC Housing has confirmed that the \$7.5M is an ‘up to’ allocation and not the amount they intend to pay for the units. The project costing is preliminary at the rezoning stage. BC Housing intends to negotiate a fair price based on cost of construction.

25. Staff were asked how many of the recently approved building permits in Chinatown have been for market condos.

Response: There have been six development permits approved since the amendments to HA-1/HA-1A zoning in 2010.

Under HA-1/HA-1A zoning:

- 189 Keefer: market condo
- 219 E Georgia: market condo
- 245 E Georgia: Secured Market Rental Housing (SMRH) units
- 231 E Pender: market condo (this is the only DE under HA-1 zoning)

Under *Rezoning Policy for Chinatown South (HA-1A)*:

- 633 Main - market condo but currently being rented out by the owner. These are not Secured Market Rental Housing (SMRH) units as there is no Housing Agreement to secure the units as rental in perpetuity.
- 611 Main - market condo with one level of social housing (22 units in total - 11 of which are rented at shelter component of income assistance and at least 6 additional units be rented at rents affordable to Core Need Households, i.e. BCH Housing Income Limits).

26. Staff were further asked how many seniors/social housing units and how many market condominiums exist and/or have been built in the Chinatown area and whether the mix of housing stock is in keeping with the housing goals of Chinatown Plan and Downtown Eastside Plan?

Response: In the Downtown Eastside Community Plan area as a whole (which includes Chinatown), 2,000 units (approximately 29%) of the 7,000 non-market housing units are dedicated to seniors and this project at 105 Keefer Street, with its provision of 25 social housing units targeted to seniors, would contribute to increasing that number.

In Chinatown, there are a total of 2004 dwelling units, comprised of:

- 732 condos (37%)
- 389 social housing units (19%)
- 457 Single Room Occupancy rooms (23%)
- 426 market rental (21%)

Of the 389 Social Housing units in Chinatown, 168 or 43% are dedicated to seniors.

The Downtown Eastside Plan (2014) sets out a 30 year vision for the community to create a sustainable, inclusive and diverse community with a strong local economy, while preserving accessible and diverse amenities for local residents.

While there are no specific targets for Chinatown, the housing goal for this sub-area of the Downtown Eastside is to encourage housing diversity, including home ownership and provision of more social housing in new developments. The proposal at 105 Keefer Street/544 Columbia Street aligns with this housing goal.