



**POLICY REPORT
DEVELOPMENT AND BUILDING**

Report Date: June 26, 2017
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VanRIMS No.: 08-2000-20
Meeting Date: July 11, 2017

TO: Vancouver City Council

FROM: The General Manager of Planning, Urban Design, and Sustainability in consultation with the Director of Legal Services

SUBJECT: Heritage Designation and Heritage Revitalization Agreement:
604 East 23rd Avenue (Mitchell Residence)

RECOMMENDATIONS

- A. THAT Council instruct the Director of Legal Services to bring forward for enactment, pursuant to Sections 593 and 594 of the *Vancouver Charter*, A by-law to designate the exterior of the Mitchell Residence (the “heritage building”) at 604 East 23rd Avenue (PID: 015-638-561; Lot 1, Block 5, District Lot 301, Plan 187 (the “site”)), which is listed in the ‘B’ evaluation category on the Vancouver Heritage Register, as protected heritage property.
- B. THAT Council instruct the Director of Legal Services to bring forward for enactment pursuant to Section 592 of the *Vancouver Charter*, a by-law for the City to enter into a Heritage Revitalization Agreement to:
 - (i) secure the rehabilitation and long-term preservation of the heritage building; and
 - (ii) vary the *Zoning and Development By-law* as necessary to permit development of the site, including infill development and bonus density, as proposed under Development Permit Application Number DE419627 (the “DP Application”) and as more particularly described in this report.
- C. THAT the Heritage Revitalization Agreement shall be prepared, completed and noted, registered, and given priority on title to the site to the satisfaction of the Director of Legal Services and the General Manager of Planning, Urban Design, and Sustainability.

- D. THAT, subject to Council's approval of the heritage designation and the Heritage Revitalization Agreement discussed herein, Council waive for the site, for the development as proposed under the DP Application, the requirements contained in paragraph 3.1 of the *Strata Title Policies for RS, RT and RM Zones*, including a condition of development permit approval for new development on a site that the registered owner is to execute a covenant which must be registered against title to the property which prohibits registration of a strata plan.
- E. THAT Recommendations A to D be adopted on the following conditions:
- (i) THAT the passage of the above resolutions creates no legal rights for the applicant or any other person nor any obligation on the part of the City and any expenditure of funds or incurring of costs in relation thereto is at the risk of the person making the expenditure or incurring the cost; and
 - (ii) THAT the City and all its officials shall not in any way be limited or restricted in the exercise of their authority or discretion, regardless of when they are called upon to exercise such authority or discretion.

REPORT SUMMARY

The purpose of this report is to seek Council authorization to designate the exterior of the existing building at 604 East 23rd Avenue as protected heritage property, and to enter into a Heritage Revitalization Agreement (HRA) to ensure the rehabilitation, conservation, and long-term protection of the heritage building. As incentive and compensation to the owner, the proposed HRA will vary the *Zoning and Development By-law* to permit the owner to develop the site contemplated in the DP Application, including allowing for strata titling, and as described in this report. The General Manager of Planning, Urban Design, and Sustainability is prepared to approve the DP Application should Council approve the recommendations of this report.

COUNCIL AUTHORITY

Pursuant to Section 582 of the Vancouver Charter, Council, by resolution, may establish a heritage register identifying real property that Council considers to be heritage property and, by resolution, to add such properties to the register from time to time.

Pursuant to section 592 of the *Vancouver Charter*, Council, by by-law, may enter into an HRA with the owners of heritage properties which may vary or supplement certain kinds of by-laws and permits, including the *Zoning and Development By-law*.

Pursuant to Sections 593 and 594 of the *Vancouver Charter*, Council, by by-law, may designate real property, in whole or in part, as protected heritage property.

Pursuant to section 595 of the *Vancouver Charter*, if sought, Council is required to compensate an owner of property being designated as a protected heritage property for any reduction in market value caused by the designation. Often this, along with additional compensation to offset rehabilitation costs incurred under an HRA, is achieved by way of by-law variations contained in the HRA so as to permit an otherwise impermissible development.

The proposed heritage designation and HRA for the heritage building require Council approval at public hearing and by-law enactment pursuant to Sections 592, 593, and 594 of the Vancouver Charter.

The following Council Policies are applicable to the project:

- *Heritage Policies and Guidelines (April, 1991)*
- *Green Buildings Policy for Rezonings (July, 2014)*

The *Heritage Action Plan*, which was approved in December 2013, responds to citizen and Council desire to encourage and support heritage conservation in the City. A number of actions were approved including the use of available tools to conserve the City's heritage resources.

GENERAL MANAGER'S COMMENTS

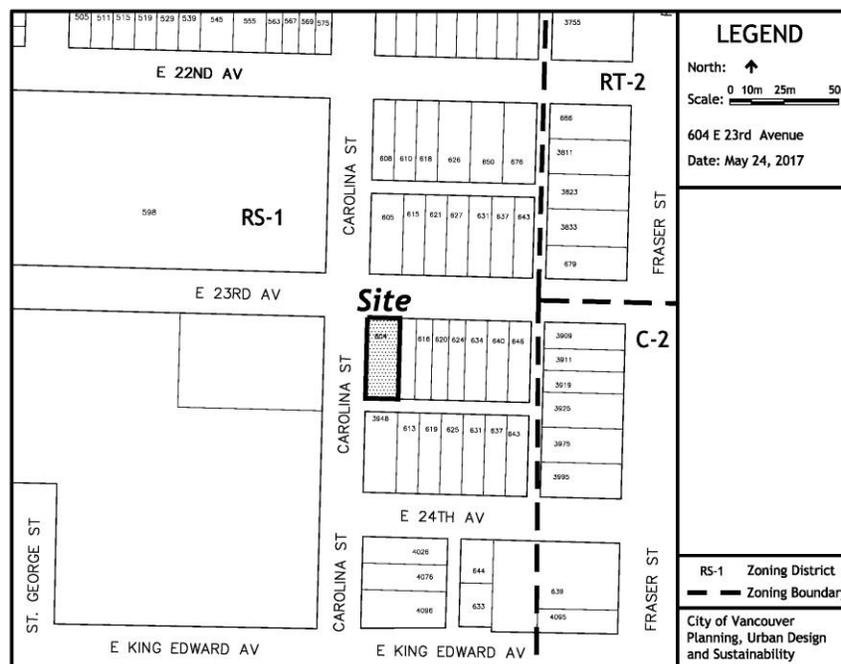
The General Manager of Planning, Urban Design, and Sustainability recommends the approval of A, B, C, D, and E.

STRATEGIC ANALYSIS

Site and Context

The site is located in the Riley Park neighbourhood in an area zoned RS-1 (see Figure 1). The *RS-1 Zoning District Schedule* of the *Zoning and Development By-law* permits One-Family Dwellings, secondary suites, and Laneway Houses. A six metre (twenty foot) wide paved lane runs beside the site on the north side. The total area of the site is 560 square metres (6,030 square feet).

Figure 1 - Site and the surrounding zoning



Heritage Value

The Mitchell Residence was built in 1911 for the Mitchell family and is an increasingly rare example of Edwardian housing built in the area (see Appendix A). The site is also associated with the history of District Lot 301 (“DL 301”), first subdivided in 1895, and also once known as a “Hillcrest”, or “No Man’s Land” (see Appendix B). The reason for the latter name was because DL 301 was not annexed into either of the two adjoining municipalities of Vancouver and South Vancouver until 1911, when, after years of petitioning by owners in the area, it was incorporated into Vancouver. Before this time the area had no electricity, sewers, or running water.

Another feature of the original DL 301 subdivision is the relatively wide lots (most were around 50 feet wide). Over time these lots were consolidated and subdivided into smaller lots which better suited the market in the area (the area was first developed by people working in the quarry at Little Mountain or along the streetcar lines on Fraser Street and Kingsway). 604 East 23rd Avenue is one of a dwindling number of original lot configurations in DL 301.

The heritage building is a good example of Edwardian era, craftsman-influenced design. Features include its steep roof, bell-cast hips and gable ends, bay window, stained glass and double hung windows, narrow bevelled siding, and an unusual staggered wood shingle expression on the upper floor. Beginning in 1956 the heritage building was converted to contain two Dwelling Units, and later three. The Mitchell Residence is listed on the Vancouver Heritage Register in the ‘B’ evaluation category.

Development Application and Proposed Incentives

It is proposed that the incentives and compensation to be provided to the owner for the heritage designation and the rehabilitation and conservation of the heritage building will be provided in the form of certain variances to the *Zoning and Development By-law* created by the proposed HRA, including an increase in permitted density from 0.75 FSR (where retention of an existing building is proposed) or 0.70 FSR for new development, to 0.80 FSR, and to allow for strata titling, all of which provide an incentive to conserve the heritage building in the RS-1 zone which normally permits outright new development.

The existing use of the Mitchell Residence is Multiple Conversion Dwelling (MCD), which is a non-conforming use in the RS-1 zoning. It is proposed that the MCD use (with three Dwelling Units) is to be maintained (with internal renovations) and a new Infill One-Family Dwelling constructed at the rear of the site, for a total of four units (see Table A and Appendix D). The heritage building is to be moved forward on the site.

The site could, if it did not contain the heritage building, be subdivided into two parcels under provisions of the Subdivision By-law. If developed separately, each of these new parcels could be developed with up to 0.70 FSR and three Dwelling Units as noted in Table A.

Table A: Density Summary **Site Area: 560m² (6,030 sq. ft.)**

Item	Existing	Permitted or Required	Proposed
Density (total for the site)	0.55 FSR 305 m ² (3,287 sq. ft.)	0.70 FSR* 392 m ² (4,221 sq. ft.) maximum	0.80 448 m ² (4,822 sq. ft.)
Dwelling Units	3 (non-strata)	6 maximum** (non-strata)	4 (strata)

* Or up to 0.75 FSR with retention of an existing building. Because the example permitted is based on a subdivision proposal, and because most development in RS-1 involves demolition, the lower 0.70 FSR limit is noted.

**Assumes the site is subdivided into two parcels. Up to three units could be proposed on each new parcel (A One-Family Dwelling with Secondary Suite and a Laneway House).

Staff have considered the probable impact of the proposed development, including the results of notification, the compatibility of the development with the zoning, and the financial analysis required for the application, and conclude that the proposal is supportable as an HRA. The variances proposed, including density, are commensurate with the cost of conservation, including heritage designation and rehabilitation. The General Manager of Planning, Urban Design, and Sustainability is prepared to approve the DP Application should Council approve the recommendations of this report.

Compatibility with Existing Zoning, Land Use Regulations, and Community Plans

The Intent of the *RS-1 Zoning District Schedule* is to:

“... maintain the single-family residential character of the RS-1 District, but also to permit conditionally one-family dwellings with secondary suites and laneway houses. Emphasis is placed on encouraging neighbourly development by preserving outdoor space and views. Neighbourhood amenity is enhanced through the maintenance of healthy trees and planting which reflects the established streetscape.”

The proposal maintains the single-family residential character of the area. Outdoor open space has been maximized and mature trees are being retained where possible. The DP Application is consistent with the intent of the RS-1 zoning.

The *Riley Park South Cambie Community (RPSC) Vision* supports the use of incentives for heritage and character building retention. The DP Application is consistent with the RPSC Community Vision.

Condition of the Heritage Building and Conservation Approach

The heritage building is in very good condition. The Conservation Plan notes that most of the shingled walls and stucco in the gable ends are in good shape and can be retained. The porch has been modified and a small roof deck installed. These are to be retained but the current sliding glass doors at the roof deck will be replaced with French doors. With relocation, the pony walls above the foundations will have to be reconstructed. Windows which are not original will be replaced with those matching the original profiles, and the building will be painted in an historic colour scheme. Staff support the conservation strategy proposed for the

heritage building and conclude that the proposal is consistent with good conservation practices.

Results of Neighbourhood Notification

182 surrounding properties were notified of the DP Application. Two responses were received in support of the DP Application.

Comments from the Vancouver Heritage Commission

On January 16, 2017, the Vancouver Heritage Commission reviewed the DP Application and unanimously supported it (see Appendix E).

Public Benefits

Development Cost Levies (DCLs): DCLs collected from development help pay for facilities made necessary by growth, including parks, childcare facilities, replacement housing (social/non-profit housing) and various engineering infrastructure. The City-wide DCL rate of 34.77/m² (\$3.23/square foot) is applicable to the project. On this basis, a DCL of approximately \$5,000 is anticipated.

DCLs are payable at building permit issuance and are subject to an annual inflationary adjustment which takes place on September 30 of each year. When a DCL By-law with higher rates is introduced, a number of rezoning, development permit and building permit applications may be at various stages of the approval process. An application may qualify as an in-stream application and therefore may be exempt from DCL rate increases for a period of 12-months from the date of DCL bylaw rate amendment provided that it has been submitted prior to the adoption of annual DCL By-law rate adjustments.

If a related building permit application is not issued within the 12-month period, the rate protection expires and the new DCL rate will apply.

Heritage: The owner has offered to conserve and rehabilitate the heritage building and to accept the designation of the exterior as protected heritage property, which is a highly valued community feature. The cost to the applicant of the proposed on-site heritage conservation is estimated to be approximately \$250,000.

See Appendix F for a summary of the public benefits that would be achieved should this application be approved.

Proforma Evaluation

Real Estate Services staff reviewed the applicant's proforma evaluation for the current DP Application in accordance with Council's approved policies. The Director of Real Estate Services advises that the additional density and other by-law variances proposed to offset the costs and compensate for any reduction in land value resulting from the heritage designation, rehabilitation, and conservation of the heritage building will not result in any undue profit.

Financial Implications

As noted in the section on Public Benefits, the applicant has offered the on-site conservation and rehabilitation of the heritage building valued at \$250,000.

The site is within the City-wide DCL District and it is anticipated that the applicant will pay approximately \$5,000 in DCLs should the DP Application be approved and the project proceed.

Environmental

The *Green Buildings Policy for Rezonings* applies to the DP Application. However, exemptions can be made for heritage sites where reasonable efforts are made to comply.

Legal

The variances to the *Zoning and Development By-law* proposed will provide an improved development potential on the site. The owner's proposal to rehabilitate and conserve the heritage building's exterior in exchange for obtaining the variances needed to get that improved development potential will be appropriately secured as legal obligations in the HRA which will be noted and registered on title to the site so as to enable the City to enforce those obligations and ensure that they will be fulfilled at the owner's expense. City staff and the owner have negotiated the HRA, which includes rehabilitation and conservation obligations on the part of the owner and enforcement provisions for the City, and the owner and its lenders have signed and returned the HRA

Section 595 of the *Vancouver Charter* requires that, if sought, Council must compensate an owner for any reduction in the market value of property caused by a heritage designation. The owner has signed the HRA noted above and in doing so has explicitly accepted the zoning variances to be provided, and the resulting development advantages to be gained thereby, as full compensation for the heritage designation of the heritage building's exterior and the obligation to rehabilitate and conserve the heritage building. The agreement will be executed by the City and noted and registered on title to the site before a development permit for the project may be issued.

CONCLUSION

The proposed heritage designation of the exterior of the Mitchell residence at 604 East 23rd Avenue, and the proposed HRA, will ensure that the heritage building is rehabilitated and conserved and protected from demolition and alterations which might affect its heritage value and character. The proposed HRA will vary the *Zoning and Development By-law* to allow for the development as proposed, and the owner has agreed to accept the proposed variances as compensation for the designation of the exterior of the heritage building as protected heritage property and for its rehabilitation and conservation. The General Manager of Planning, Urban Design, and Sustainability is prepared to approve the DP Application should Council approve the recommendations of this report. Therefore, it is recommended that Council approve the recommendations of this report including the proposed heritage by-laws and the Heritage Revitalization Agreement, as well as allowing for the strata titling of the site.

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604 East 23rd Avenue
PHOTOGRAPHS



East elevation.



South elevation.

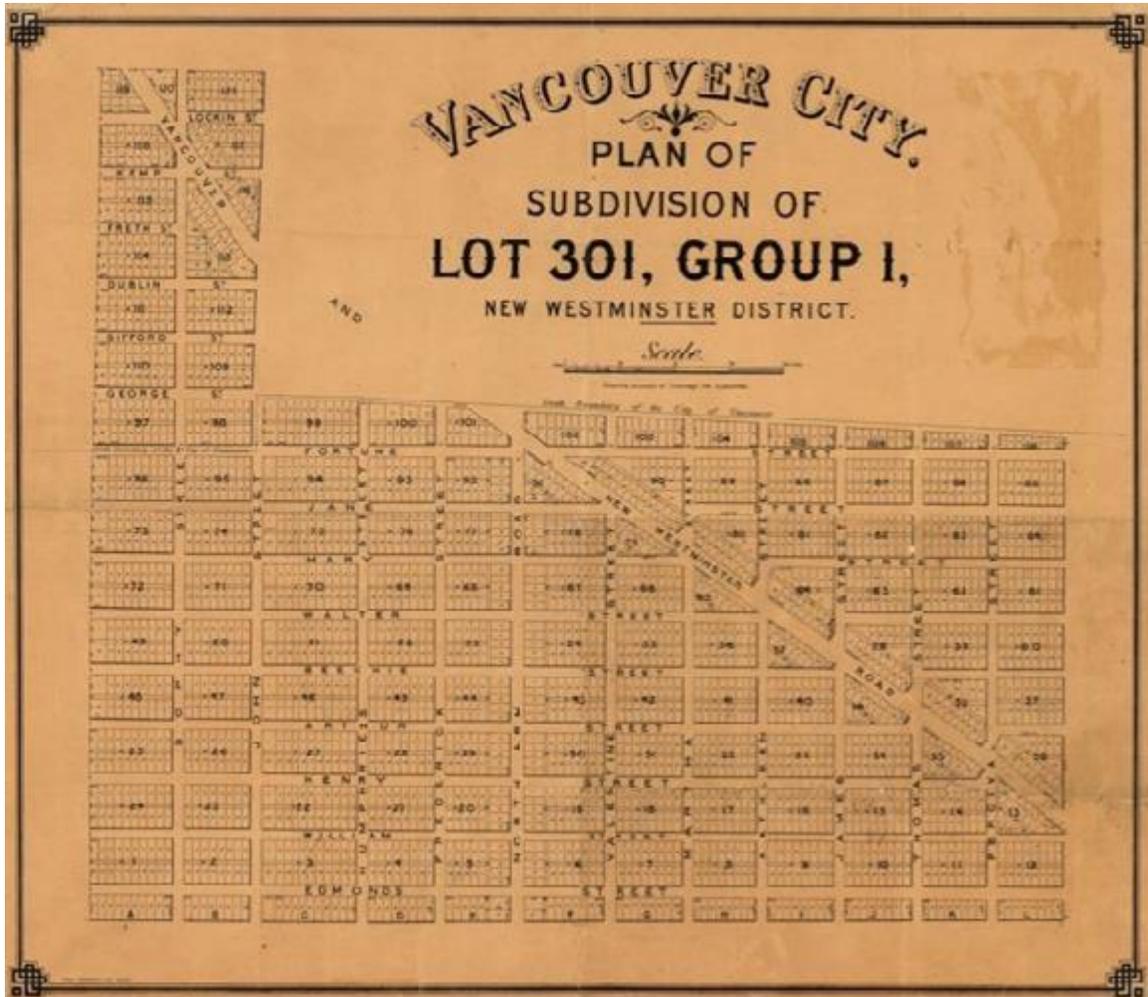


West elevation.



North elevation.

604 East 23rd Avenue
MAPS AND IMAGES

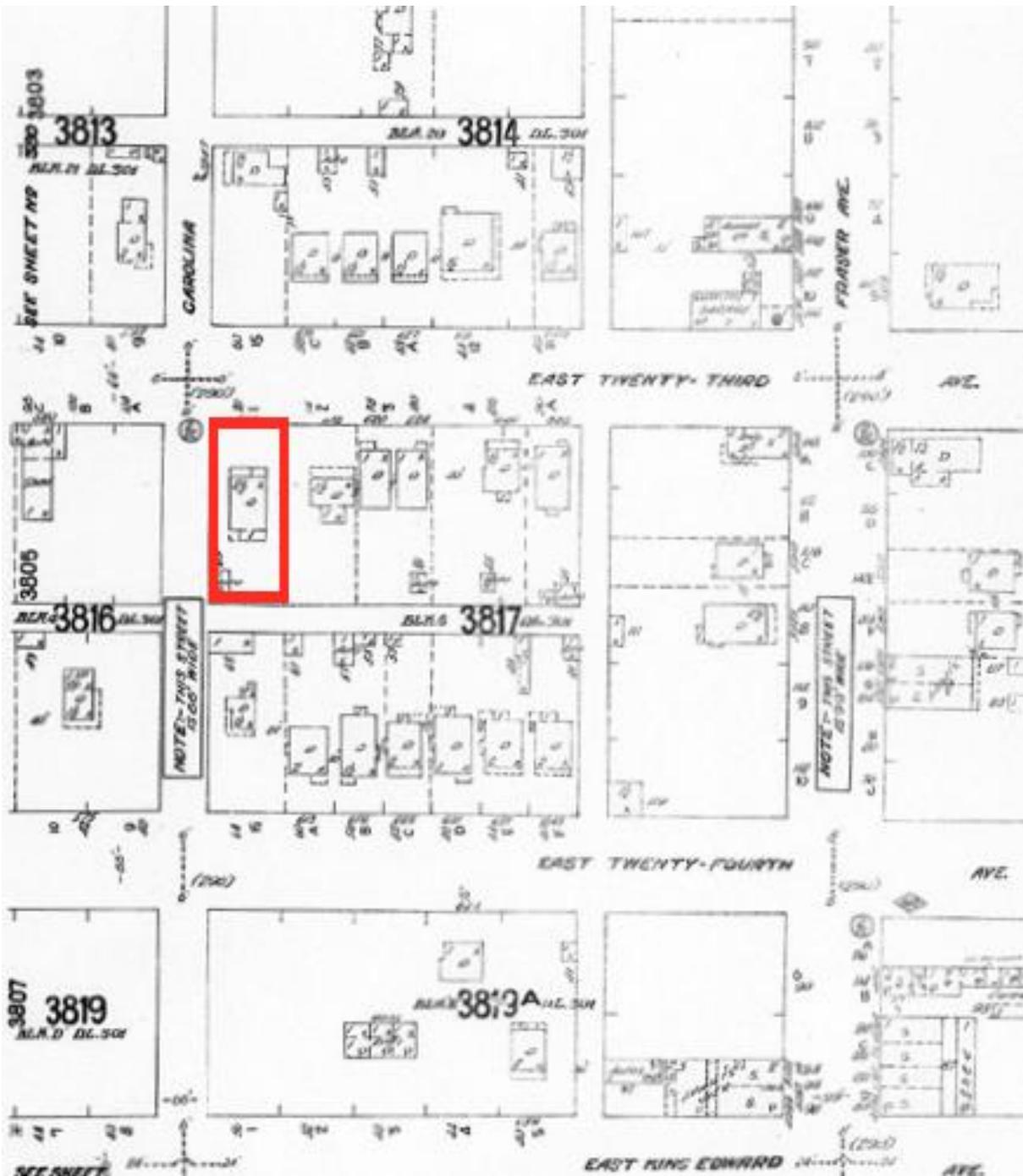


Map 1: District Lot 301

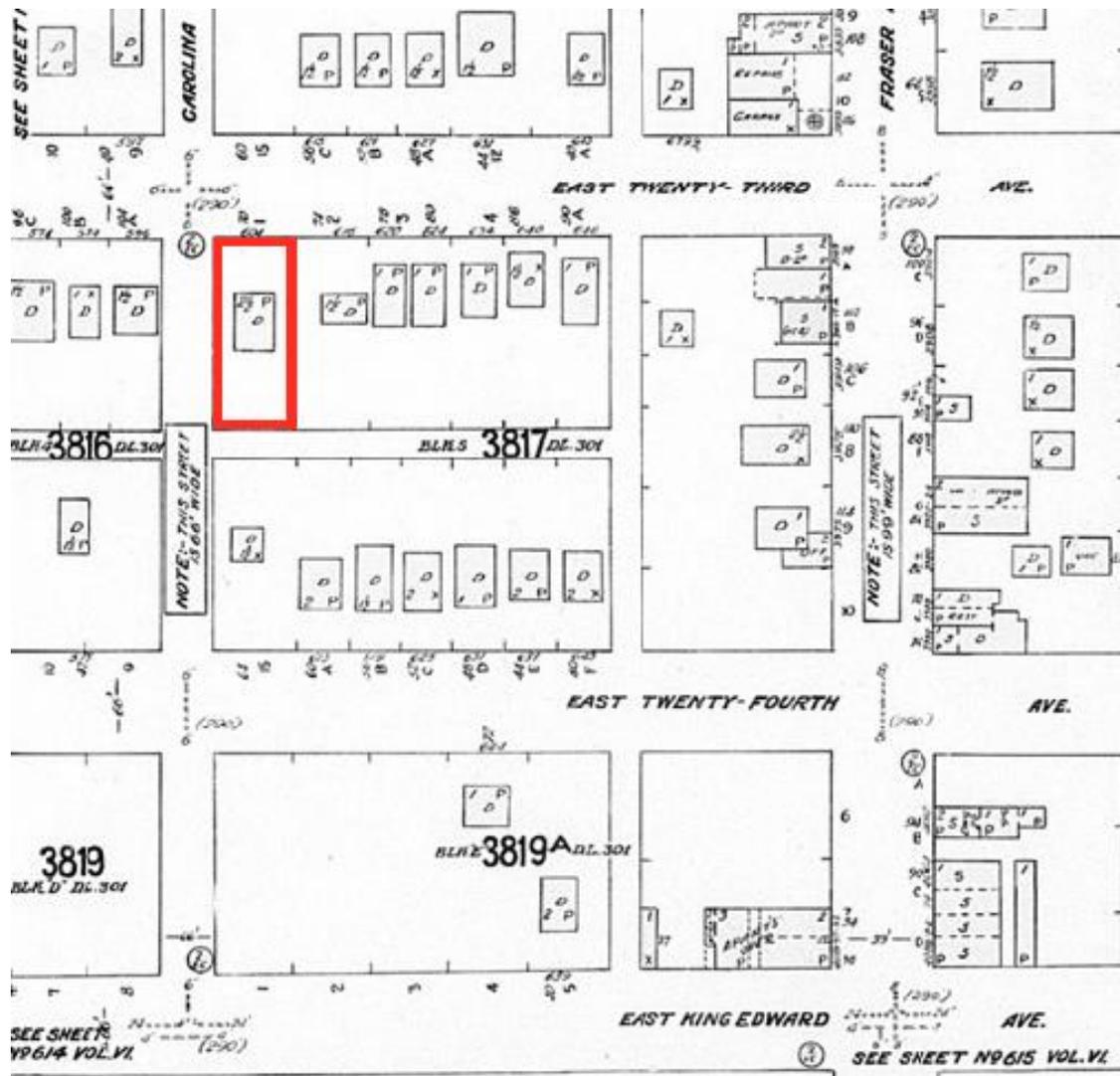
District Lot 301 was once known as Hillcrest Village, as well as “No Man’s Land” because it was not incorporated into a municipality until 1911. Before 1911, the area had no running water, sewers, or electricity.



Map 2: Fire Insurance Map circa 1912



Map 3: Fire Insurance Map circa 1930



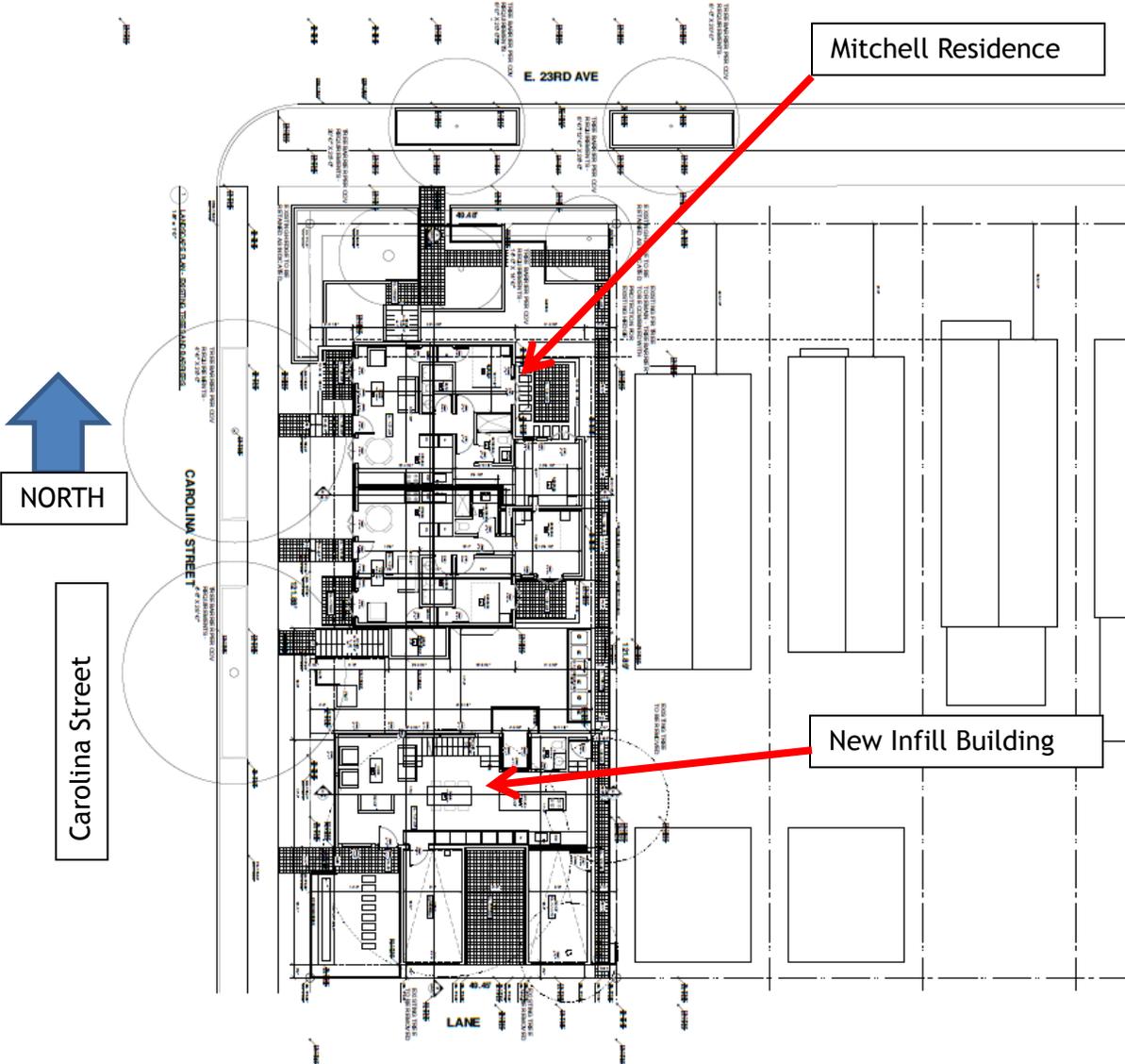
Map 4: Fire Insurance Map circa 1956



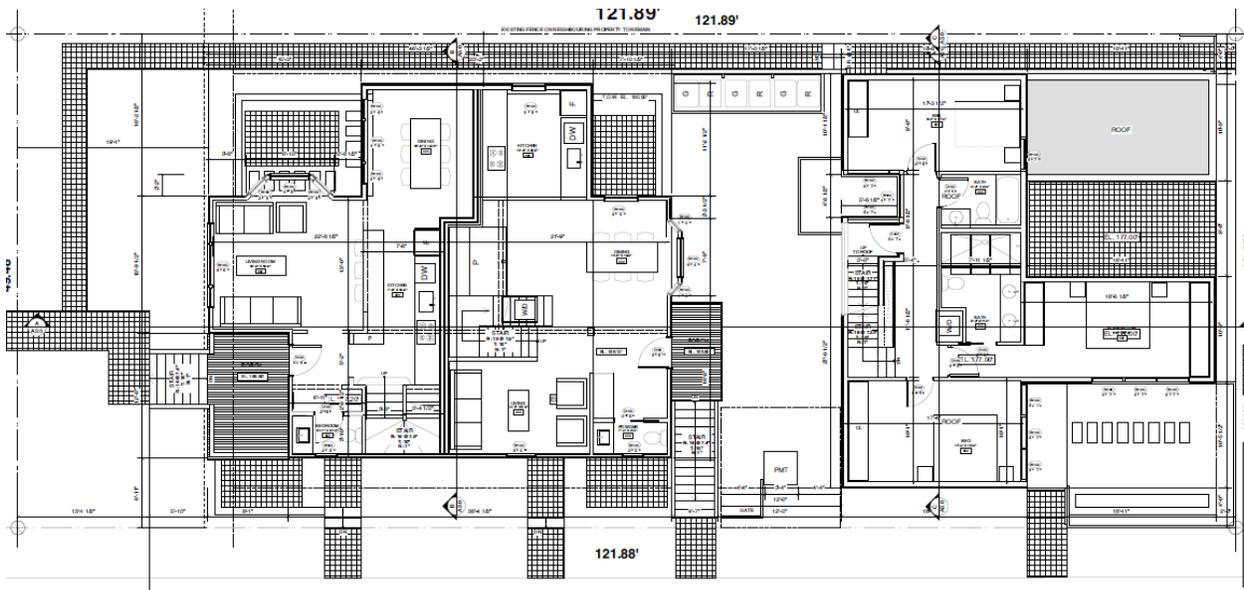
Image 1: Fraser Street (looking North) at East King Edward Street

The photograph on the bottom shows the intersection, which is a couple blocks away from the Mitchel Residence, circa 1912, around the time the heritage building was constructed. This is how the neighbourhood looked in 1912 and it would have only just recently been supplied with water, sewers, and electricity. The images at the top with the arrows show that despite major development in recent years, a couple historic buildings still survive.

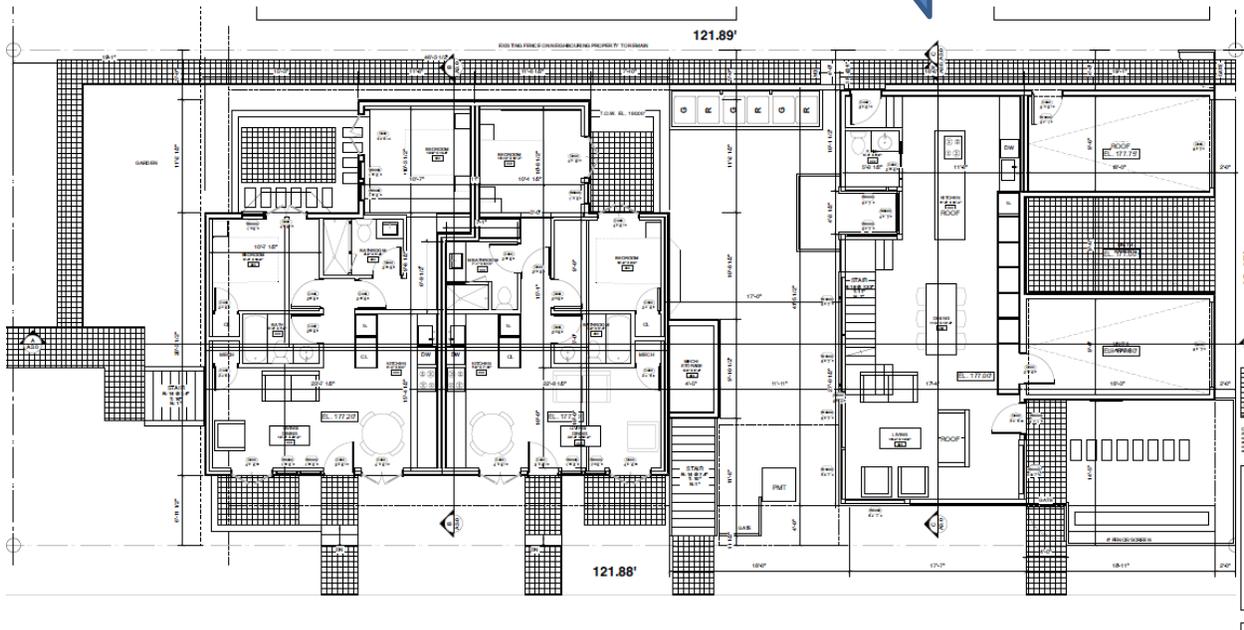
604 East 23rd Avenue
DRAWINGS



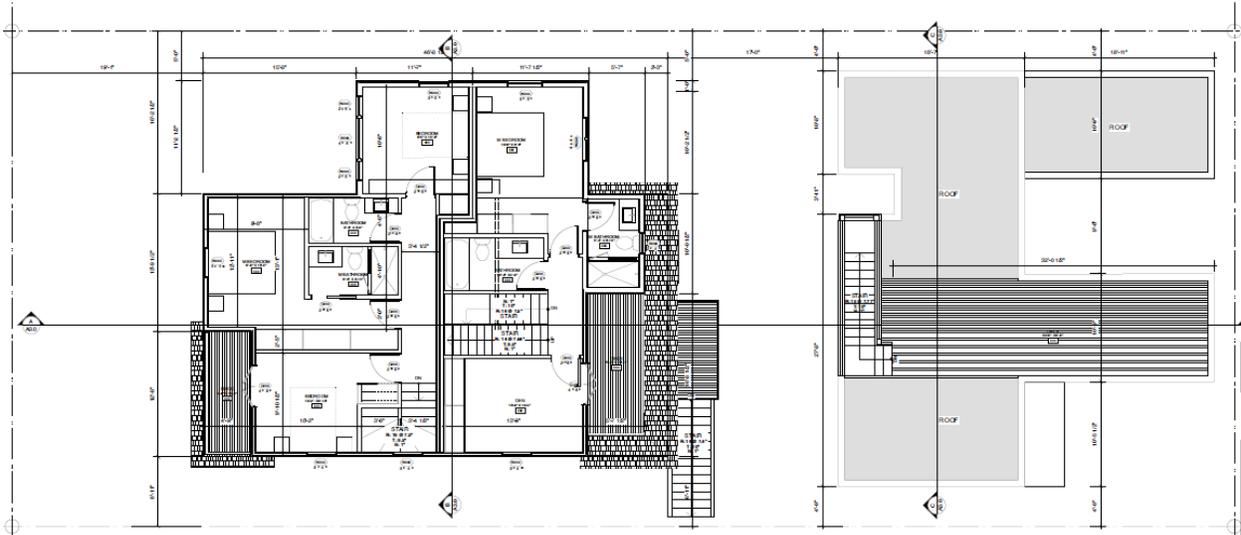
Site Plan



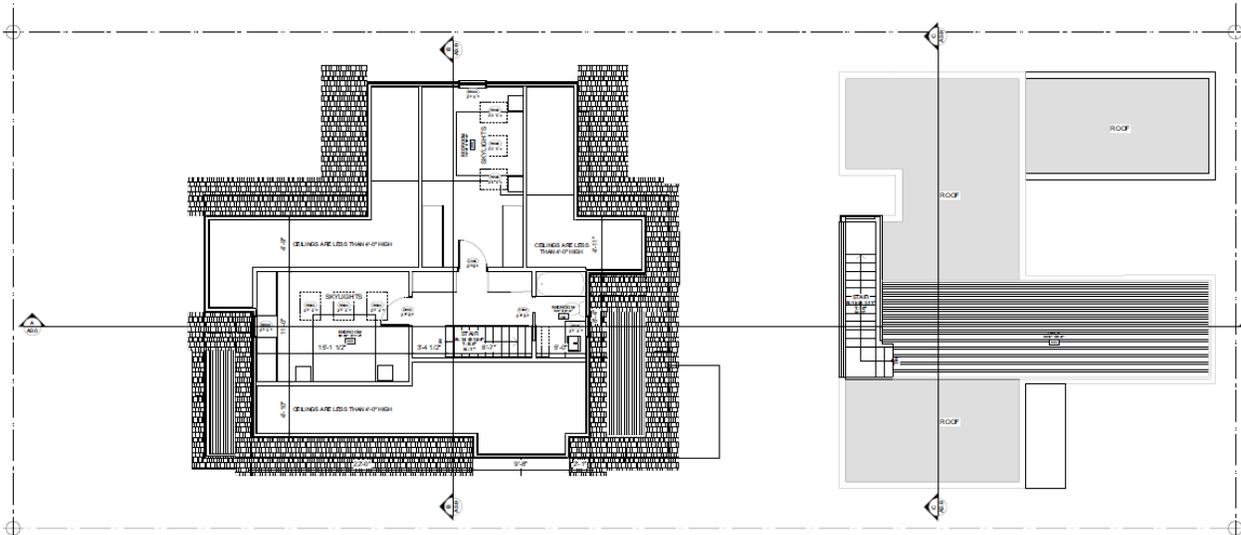
Basement/ Ground Floor Plans



Main Floor Plans

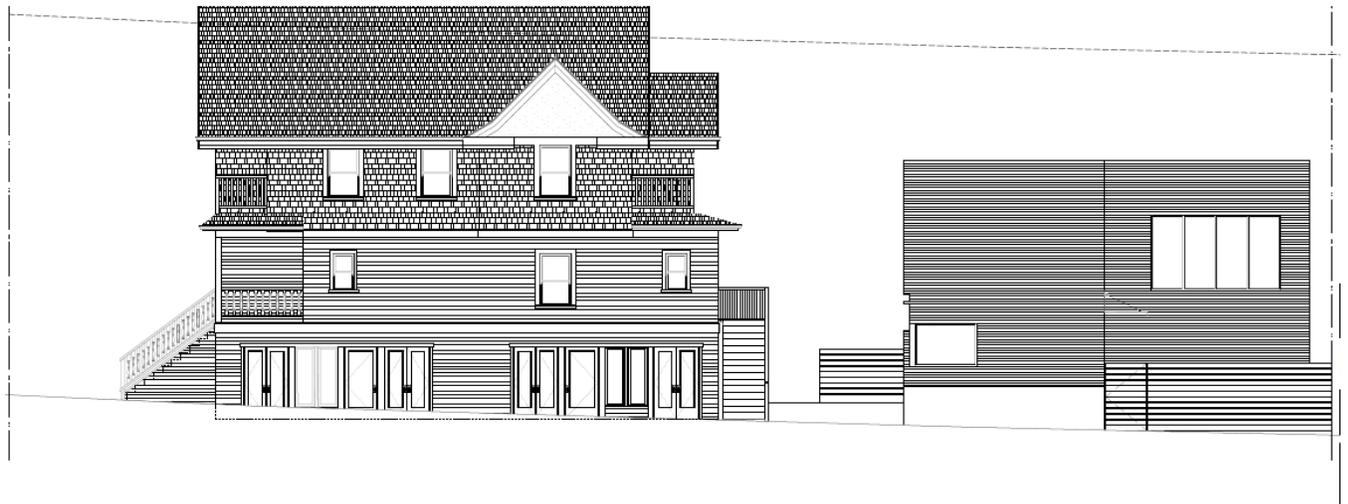


Upper Floor Plans

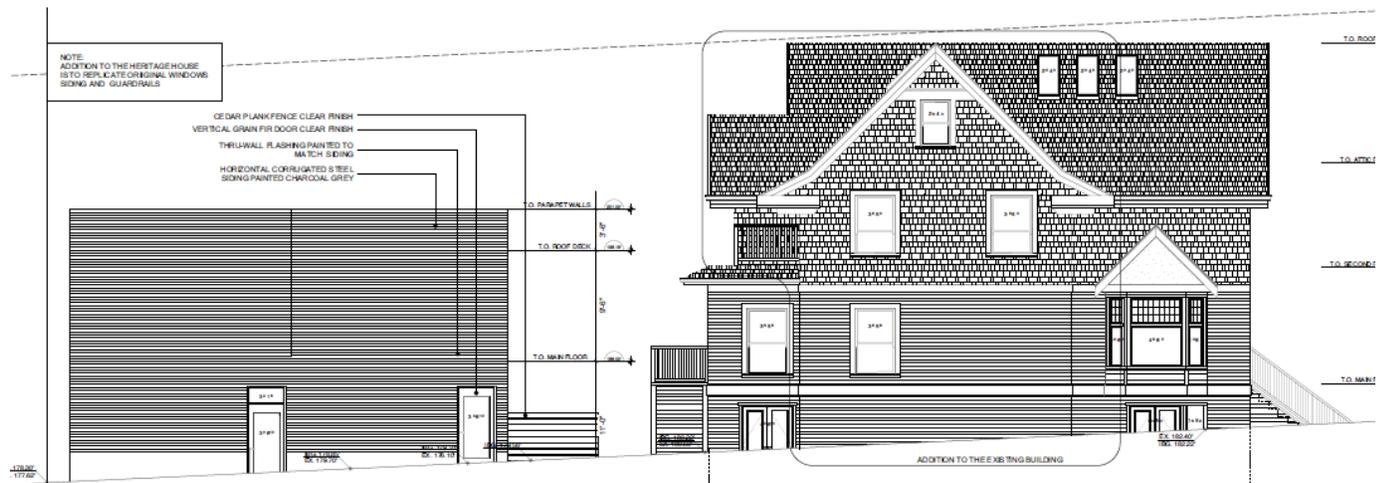


Attic Level Floor Plans

ALL MATERIALS SHOWN
ARE TO BE INSTALLED
AND FINISHED
AS SHOWN UNLESS
NOTED OTHERWISE



East Elevations



West Elevations

604 East 23rd Avenue
TECHNICAL ZONING AND PARKING SUMMARY

Table A: Density and Parking Summary

Site Area: 560m² (6,030 sq. ft.)

Item	Existing	Permitted or Required	Proposed
Use	Multiple Conversion Dwelling	One-Family Dwelling, Secondary Suite, Laneway House	Multiple Conversion Dwelling and Infill One-Family Dwelling
Density (total for the site)	0.55 FSR 305 m ² (3,287 sq. ft.)	0.70 FSR* 392 m ² (4,221 sq. ft.) maximum	0.80 448 m ² (4,822 sq. ft.)
Dwelling Units	3 (non-strata)	6 maximum** (non-strata)	4 (strata)
Off Street Parking	2	4 minimum**	3

* Up to 0.75 FSR with retention of an existing building.

**Assumes the site is subdivided into two parcels. Up to three units could be proposed on each new parcel (A One-Family Dwelling with Secondary Suite and a Laneway House).

604 East 23rd Avenue
RESOLUTIONS OF THE VANCOUVER HERITAGE COMMISSION

On January 16, 2017, the Vancouver Heritage Commission reviewed the DP Application and resolved the following:

THAT the Vancouver Heritage Commission supports the application for the restoration, rehabilitation and refurbishment of 604 East 23rd Avenue, the Mitchell Residence, in accordance with the Conservation Plan provided to the Commission on January 16, 2017, noting the applicant's detailed presentation and application;

FURTHER THAT the Commission supports the application to add a contemporary one-family dwelling to the rear of the property, at 604 East 23rd Avenue, noting the window to wall ratio, siding and height contribute to the in fill's compatibility to the heritage home.

CARRIED UNANIMOUSLY

604 East 23rd Avenue
PUBLIC BENEFITS SUMMARY

Project Summary:

Rehabilitation and conservation of a heritage building and construction of a new infill building.

Public Benefit Summary:

The project would result in the conservation and long-term protection of a heritage resource.

	Current Zoning	Proposed
Zoning District	RS-1	HRA
FSR (Site Area = 560 m ² (6,030 sq. ft.))	0.70	0.80
Buildable Floor Area	392 m ² (4,221 sq. ft.)	448 m ² (4,822 sq. ft.)
Land Use	Residential	Residential

Public Benefit Statistics		Value if built under Current Zoning (\$)	Value if built under Proposed HRA (\$)
Required*	DCL (City-wide) (See Note 1)	13,630	5,000
	DCL (Area Specific)		
	Public Art		
	20% Social Housing		
Offered (Community Amenity Contribution)	Childcare Facilities		
	Cultural Facilities		
	Green Transportation/Public Realm		
	Heritage		250,000
	Housing (e.g. supportive, seniors)		
	Parks and Public Spaces		
	Social/Community Facilities		
	Unallocated		
	Other		
TOTAL VALUE OF PUBLIC BENEFITS		\$13,630	\$255,000

Other Benefits: None

Note: DCLs, Public Art and Social Housing may have exemptions and/or minimum thresholds for qualification. For the City-wide DCL, revenues are allocated into the following public benefit categories: Parks (41%); Replacement Housing (32%); Transportation (22%); and Childcare (5%). Revenue allocations differ among Area Specific DCL Districts.

Note 1: DCLs do not apply to existing floor area. As the RS-1 zoning does not require retention, the value for the 'Current Zoning' column is based on the maximum permitted density for the site for new development.