



RR-1(b)

ADMINISTRATIVE REPORT

Report Date: June 5, 2018
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Meeting Date: June 19, 2018

TO: Vancouver City Council
FROM: General Manager of Planning, Urban Design and Sustainability
SUBJECT: Making Room Housing Program: Overview and Quick Start Actions

RECOMMENDATIONS

- A. THAT Council endorse the proposed program outlined in the Making Room Housing Program presentation of June 19, 2018, to add housing choice to neighbourhoods across Vancouver.
- B. That Council instruct staff to report back on the outcomes of the Making Room Program with specific recommendations for change by June 2019.
- C. THAT Council approve amendments to the Kitsilano RT-7 and RT-8 Guidelines, generally as attached in Appendix A, to allow more lots in Kitsilano with an existing character house to qualify for rear yard infill development.
- D. THAT Council instruct staff to prepare and bring forward for consideration for referral to a public hearing, amendments to the RT-7 and RT-8 District Schedules in Kitsilano to update and expand housing choice in line with the RT-5 District Schedule.
- E. THAT Council instruct staff to prepare and bring forward for consideration for referral to a public hearing, amendments to the RT-10 District Schedule in Kensington-Cedar Cottage to update and expand housing choice in line with the RT-11 District Schedule.
- F. THAT Council instruct staff to prepare and bring forward for consideration for referral to a public hearing, draft amendments to the lock-off suite regulations in the Zoning and Development By-law to more clearly differentiate lock-off units from secondary suites intended for longer-term rental housing.

- G. THAT Council direct staff to advance work on amendments to the Zoning and Development By-law to enable duplex use in some or all RS areas of the city as outlined in this report and bring back a report for Council consideration in July 2018.
- H. THAT Council direct staff to advance work on amendments to the Parking By-law to support reduced parking requirements and prioritize near-term actions to align residential parking management with the Making Room housing program, for Council consideration in the Parking By-law report scheduled for July 2018.
- I. THAT Council direct staff to advance and report back on other potential policy measures and changes to the Zoning and Development By-law that may be actioned in the short term to add housing choice to neighbourhoods across the city.

REPORT SUMMARY

This report supports the future Making Room Housing Program presentation scheduled for the Council agenda on June 19 and recommends a series of immediate actions including zoning amendments in Kitsilano and Kensington-Cedar Cottage to update RT Two-Family Dwelling (Duplex) zones in these areas to expand housing opportunities to include new character incentives and laneway home opportunities now available in all RS One-Family Dwelling (Single-Family) zones across Vancouver. The report also provides information on changes to the Parking By-law that will help to support more housing choice in neighbourhoods across Vancouver. While the longer term outcomes from this work program are anticipated to take a year or more to advance, staff will continue to bring forward additional short-term actions where feasible to enable more housing opportunities in neighbourhoods across Vancouver.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

- Kitsilano RT-7 and RT-8 Guidelines (adopted 1994, last amended 2002)
- Vancouver Housing and Homelessness Strategy Reset – *Housing Vancouver* Emerging Directions (March 2017)
- Principal Dwelling Unit Combined with a Lock-off Unit Guidelines (adopted 2009, amended 2013)
- *Housing Vancouver Strategy (2018-2027) and Three-Year Action Plan (2018-2020)* (November 2017)
- By-law No. 12018: Zoning and Development By-law Amendments regarding RT-5 and RT-6 (enacted January 2018)

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The City Manager recommends approval of the foregoing. This new housing program will create new housing opportunities in neighbourhoods across Vancouver and work towards achieving the targets established through the *Housing Vancouver Strategy*.

REPORT

Background/Context

In 2017 the *Housing Vancouver Strategy (2018-2027)* and *Three-Year Action Plan (2018-2020)* was approved by Council. The Making Room Housing Program is being launched to address the specific need for new ground-oriented housing opportunities in low-density areas of the city.

On January 16, 2018, Council approved changes to the RT-5 and RT-5N District Schedules, RT-6 District Schedule, and RT-4, RT-4A, RT-4N, RT-4AN, RT-5, RT-5N and RT-6 Guidelines. These amendments introduce increased opportunities for housing choice and character retention incentives in the Mount Pleasant and Grandview-Woodland communities.

Strategic Analysis

Making Room Housing Program

The Making Room housing program was created to address a key objective of the *Housing Vancouver Strategy*—shifting towards the “right supply” of housing which meets the needs of people who live and work in Vancouver. One approach to shifting towards the right supply is adding a greater diversity of housing options in our low-density neighbourhoods.

The opportunity to live within a neighbourhood in this context, (not downtown and not on a corridor) is generally now limited to those who can afford \$2 million or more to purchase a house or those who are willing to rent and able to find rental accommodation. Basement suites and laneway homes are the main form of rental housing in low-density neighbourhoods. While these units provide important and affordable rental housing, it is not secured rental housing and basement suites often offer a lower level of livability and are generally smaller units. The goal of the Making Room program is to provide more housing choice within neighbourhoods for families, downsizing seniors, and other households seeking housing that sits in the “missing middle” between single-family homes and higher-density homes.

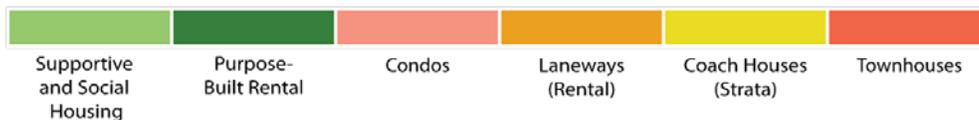
Figure 1: Missing Middle Illustration



The *Housing Vancouver Strategy* identifies both the types of units and the household income targets which the City is striving to deliver over the next 10 years. The Making Room program will create new opportunities for the housing types and incomes highlighted in the Figure 2 below.

Figure 2: Housing Vancouver 10-Year Targets

Building Type	Renters				Renters & Owners	Owners	Total	% of Total
	<\$15k/yr.	<\$15-30k/yr.	\$30-50k/yr.	\$50-80k/yr.	\$80-150k/yr.	>\$150k/yr.		
Apartment	5,200	1,600	2,000	3,000	200		12,000	17%
			2,500	12,000	5,500		20,000	28%
Infill				6,500	16,500	7,000	30,000	42%
				2,000	2,000		4,000	5%
Townhouse					300	700	1,000	1%
					1,700	3,300	5,000	7%
Total	5,200	1,600	4,500	23,500	26,200	11,000	72,000	100%
% of Total	7%	2%	6%	33%	37%	15%	100%	



The Making Room program represents a transition away from neighbourhood-by-neighbourhood planning to a comprehensive, city-wide approach. The program includes all neighbourhoods outside of the City Core area (Downtown and Broadway Corridor) and will establish principles and a consistent decision-making approach to identifying housing options in each neighbourhood. Key areas of the city such as rapid transit corridors and station areas, neighbourhood centres and large sites (e.g. Jericho Lands) will continue to need area specific planning programs which will be coordinated and connected to the Making Room Housing Program.

The Making Room housing program combined with City Core 2050 (launching early 2019), Employment Lands and Economy Review (initiating), Broadway Corridor planning (initiating), station area, large sites and neighbourhood centre planning (upcoming and underway) will create the essential building blocks for a future city-wide plan. Staff will report to Council further on all of these major initiatives and city-wide planning needs and opportunities.

To align the objectives of the *Housing Vancouver Strategy* and the Regulatory Review, which is a comprehensive review of the City’s land use tools that aims to simplify regulations and streamline permit review processes, staff will work to advance changes to neighbourhoods to add housing choice and to update and simplify regulations whenever possible.

The Making Room housing program is anticipated to take one year to 18 months and focuses on the RS zoned areas of the city (approximately 65,000 lots). Overall the program objective is to explore and enable greater housing choices in existing low-density neighbourhoods. The program recognizes the character and diverse structure of these neighbourhoods across the city. For example, a typical neighbourhood in Vancouver may have the following elements:

- Local serving neighbourhood level shopping
- Arterial streets and access to the frequent transit network
- Parks, schools, library and other amenities (community centre or neighbourhood house)
- Single-family houses on residential streets

The Making Room program explores and identifies opportunities for more housing choice that ranges from laneway homes and infill to townhouse and low-rise rise apartments and may include opportunities for shops and workspace within neighbourhoods depending on suitability.

The work program includes two phases:

Phase 1: March 2018 – June 2018 (Completed)

- Team formation
- Work program
- Early research and investigations
- Initiate mapping
- Identify quick starts

Phase 2: July 2018 to June 2019

- Advance Quick Start actions and explore more
- Continue to map and research the existing conditions of the low-density areas
- Analyse new housing options and typologies for consideration
- Explore improved affordability
- Continue engagement¹ with residents on housing challenges and options and explore what they want to “make room for” in neighbourhoods
- Develop principles/selection criteria to identify highly-suitable locations for new housing options (e.g. proximity to transit, shopping, schools, parks, amenities)
- Identify areas of displacement risk and areas of best opportunity for change
- Develop recommendations and report back

Quick Starts and Related Work Items

1. Kitsilano RT-7 and RT-8 Guidelines Amendment

Current design guidelines in Kitsilano include a minimum side yard width of 4.9 m (16 ft.). This requirement means that most lots cannot qualify for infill. Removing this regulatory barrier to infill housing in RT-7 and RT-8 will create an immediate opportunity for more ground-oriented housing options in this neighbourhood. The proposed amendments to the Kitsilano RT-7 and RT-8 Guidelines will reduce the side yard to the minimum required under the Vancouver Building By-law (VBBL). This change would allow a significant number of properties with pre-1940s houses on smaller lots to be eligible for consideration for infill development.²

2. Updates to RT Zoned Areas in Kitsilano and Kensington-Cedar Cottage

¹ *Housing Vancouver Strategy* was the result of an 18-month conversation with Vancouver residents about housing need.

² Approximately 1300 of the 1600 lots are less than 50 ft. wide. Data on actual number of character homes is not exact.

Updates and consolidations of RT district schedules in Grandview-Woodland and Mount Pleasant (RT-5/RT-6) were approved by Council in January 2018 and expanded housing options in these historic neighbourhoods including more infill opportunities and laneway homes. The Kitsilano RT-7 and RT-8 Guidelines and associated regulations date back to 2002. Changes to RT-7 and RT-8 zones are needed to rebalance character retention objectives with the delivery of new housing opportunities. Staff are working to amend the Zoning and Development By-law to extend enhanced character infill opportunities and laneway homes to RT-7 and RT-8 in Kitsilano.

Figure 1. Map showing location of RT-7 and RT-8 zoned areas in Kitsilano

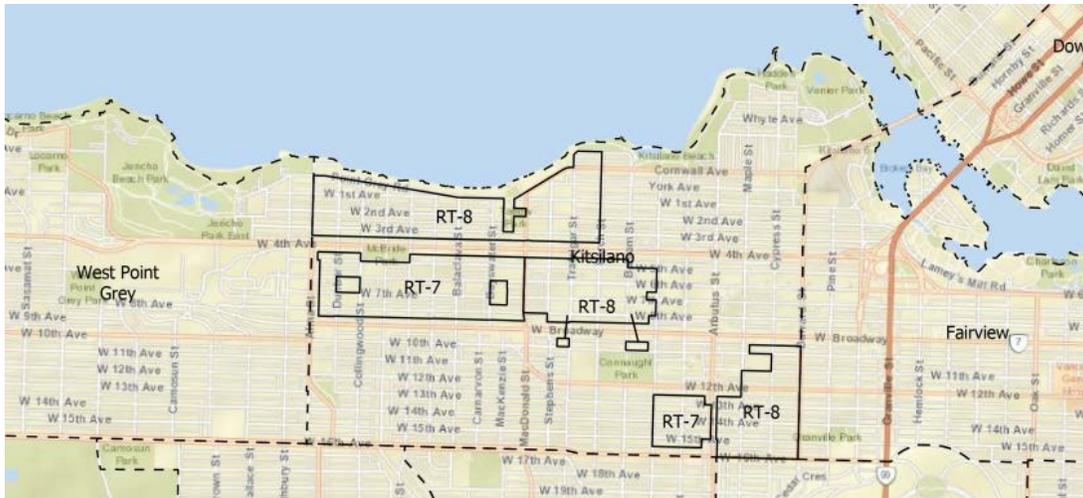


Figure 2. Map showing location of RT-10 zoned areas in Kensington-Cedar Cottage



The RT-10 zone in Kensington-Cedar Cottage was introduced in 2005 and was the original duplex/small house zone in the city. The next iteration of this zone (RT-11) was introduced in Norquay in 2013 and has a similar intent to RT-10 but includes the options available to RS zones (laneway houses) and enhanced character preservation incentives.

Updating these older RT zones to align them with newer/updated regulations and housing choice available in RS zones (improved character incentive and laneways) provides an immediate opportunity to increase ground-oriented housing options in these neighbourhoods.

Staff are advancing these by-law amendments and will bring them forward for Council consideration as soon as possible. If referred to public hearing, staff will notify residents of the public hearing and also arrange information meetings in Kitsilano and in Kensington-Cedar Cottage.

3. Lock-off Unit Regulations

Lock-off units are currently permitted in a range of principal dwelling types including townhouses and apartments. These units are intended to be small, self-contained units with a shared internal door which can be locked enabling both the principal dwelling unit and suite to be independent. Lock-offs units were intended to provide flexibility and enable households to expand or contract their space needs over-time. Unlike secondary suites, lock-off units do not have any parking space requirements and cannot be separately addressed. Current regulations for these units have minimum size requirements but do not stipulate a maximum size limit and some are being built larger than is appropriate for their intended purpose. In order to ensure these units are serving as flexible additions to a larger principal dwelling and are distinct from secondary suites which are intended for longer-term occupancy, staff are seeking direction from Council to develop a maximum size requirement for these lock-off units.

4. Other Possible Changes to RS Zoned Areas

In addition to the longer-term work program which will take a city-wide approach to evolve low-density neighbourhoods through creative ground-oriented infill and low-rise options, staff are continuing to advance near-term opportunities for change.

In partnership with Small Housing BC, staff are about to investigate the feasibility of providing an incentive for affordable homeownership that aligns with the existing incentives for laneway (rental) and character retention (ownership). If this testing and evaluation demonstrates that there is a feasible way to provide an affordable homeownership option on individual lots, staff will bring back a report for consideration with suggestions on implementation.

As an interim measure, staff are actively investigating adding duplex use to the menu of housing choice and pathways to additional units/density now available in RS zones. Two RS zones (RS-2 and RS-7) already permit duplex but only allow strata titling of larger lots but most RS zones do not allow duplex unless the house is assessed to be a character house.³ All RS zones also now allow for three units on a single lot; a house with a secondary suite and a laneway. Strata titling is not allowed except under the character incentives program. Adding duplex use to RS zoning is a way to reset the baseline in RS zones to two principal dwelling units while work advances on options beyond duplex in neighbourhoods across the city. Adding duplex to RS zoning would allow those who are already considering demolishing and replacing their house

³ Through the Character Incentives Program 12,000 houses in RS zones are estimated as eligible for character retention incentives including multiple conversion dwellings and infill with additional density up to 0.85 FSR.

with a single large house to consider duplex as alternative that would provide two ownership opportunities and secondary suites.⁴ This interim measure will allow for modest change in neighbourhoods across the city while additional housing opportunities are explored and advanced over the coming year.

Staff anticipate that there is only a limited risk that adding duplex use to RS zones would impact the feasibility of new housing types including townhouse and apartments in strategic locations, escalate land value or reduce the effectiveness of current RS incentives for rental housing (laneway program) or character retention (character incentives program). Further analysis is underway to confirm the low risk level. Once the risk analysis is completed, staff will bring forward amendments.

5. Related Matters: Parking By-law Updates

As part of delivering the “right supply” of housing, the Making Room housing program will explore ways to provide more housing choice including new ground-oriented housing and apartments. The right supply is also housing that is affordable to people living and working in Vancouver. One way to reduce housing cost is to reduce the requirement for parking.

The City recognizes that parking in residential neighbourhoods can be challenging in areas where there is strong demand for curbside space. It is also understood that meeting the requirements for residential parking as per the Parking By-law can be challenging when exploring typologies to deliver affordable housing in low-density neighbourhoods. The following efforts have been identified to align residential parking updates in low-density neighborhoods with improved housing affordability:

- The Phase I Parking By-law Updates, scheduled to go to Council in July 2018, propose up to a 35 per cent reduction in parking requirements for rental housing (and 25 per cent for non-rental housing) through the provision of transportation demand management (TDM) plans. To expand this work to smaller developments, Transportation staff will include guidelines for scale-appropriate and community-based TDM measures in a future update. This may include items like contribution to a community car share fund.
- In response to increased investments in transit, growth in active travel mode splits, and delivery of local-serving retail in neighbourhoods undergoing densification, further reductions to parking requirements based on site location and context will be considered in subsequent updates to the Parking By-law
- In order to encourage better use of off-street parking in low-density neighborhoods, design standards will be considered requiring parking space to be unenclosed, or in a single shared garage accessible by all residents.
- Some on-street vehicle demand will exist for developments where low-rate parking rates are provided. In order to support this, changes to the Residential Permit Parking program are required to manage the anticipated spillover effect, namely:
 - Converting currently unregulated residential streets and the legacy ‘Residential Parking Only’ signage to the City’s Residential Permit Parking (RPP) program where capacity is being reached.

⁴ The floor area on a standard 33 ft. lot is not sufficient to include secondary suites with duplex development. Duplexes on lots wider than 33 ft. often include lock-off units or secondary suites.

- Modernizing the RPP program such that demand for curbside parking can be more effectively managed.
- Enhancing access to residential areas by incorporating needs for visitors, service providers and car share providers on street.

Parking Management staff will develop a strategy to substantially update the Residential Permit Parking program in response to the Making Room housing program in conjunction with the Phase II Parking By-law updates.

CONCLUSION

The Making Room housing program will advance essential change in neighbourhoods across Vancouver to address the housing crisis and provide more housing choice. A series of immediate actions are recommended as quick starts and will expand housing choice while longer-term investigations and community engagement on additional housing opportunities proceed over the next year.

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Draft Amendments to “KITSILANO RT-7 AND RT-8 GUIDELINES”
(Adopted by City Council on May 17, 1994
and amended on January 20, 1998 and June 25, 2002)

Note: All additions are shown in bold italics and all deletions are struck-out. Only sections with changes are shown.

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3 Uses

3.1 Infill

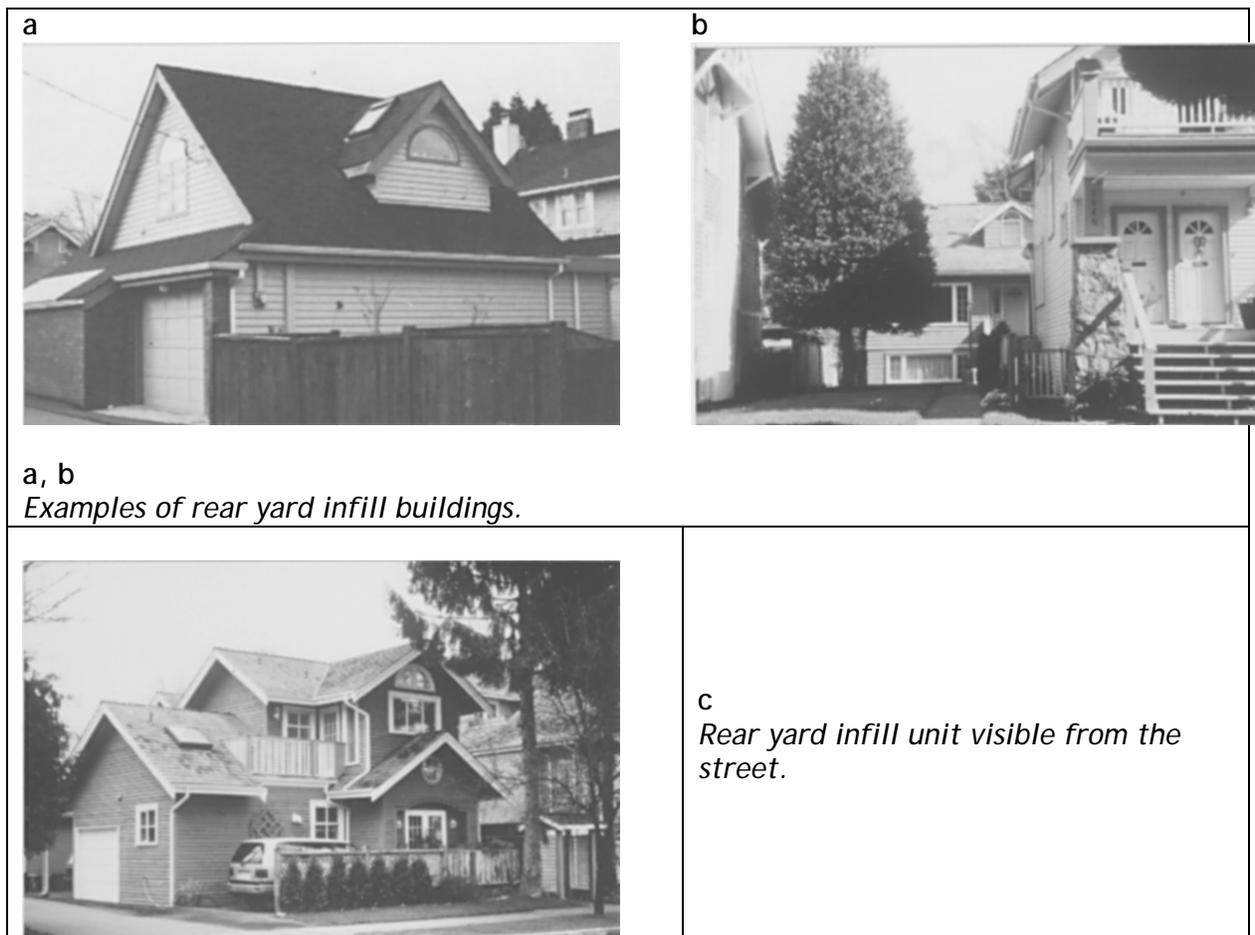
3.1.1 General Conditions

Infill is permitted, on appropriate sites, as an incentive to retain existing buildings, by allowing the construction of a second residential building. All development permits for infill will be subject to the condition that the existing house cannot be demolished without the approval of the Director of Planning.

The existing house should be retained and restored in accordance with the guidelines in section 5.1. (If it has been significantly altered in the past, the guidelines in section 5.3 may be used.)

Relocation of the original house may be considered, with due regard to the zoning and guidelines regarding front and rear yards, provided significant features such as stone foundations and pillars will not be jeopardized.

Figure 7. Infill Examples



3.1.2 Sites For Infill

The following guidelines will be used to consider whether the site of an existing building qualifies for infill.

- (a) Rear yard infill:
 - (i) minimum existing rear yard area should be 195 m²;
 - (ii) on mid-block sites, minimum existing side yard adjacent to existing building should be ~~approximately 4.9 m~~ **equal to the minimum side yard acceptable for pedestrian access only, 5.5 m for pedestrian and vehicular access (where no lane exists) under the Vancouver Building By-law (VBBL)**
 - (iii) ~~the wider side yard should not be required on corner sites, or for buildings on the Vancouver Heritage Register or for buildings which the Heritage Planner deems to be of heritage merit. It may be reduced to 3.7 m in these cases.~~
- (b) Front yard infill:
 - (i) where siting of the existing building meets guidelines for rear yard infill site area and site coverage.
- (c) Side yard infill:
 - (i) minimum existing side yard area should be 306 m² (3,000 sq. ft).