



CITY OF VANCOUVER

POLICY REPORT URBAN STRUCTURE

Date: June 1, 2005
Author: Y. Zeng/N. Edelson
Phone No.: 6424/7444
RTS No.: 04870
CC File No. 8104
Meeting Date: June 14, 2005

TO: Vancouver City Council

FROM: The Director of Current Planning, in consultation with the General Manager of Engineering, the Director of the Housing Centre, the Director of Social Planning, the Managing Director of Cultural Services, the Director of Finance, and the General Manager of Parks and Recreation

SUBJECT: Draft Victory Square Concept Plan

RECOMMENDATION

- A. THAT Council receive the draft Victory Square Concept Plan (the "Concept Plan"), as contained in Appendix A, for information and authorize staff to proceed to public review.
- B. THAT the Director of Current Planning report back to Council on the results of the public process and seek Council adoption of the Concept Plan at that time.

GENERAL MANAGER'S COMMENTS

The General Manager of Community Services recommends approval of A and B.

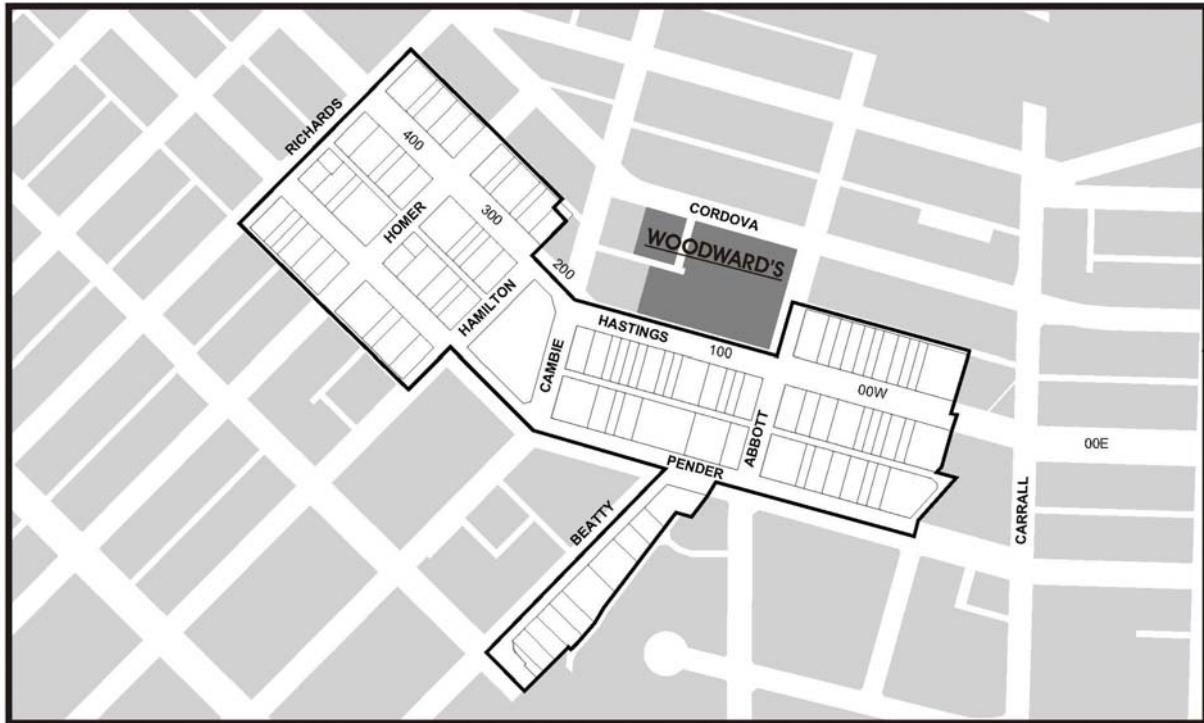
COUNCIL POLICY

- *Area C of the Downtown District Official Development Plan (DD ODP) includes the Victory Square area. The DD ODP permits a variety of land uses. The maximum Floor Space Ratio for all permitted uses is 5.0, of which the maximum residential Floor Space Ratio is 3.0; the maximum height permitted is 150 feet.*
- *Recognizing the heritage character and low scale of the area, the 1991 Council interim policy for Victory Square allows for a maximum of 3.0 FSR for all permitted uses, including residential, and a maximum height of 70 feet, in most circumstances.*
- *In 1991, Council approved the Central Area Plan which identifies Victory Square as a Heritage Character Area where land use, height and density policies and guidelines should reinforce the historic character of the area and support conservation of heritage buildings.*

- *In 1998, Council confirmed principles to provide general guidance to actions and planning in the Downtown Eastside, which include: maintaining housing for existing residents by improving SRAs and building replacement low-income housing; encouraging a diversity of housing; providing adequate services for the treatment of addictions; improving conditions at the street level; encouraging legitimate commercial activities; and, helping community groups find allies and seek a common future.*
- *In 2000, the City entered into the Vancouver Agreement with the Federal and Provincial governments to collectively address housing, economic revitalization, health and safety issues facing the Downtown Eastside.*
- *In 2003, Council approved the Heritage Incentive Program for Chinatown and Gastown as well as the Hastings Street Corridor between Cambie Street and Heatley Avenue and which overlies part of the Victory Square area. The Program includes façade grants, property tax exemption and transferable bonus/residual density intended to facilitate heritage building rehabilitation and promote revitalization of the Downtown Eastside.*
- *In August 2004, Council approved the "Downtown District Interim Policies for New Residential in Area C and F and for Conversion of Existing Office Spaces to Residential Use". Victory Square is defined as "Area C North" and the report recommends that residential development should be guided by its own policies and guidelines.*
- *In October 2004, Council approved a project to prepare Statements of Significance for heritage and character buildings in Chinatown and Victory Square. Council also approved \$40,000 from the 2003-2005 Capital Plan (Downtown Eastside budget) to match provincial funding, for a total project cost of \$140,000.*

PURPOSE AND SUMMARY

This report presents an updated draft Victory Square Concept Plan that covers subject areas of land use, urban design, social housing, heritage, health and social services, economic revitalization, public realm and parking. Once approved by Council, the Concept Plan will serve as a guiding policy document to subsequent actions and planning in the Victory Square area. Staff propose this draft be taken out to the public for final consultation, concurrent with the draft Downtown Eastside Housing Plan (May 2005); staff will subsequently report back with a recommendation to Council for Plan adoption in July.



Map 1: Victory Square Plan Boundary

BACKGROUND

In 1991, Council approved the interim Victory Square Policy which continues to serve as the zoning framework for the area: a maximum density of 3.0 FSR and maximum height of 70' for most developments.

In 1993, City Council instructed staff, in consultation with community stakeholders, to prepare a Concept Plan for Victory Square. In 1995, a draft Victory Square Concept Plan was produced. In 1998, after extensive consultation with various community groups, a revised draft Concept Plan was released for final public review. It provided a common vision for the area: a vibrant mixed-use and mixed-income community that retains and improves low-income housing and builds on the strength of its heritage character.

The draft Concept Plan was one of six reports that were presented to Council to initiate policy directions for the Downtown Eastside. Council affirmed the principles to guide actions and planning as laid out in the report "Downtown Eastside - Building a Common Future", as well as those identified in the report "A Program of Strategic Actions for the Downtown Eastside". The draft Concept Plan, alongside three other reports - "Background Paper on Drug Treatment Needs in Vancouver", "Housing Plan for the Downtown Eastside, Chinatown, Gastown, Strathcona", and "Gastown Land Use Plan" - was received by Council for information in 1998. The recommended consultation with the public was suspended subject to initiation of the community development work funded by the National Crime Prevention Council (NCPC) to help resolve conflicts in the area and to build capacity of community based organizations.

In 2003, Council purchased the former Woodward's Department Store which is located in the Victory Square area. In 2004, following an extensive public consultation process, a

redevelopment scheme for the site was chosen which will include market and non-market housing, retail, and social services for community residents.

On May 24, 2005, Council received the draft Downtown Eastside Housing Plan for information and authorized staff to proceed with public review and discussion before reporting back for plan adoption.

DISCUSSION

The draft Victory Square Concept Plan, as contained in Appendix A, is intended to guide development of the part of the Downtown Eastside that surrounds Victory Square Park.

In updating the 1998 draft Concept Plan, staff have addressed issues in three key policy areas by:

- refining built form polices such as height and density;
- ensuring the City's social housing objectives are not compromised; and,
- ensuring the area's heritage resources are protected and upgraded.

1. General Updates

The 1998 draft report is comprehensive and addresses a wide range of issues, including: land use, built form, housing, heritage, health and social issues, and economic revitalization. It not only provides the policy foundation for detailed amendments to the Zoning and Development and other By-laws, but it also provides directions for various City programs and initiatives, both locally and city-wide.

Since then, many initiatives have been put forward to address issues faced throughout the Downtown Eastside. These initiatives have also addressed many policy directions that were recommended in the 1998 draft Concept Plan. They include:

- **The Vancouver Agreement**, which has a first focus on pressing issues in the Downtown Eastside;
- **The City's Four Pillars Drug Strategy**, which aims to reduce drug-related harm in the City, especially in the Downtown Eastside;
- **The Downtown Eastside Economic Revitalization Plan**, which aims to revitalize the Downtown Eastside by expanding the demand for goods and services produced in the area, increasing the capacity of local businesses and social enterprises to meet that demand and providing relevant training and employment opportunities for Downtown Eastside residents;
- **The Single Room Accommodation (SRA) By-law**, which is a tool for the City to manage the rate of change in the city's residential hotel and rooming house stock, most of which is located in the Downtown Eastside;
- **The Heritage Incentive Program** in Chinatown, Gastown and Hastings Street (between Cambie Street and Heatley Avenue), which facilitates the rehabilitation of heritage buildings and helps the revitalization of these areas;
- The pilot project on "**New Trigger Mechanism for Upgrade of Existing Buildings**", which makes upgrading existing buildings more economically viable; and,
- Physical improvements and many community events in **Victory Square Park**, which strengthen the "heart" of the community.

Many other developments have taken place around the Victory Square area since 1998. The BCIT downtown campus, SFU Wosk Centre for Dialogue and the Delta Vancouver Suites, the Gastown Parkade and Storyeum are a few examples. Developments in nearby areas such as

International Village, Downtown South and Gastown have also generated investment interest in Victory Square.

Woodward's Site

The former Woodward's Department Store site is located in the Victory Square area and its redevelopment will be guided in a comprehensive manner by the City in recognition of its physical and symbolic significance in the Downtown Eastside. The principles of the Woodward's redevelopment complement many of the principles embedded in the draft Concept Plan. The pending redevelopment is expected to serve as a catalyst for the revitalization of the Hastings Street Corridor and surrounding areas. However, owing to its uniqueness and complexity, the Woodward's site will be guided by its own development scheme and guidelines. Therefore, this site has been excluded from the area covered by this Plan.

2. Land Use, Density and Built Form

Victory Square has seen an increase in development interest since 1998 and especially in recent months. It is a positive sign that revitalization of the area is occurring. However, under such circumstances, it is crucial that an appropriate planning and development framework is in place to ensure City objectives are achieved.

The draft Concept Plan proposes a set of built form policies that are based on the principle of setting a scale for new developments that responds to the historic low scale while allowing increased density and height when public benefits - primarily, heritage retention, the provision of low-income housing and public realm improvement - are achieved.

While the current Victory Square Policy permits a maximum density of 3.0 FSR for all uses and a maximum height of 70' in most circumstances, staff analysis has shown that most sites in the area can accommodate a density of 5.0 FSR and a height of 70'. Therefore, staff recommend that the original density provisions of Downtown District Official Development Plan (a maximum density of 5.0 FSR of which 3.0 FSR is the maximum residential density) be reinstated and that the maximum height of 70' be formalized. For social housing projects, staff recommend a maximum density of 5.0 FSR residential (except where retail continuity is required at grade) with a maximum height limit of 100', subject to urban design analysis.

Current policies that permit a diverse range of land uses should continue for the Victory Square area.

3. Low-Income Housing

The City is committed to ensuring that the low-income community in the Victory Square area is not displaced. This will be achieved by retaining existing SRA units in the area until they can be replaced by better quality self-contained social housing units based on a minimum one-for-one replacement ratio. The policy objective of securing a minimum one-for-one housing replacement ratio applies not only to Victory Square, but for all of the Downtown Eastside and is an objective outlined in the draft Downtown Eastside Housing Plan (May 2005). For Victory Square, this policy translates into the goal of at least 620 replacement low-income housing units.

As part of preparing the Concept Plan, an economic study was conducted by the Coriolis Consulting Group to assess the current and future market conditions and the feasibility of the City achieving its social housing objectives for the area. The study concluded the following:

1. Currently, the market condition is still "soft"; therefore, sites are likely to remain affordable for social housing projects for the next few years;

2. Over time, land values will rise to the point where social housing projects become economically non-viable without a significant increase in senior government funding as well as an increase in subsidy or shelter allowance for the operation of these projects; and,
3. Currently, the Heritage Incentive Program will not likely make it harder to achieve the City's social housing objectives as it only makes economically non-viable projects viable (i.e. just able to support the market value for land). These projects generally involve vacant and uneconomic commercial properties, rather than existing SRAs.

House Centre and Planning staff will report back on strategies to achieve social housing objectives in the Downtown Eastside, including the Victory Square area, and monitor their effectiveness.

4. Heritage Incentive Program

Victory Square is an integral part of Vancouver's heritage precinct. It was the site of the city's first commercial core at the turn of the 20th century. The conservation of its heritage resources will reinforce the transition between the Central Business District and historic Chinatown, Gastown and Strathcona.

Council has approved the Heritage Incentive Program (2003 - 2008) for Chinatown, Gastown and the Hastings Street Corridor (between Cambie Street and Heatley Avenue) which includes a portion of Victory Square. The Program helps to conserve valuable heritage buildings in these areas as well as to kick start area revitalization.

The draft Concept Plan proposes the extension of this Program to the remainder of Victory Square. Staff have completed research on the likely uptake and estimated costs for the facade grants, tax exemptions and density transfer that might occur due to this extension (refer to Appendix B). We are currently examining permit processing work loads and timing as well as other policy and planning priorities in order to present options for managing the Program extension. Staff will report back for Council's consideration and decision when we report back on the Concept Plan adoption in July.

400 Block West Hastings Street

The 1998 draft Plan recommended taller buildings be permitted (including a 150' tower) on the north side of the 400 West Hastings Street as recipient sites for heritage density transferred from elsewhere in the area. The updated Plan proposes that this opportunity be replaced by the Heritage Incentive Program.

5. Other updates

The Concept Plan is updated to reflect the following policy recommendations:

Parking

Like other parts of the historic precinct, many buildings in Victory Square are on small lots. This often makes it necessary to assemble several parcels to meet current on-site parking requirements. The Plan proposes to adopt the Historic Area (HA) district parking standards for Victory Square. These reduced parking requirements support heritage conservation. An area-wide parking study is also proposed in order to assess the feasibility of waiving or further relaxing parking requirements under certain circumstances, such as construction of new buildings on small lots and on sites where parking for co-operatively owned cars is provided. If approved, this will help ensure new development on smaller vacant lots is more compatible with nearby heritage buildings. The study will assess whether these relaxations will create a

gap between the parking demand and supply in the area and, if so, to investigate ways to address the parking deficiency.

Public Realm

The Cenotaph and Victory Square Park will be conserved as central public realm features in the district. Remembrance Day ceremonies will continue to be held at Victory Square Park. Interpretative features will be added, focussing on the history and symbolism of the park.

Further, the Plan recommends that a public realm plan be prepared in consultation with the community to coordinate public and private investments and to address issues such as streetscape, historic area way restoration and laneway improvement, etc. Staff note that the preparation of a Downtown Public Realm Plan is recommended in the Downtown Transportation Plan. A joint Planning and Engineering report on the scope and work program for this project will be forwarded to Council later this year. If the Downtown Public Realm Plan project is approved, the development of the public realm plan for Victory Square will be coordinated with the Downtown Public Realm Plan. Staff will report back on the development of the public realm plan for Victory Square and its coordination with the Downtown Public Realm Plan.

FINANCIAL IMPLICATIONS

There are no financial implications at this time. However, as outlined in Appendix B, the estimated total incremental cost of extending the Heritage Incentive Program, which Council will be considering in July when the draft Plan is brought back for adoption, is \$1.4 million in façade grants and \$10 million in tax exemptions. The façade grants would be paid over four years, and the tax exemptions, over ten years. The tax exemptions would not represent a direct cost to the City, but would impact tax rates for other taxpayers in the same class.

CONCLUSION

The draft Victory Square Concept Plan is the result of a multi-year process of staff work and community consultation. The updated draft reflects the planning progress in the area and current directions on key policy issues. It will provide guidance for the future planning and development efforts in Victory Square, a community at the onset of its revitalization. Staff are prepared to take this draft Plan out for public review and discussion and will report back later this year.

Appendix A: Draft Victory Square Concept Plan

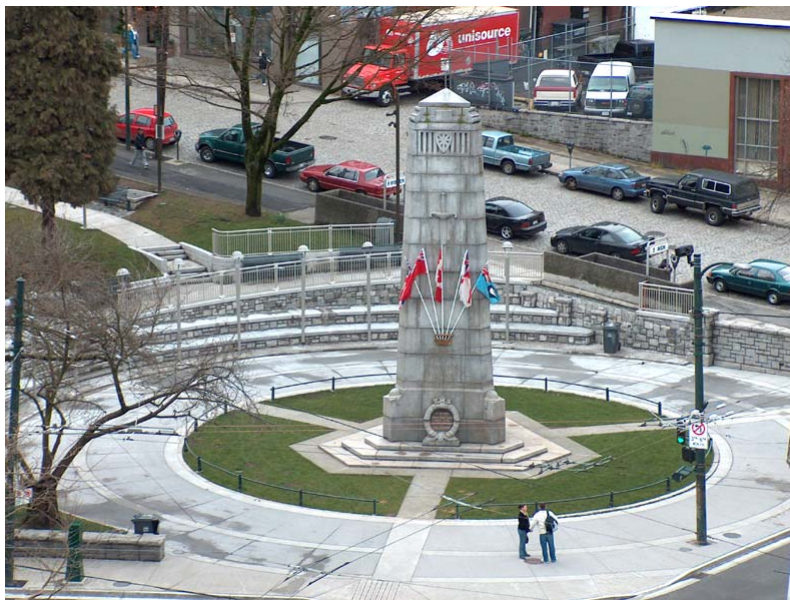
Appendix B: Cost Analysis of Extending the Heritage Incentive Program to Remainder of Victory Square

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Victory Square Concept Plan

Draft (May 18, 2005)

For Information and Comment



City of Vancouver
Central Area Planning

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Executive Summary

The Victory Square area - Hastings and Pender Streets bounded by Richards and Carrall and up Beatty Street from Pender to Dunsmuir - was part of Vancouver's main downtown commercial district for the first half of the 20th century. The city's major department stores and numerous retail shops, banks, commercial services and restaurants were all once located in the area. Victory Square was also home to many resource industry workers who lived in residential hotels and rooming houses in the off season.

As Vancouver grew, the focus of both commercial and retail activity shifted south towards Georgia Street and westward to Granville and Burrard Streets. By the late 1980's, the decline in the area was evidenced by an increasing number of store closures and which culminated in the closing of the Woodward's building in January of 1993. The result was a further loss of business activity, increasing storefront vacancies, deterioration of older buildings and a visible lack of prosperity.

In response to concerns raised by residents, property owners and downtown business people, in 1993 City Council instructed staff to work with community stakeholders to prepare a Concept Plan for the area. A draft plan was completed in 1997 and referred to public discussion in conjunction with five other policy reports. This current version of the Concept Plan is updated to reflect changes that have taken place since the first draft was produced.

The primary objective of planning efforts in Victory Square have been to develop a strategy for revitalization that will bring back investment without displacing low-income residents or compromising the heritage value of the area. Creating this strategy has required extensive discussions with the community and the development industry, detailed analyses of the existing physical and social environments, as well as the integration of proposed policies with other city-wide initiatives.

Based on the analysis and input received, it was concluded that Victory Square can not compete with Downtown South, Coal Harbour or False Creek North for the same high-rise condominium market. Victory Square must build its own distinct "niche" if it is to be successful. At the core of the strategy is the realization that the future revitalization of the economic, physical and social environments should be based on the unique characteristics of the Victory Square area, including:

- the predominantly low- to mid-rise buildings;
- the large number of heritage and character buildings;
- well-known attractions such as Victory Square Park and Woodward's;
- the diversity of land uses;
- the long standing low-income community;
- the strategic location between the downtown business district and the historic precinct; and,
- the emerging arts, culture and educational activities.

This realization resulted in the development of a Concept Plan based on four key planning principles:

- retention of the area's heritage buildings, scale and character;
- improvement of existing low-income housing;
- revitalization without displacing low-income residents; and

- partnership with the community.

The Concept Plan addresses a broad range of issues, including: building form and density, heritage conservation, the reuse of existing buildings, social, economic and safety concerns, and improvements to the public realm. The policies and actions that will address these issues are set out in the 10 chapters of the Plan.

The Plan acknowledges that there will be trade-offs between revitalization, heritage conservation, the provision of low-income housing, and the provision of other public amenities including facilities for arts and culture and improvements to the public realm. The Plan seeks to balance these competing interests through a policy framework which allows relaxation of density and building height in return for public benefits, by providing financial incentives for heritage conservation, addressing building upgrade requirements to make it easier to reuse existing buildings and reinforcing programmes that have strong community support.

With the implementation of these planning policies and joint effort of the whole community, government and non-profit agencies, overtime, Victory Square will become a revitalized area with the following characteristics:

Vision	Characteristics
A community with a wide range of land uses.	<ul style="list-style-type: none"> • Commercial/retail uses at grade • Mix of commercial and residential uses within the upper storeys of buildings and throughout the area • Compatible mix of market and low-income housing units • A strong presence of arts and cultural community • Expanded cultural, institutional, and educational uses to reinforce the area as an emerging downtown learning centre
A community with a good supply and range of housing types.	<ul style="list-style-type: none"> • Number of housing units increases from approximately 1300 currently to a potential maximum of 3000, of which at least 1200 are for low-income residents • Upgrading and/or one-for-one replacement of SRA units with better quality low-income housing • Mixture of loft style and conventional layout market residential units • Increase in the number of market units, including rental and affordable condominium ownership • Live/work units are provided • Some developments that include a mix of market and non-market housing units within a single building
A revitalized commercial/retail business area.	<ul style="list-style-type: none"> • Strengthened base in the regional specialty retail market • Increased level of commercial activities serving both existing and new residents • Small scale entrepreneurs are attracted by the availability of units where they can work and live • Creative arts and cultural industries such as graphic arts, editing and publishing continue to find suitable sites/offices

<p>A neighbourhood where medium density and building height are achieved.</p>	<ul style="list-style-type: none"> • All sites are zoned with a maximum permitted density of 5.0 FSR and a maximum conditionally permitted building height of 70' • Maximum residential density is 3.0 FSR • Increases in density above 5.0 FSR (overall) and 3.0 FSR (residential) and in height above 70' are considered for market developments that provide SRA retention, low-income housing or on-site heritage conservation • Residential density up to 5.0 FSR (except where retail continuity is required at grade) and height up to 100' are considered for social housing projects, subject to a built form study
<p>A neighbourhood with a strong sense of place founded on heritage conservation.</p>	<ul style="list-style-type: none"> • Rehabilitation/renovation/reuse of heritage buildings is facilitated through the Heritage Incentive Program, parking relaxation and the application of equivalencies in building code regulations • Heritage Incentive Program is also used to facilitate rehabilitation of heritage-worthy character buildings through voluntary addition to the Vancouver Heritage Register • Developments on vacant small lots are encouraged through parking requirement relaxation • Through design guidelines, new development is sympathetic to the area's heritage character and scale, and landmark buildings remain predominant
<p>A redevelopment of the former Woodward's site.</p>	<ul style="list-style-type: none"> • The revolving "W" sign is restored as a symbol of hope and "welcoming" to the diversity of people who live, work and visit the Downtown Eastside. • A mix of low-income and market housing suitable for families, couples and singles. • A hub of commercial, social, educational and cultural services for the entire community.
<p>A safe and secure community.</p>	<ul style="list-style-type: none"> • Resident population increases from approximately 1200 to a potential maximum of 3600 over the next twenty years • Members of the community and the Police Department work collaboratively on a community-based policing model • Buildings, open spaces and streets are designed using crime prevention principles
<p>A healthy community.</p>	<ul style="list-style-type: none"> • Members of the community work with public and private agencies to coordinate and integrate service delivery • Many services for residents are provided within the neighbourhood • Public school education and child care, if required, are available within the community or in adjacent neighbourhoods

<p>A neighbourhood with a unique public realm.</p>	<ul style="list-style-type: none"> • City and the community work together to develop a comprehensive public realm plan • An expanded street tree and paving programme along Hastings and Pender Streets • Possibility for specialty paving, restored heritage paving and compatible lighting • Appropriate pedestrian connections and clear signage linking to adjacent areas and the City's downtown greenway routes, as part of the Downtown Historic Trail project • Victory Square Park continues to be an important public space serving the entire community • Sunlight to sidewalks and open spaces is preserved
<p>A neighbourhood with public benefits.</p>	<ul style="list-style-type: none"> • Heritage resources have been conserved and low-income housing units have been improved or replaced • Public realm is improved • Non-profit arts and cultural sector is supported, including provision of low-income artist live/work units • Development Cost Levies and other sources of public and private investments are used to help fund low-income housing and public realm improvements • Other community facilities are built using a variety of public and private funding sources, including those from adjacent major developments
<p>A community with a strong identity and a sense of pride</p>	<ul style="list-style-type: none"> • The capacity of the long-standing low-income community is strengthened • New residents are actively engaged in ongoing community building process

The revitalization of Victory Square will be incremental. It is already evident in rehabilitation of the Province Annex Building which now houses the Architectural Institute of BC. It is reflected in the newly active storefronts, especially those seen along the blocks to the west of Victory Square Park. As well, a critical mass of arts, culture and education related commercial activities is also clearly beginning to establish itself in the area.

The pending redevelopment of the Woodward's building is expected to serve as a catalyst to the further revitalization of the area. This will result in more street level activities, especially to the east of the Park, which will lead to an increased sense of security and safety that will in turn foster more confidence for the business and housing markets.

With the proposed relocation of SFU's School of Contemporary Arts to the Woodward's site, the concept of a downtown learning centre surrounding Victory Square Park will be further solidified.

Most significantly, the revitalization of the Victory Square area will continue in smaller scale new developments and adaptive reuse of existing buildings. Replacement housing of the residential hotel (SRA) units will be built and a variety of market residential and commercial live/work units will

soon begin being built, either as new construction or in the upper floors of heritage and character buildings.

Over time, Victory Square will be revitalized to become a vibrant mixed-use, inner city neighbourhood that builds on its strengths such as its strategic location, strong and unique sense of place and the urban housing opportunities for a range of economic groups.



Figure 1: Woodward's Building

Introduction

In March 1993, City Council instructed staff, in consultation with community stakeholders, to prepare a Concept Plan for Victory Square, and identified the following primary objectives, which continue to guide the current process:

- Encourage development to occur in existing buildings and in new buildings which reflect the character and scale of the area;
- Foster a wide choice of land uses appropriate to the existing building stock and compatible with adjacent areas;
- Encourage revitalization of the business activity;
- Foster housing options, including low-income and special needs housing, in existing buildings and new structures;
- Address the social and community needs; and,
- Create a public realm that complements the architectural character of the area and enhances neighbourhood identity.

What is A Concept Plan?

A Concept Plan outlines general planning policies and actions that will guide the future of an area. The policies provide the basis for detailed amendments to the City's Zoning and Development, Building, and other By-laws. They will also provide directions for City programs and initiatives, both locally and city-wide.

The Victory Square Concept Plan is organized into 10 chapters which each examine different aspects of the area. In each chapter, recommended policies and actions are outlined after an introduction section. The introduction section lays out the background for the recommended policies and actions and includes subsections of objective, discussion and policy context.

Chapters 1 through 4 set out the urban design principles and basic zoning changes which will govern future developments in the area. Chapters 5 through 10 contain the policies and actions through which the overall vision of the plan will be achieved.

How Was the Public Involved In the Past?

In April and May 1993, a "Working Group" and a number of "Task Groups" were convened to review the draft Plan. These groups were made up of a wide range of stakeholders, including residents, merchants, property owners, and other interested parties, as well as City staff. Over a six-month period, each group identified issues, agreed on objectives, and recommended policies in the following areas:

- Renovation Incentives
- Housing, Health and Social Issues
- Streets and Public Space
- Safety and Security
- Arts and Culture

In addition, staff participated in "Kitchen Table" meetings held in residential hotels and rooming houses to discuss the needs and concerns of hard-to-reach residents who would not otherwise be heard through the planning process.

Policy recommendations were also discussed at public workshops in autumn of 1993. Additional workshops in November and December brought the various interests together to discuss implications of policy choices and to explore solutions on issues where there was disagreement.

A March 1994 Council workshop summarized possible key strategies and staff arranged a walking tour of the planning area to illustrate workshop issues and to provide stakeholders with an opportunity for direct discussion with Councillors.

The first draft Concept Plan for Victory Square was released for public review in June 1995. A series of meetings with the general public, the local community and business groups were held through 1995 and 1996. The input received identified the need for further research and planning studies and these were conducted in 1996 and 1997. Specific issues which were reviewed included:

- Adjustments to the mix of market and non-market housing to better reflect Victory Square's role as the transition between the Central Business District and the Downtown Eastside;
- The implications of density bonusing and relaxations for heritage and development of new forms of low-income housing;
- Adjustments to built form guidelines to accommodate alternative land uses and address the objectives of the Downtown Eastside Housing Plan which covers Chinatown, Gastown and Strathcona, as well as Victory Square;
- Development of a transition concept for the 400 block West Hastings, including alternative building envelopes, to receive density in exchange of conservation of nearby heritage buildings;
- Preparation of a Public Benefits chapter to guide public investment and bonusing opportunities; and,
- Distinction between short to medium-term policies which should be implemented now, and long-term policy decisions which can be determined as the area's more challenging issues begin to be resolved.

A revised draft was completed in 1998 and ready for a final round of public review. However, the public process was suspended due to difference of opinions within the Downtown Eastside communities over a number of key issues related to the illegal drug trade and the long-term balance of market and low-income housing.

2005 Updates

Many important changes and initiatives have occurred since 1998 and are reflected in the updated Plan, including:

- The recently completed three-year **Downtown Eastside Crime Prevention/Community Development Project** funded by the National Crime Prevention Council (NCPC), which focused on community capacity building;
- **The Vancouver Agreement**, which focuses on issues such as health, safety, housing and economic revitalization throughout the Downtown Eastside;
- The City's **Four Pillar Drug Strategy**, which aims to reduce drug-related harm in the City, especially in the Downtown Eastside;
- The **Single Room Accommodation By-law**, adopted by Council in 2003 to regulate the rate of conversion of SRA stock, an important part of the City's low-income housing stock;

- The **Vancouver Agreement's Downtown Eastside Economic Revitalization Plan and Employment Strategy**, which aim to revitalize the Downtown Eastside by expanding the demand for goods and services produced in the Downtown Eastside, increasing the capacity of local businesses and social enterprises to meet that demand and providing relevant training and employment opportunities for Downtown Eastside residents;
- The **Heritage Incentive Program**, approved by Council in 2003 to facilitate the renovation and rehabilitation of heritage and character buildings in Gastown, Chinatown and the Hastings Street corridor between Cambie Street and Heatley Avenue;
- The pilot project of "**New Trigger Mechanism for Upgrading Existing Buildings**", which makes reuse and upgrade of existing buildings more economically viable; and,
- Physical improvements to **Victory Square Park** and the ongoing programming which has brought more activities into the park and aimed to involve all sectors of the area's diverse community.

The updated Plan also contains the following revised policy recommendations to help conserve heritage buildings and ensure new development is in keeping with the area's small lot pattern and medium scale character:

- A revised set of density and height provisions for all developments that is more in keeping with the City's existing zoning framework in other historic areas, such as Gastown, Chinatown and the old Yaletown;
- Extension of the Heritage Incentive Program to the remainder of the Victory Square area not currently covered under the Program; and,
- Adoption of HA parking standards which have reduced parking requirements that support heritage conservation as well as new development.

Next Steps

In conjunction with the Downtown Eastside Housing Plan (which include Chinatown, Gastown, Strathcona and Victory Square), the revised draft Concept Plan will be taken out for public review during the spring/summer of 2005. The result of this public consultation will be reported back to Council, at which time staff will seek Council's adoption of the Concept Plan. After the adoption, staff will report back on any proposed amendments to by-laws and recommend over-arching design guidelines for area developments. Longer term policies will be implemented and reviewed over the next three to five years as conditions in the area change.

Planning Principles

This section outlines the fundamental planning principles which underlie the Concept Plan, as detailed in the chapters that follow.

Balancing the wide range of competing objectives and the needs of a diverse community is complex and challenging. This community includes low-income and market housing residents, local business people and property owners, heritage advocates, students and artists. Further, what occurs in Victory Square is of concern to neighbouring areas, as well as city-wide educational and cultural institutions. Policies to achieve one set of objectives may have implications for other objectives, particularly where the different needs of heritage conservation, housing for low-income residents, and economic revitalization, might suggest different approaches.

This draft Concept Plan proposes a balanced set of strategies, based on four fundamental guiding principles, to achieve the overall objectives with minimal trade-offs. The strategies will require funding and support from all levels of government, including those delivered through the Vancouver Agreement.

Principle 1. Retention of the area's heritage buildings, scale and character

- Adaptive reuse of existing buildings;
- Scale and character of new development should reflect existing historic fabric; and
- Use of City and senior government incentives to facilitate heritage conservation..

Principle 2. Retention of low-income housing

- No net loss of low-income housing stock;
- Minimum one-for-one replacement of Single Room Accommodation (SRA) units by various means, including provision of new non-market housing; and,
- Upgrading of existing low-income artist studios based on building code equivalencies and provision of some replacement units through social housing and bonusing programmes.

Principle 3. Revitalization without displacement of the existing low-income community

- A stronger commercial role and identity for the area, with particular emphasis on emerging opportunities related to arts, culture and education;
- New market housing, businesses and institutions, including live/work units, in both new and existing buildings; and
- Economic revitalization of the area focusing on retaining existing businesses as well as attracting new investments through area-wide procurement policies and marketing strategies.

Principle 4. Partnership with the community

- Ongoing cooperation with local residents and business people to help achieve City and community objectives and to foster positive change.

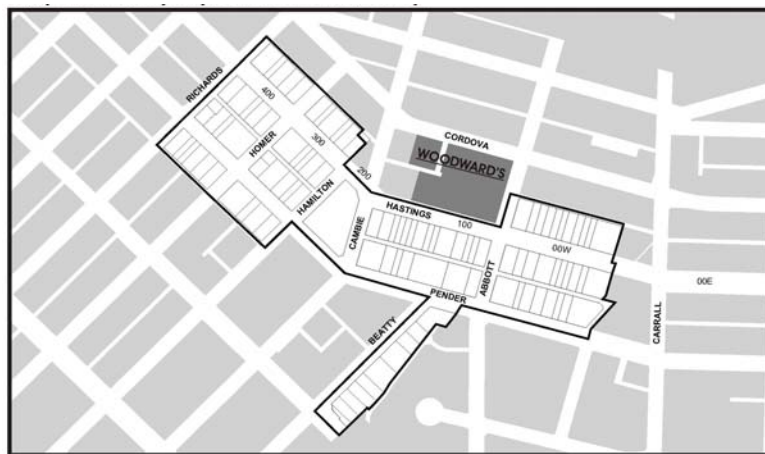
Victory Square - The Place

Planning Area Description

As illustrated in Figure 1, the Victory Square planning area centres on Victory Square Park and the Cenotaph. Richards Street marks the western boundary and Carrall Street the approximate eastern boundary; West Hastings and Pender Streets from the '00' to the '400' west block form the area's major east-west spine. The 500 block of Beatty Street is also part of Victory Square.

The area is located at the crossroads between the Central Business District to the west and south, Gastown to the north, Chinatown and International Village to the southeast, and the Downtown Eastside Oppenheimer District to the east. These boundaries reflect areas that are defined through zoning and are not necessarily representative of the various neighbourhoods that are perceived differently by the area's diverse communities. Many area residents identify Victory Square as part of the Downtown Eastside while others identify it with the larger downtown area.

Please note in this draft Concept Plan, the terms "Victory Square" and "the Victory Square area" are used interchangeably, referring to the planning area described above. The term "Victory Square Park" is used in this Concept Plan to describe the park where the Cenotaph is located.



Map 1: Victory Square Plan Area Boundary

Victory Square - The Past

Development within Victory Square began in the 1890's as Vancouver grew southward from the original Granville townsite (present day Gastown). By the end of the 1910's, West Hastings Street had become the main downtown business street and most of the area's development dates from this period. Major retail developments included the Woodward's Department store, which opened on Hastings Street in 1902, followed by Spencer's (Eaton's) Department store, once located on the site of present-day Harbour Centre. Shops, restaurants and banks occupied ground-level storefronts along Hastings and Pender Streets, with offices and other services on the upper floors of buildings. Some warehousing and light industrial activities were also located in the area (e.g., in the 500 block Beatty Street adjacent to the rail yards).

Vancouver's original courthouse stood on the site of Victory Square Park but was demolished when a new facility was completed on Georgia Street in 1912 (now the Vancouver Art Gallery).

In the 1920's, the Province newspaper, then located at Hastings and Cambie, contributed funds for the transformation of the former courthouse site into a memorial to the fallen of the First World War - hence the name "Victory Square".

Most of Victory Square's residential hotels were built before World War I as seasonal accommodation for miners, loggers and other resource industry workers. The hotels eventually became longer term homes to some of these workers who were joined by others seeking affordable housing.

Gradually, the commercial and administrative centre of the city shifted and by the late 1950's it had moved south to Georgia and west to Burrard. Hastings Street however remained an important retail area, with Woodward's, Eaton's, and the Army & Navy department stores as its major anchors. With the opening of Pacific Centre in 1970 – which included the new Eaton's Department store - the downtown retail focus shifted to the corner of Georgia and Granville Streets. The old Eaton's site was redeveloped for offices, a downtown Sears store, and retail shops. Sears later also moved from this location and the building now houses the Simon Fraser University Harbour Centre campus.

As commercial and retail activity moved out of the Victory Square area, pedestrian traffic decreased (an estimated drop of over 60% between 1981 and 1991), contributing to a cycle of business decline in the area. When Woodward's Department closed in January 1993, more of the surrounding businesses closed as well, particularly those in the 100 block West Hastings. Consequently, many storefronts in this block and surrounding blocks remain vacant or have been occupied by businesses that directly or indirectly support the illegal drug trade.

Victory Square - The Present

Despite the loss of bigger businesses, Victory Square retains its predominantly retail and commercial character, with almost 400 businesses operating in the area catering to both local and regional markets. The regional market includes a number of music, arts and cultural based specialty stores, which are concentrated in the blocks west of the Park.

The current overall storefront vacancy rate for the area is 32%: 10% west of Cambie Street, and 48% east of Cambie (including the vacant ground floor of the Woodward's site). Boarded up storefronts and general neglect have negatively impacted the area's image, especially east of Cambie Street, and have resulted in reduced pedestrian traffic and a perceived decline in personal safety in the area.

However, some long-time businesses, including Ward Music and Army & Navy, remain in the area. Former retail premises and upper floor offices are gradually being re-occupied by arts-related uses and specialty businesses such as galleries and antique shops. In 1998, the Architectural Institute of British Columbia renovated and moved into the Province Annex building on the northeast corner of Cambie and Pender Streets and has had a positive impact on the area's revitalization.

As a result of a collaborative effort between the City, the Vancouver Agreement and the Friends of Victory Square, substantial physical improvements to the historic Victory Square Park were recently completed. The renovated Park is now being used throughout the day by residents, students, and workers in the area.

Victory Square is also an established residential neighbourhood, home to approximately 1,200 people. Many of the area's residents live in residential hotel rooms, also called Single Room Accommodation (SRA) units. In addition, there are two special needs residential facilities, one

shelter, four social housing developments, two condominium developments, and three buildings containing market rental suites. There are also two condominium developments involving old warehouse buildings along 500 Beatty Street that are currently under development review process. Some upper floor commercial and industrial premises are also home to artists and others who have converted these spaces to unauthorized live/work studios.

The Woodward's building, which has been vacant since 1993, is currently in the planning phase of redevelopment. The building, along with the two adjacent westerly sites, is part of a comprehensive, mixed-use project with approximately 1 million square feet that consists of market and non-market housing, educational institutions, community services and retail uses. Construction is expected to commence by early 2006 and be completed by 2008.

The Vancouver Film School is located in the 300 block West Hastings Street. The downtown campuses of Simon Fraser University, Vancouver Community College, and the British Columbia Institute of Technology are also located just outside of the Victory Square area. With the proposed relocation of SFU's School of Contemporary Arts to the Woodward's building, together these institutions form the nucleus of what is becoming a downtown "learning centre".

Victory Square - The Future

Finding strategies that strike an appropriate balance between revitalization, heritage conservation and retention of low-income housing will be an ongoing challenge. There is potential for conflict between these objectives: revitalization can result in the loss of low-income housing and heritage buildings, yet heritage conservation, on the other hand, may be seen to inhibit revitalization. Careful regulation, monitoring and considerable resources will be required to achieve and maintain the appropriate balance.

Research, analysis and community input have determined that the successful future of Victory Square will lie in finding a market "niche" which will differentiate the area from nearby high-rise residential neighbourhoods such as Downtown South, False Creek North and Coal Harbour. A key factor in the area's success will be its historic scale and character: its low-rise streetscapes and its legacy of rehabilitated heritage buildings will help create a unique and strong sense of place, thus providing a market niche for new investment.

A wide range of housing will be essential to the future of Victory Square as envisioned in the Concept Plan. With revised zoning regulations, support and funding from the City and senior levels of government, the area will continue to be home to low-income residents who will have a strong voice in the future of their neighbourhood, the provision of services, and training and employment opportunities in the area.

New residents will come from diverse income groups attracted by the unique character and opportunities for living and working in an urban setting. Market residential development will occur on vacant and non-heritage sites as well as through conversion of existing heritage buildings.

Through community and business efforts, the area will continue to develop as a centre for arts and culture, and higher education. These and other functions will support retail businesses, restaurants, tourism, local commercial activities, and a vibrant street life. With the implementation of this Concept Plan, revitalization will build upon Victory Square's strengths and assets: its people, its history and its central location in the downtown.

The Short-Term

In the short-term (0-5 years: 2005 - 2010), the redevelopment of the Woodward's site will play an important role in the revitalization of the Victory Square area. It will not only provide much

needed social housing, social and retail services and employment opportunities for the local low-income community, but it will also inject new market residential units as well as new commercial activities into the area. It is also expected that a range of activities will re-occupy vacant storefronts in Victory Square. In response to SFU School of Contemporary Arts' move into the Woodward's building, art and culture related specialty retailers will continue to locate in the area.

One vacant site within Victory Square - 33 West Pender Street - has already received approval in principle for market residential development. More market residential developments, involving both vacant sites as well as existing building conversions, have been proposed. Partly due to favorable location, partly due to the larger sizes and sound conditions of the existing structures, the Sun Tower and many of the warehouse heritage buildings along the 500 block Beatty Street have either been converted to market loft residential units or are under active inquiry/application for such conversion. This increased level of market interest is expected to continue.

There will also be increased interests to take advantage of the City's Heritage Incentive Program for rehabilitation of existing heritage and character buildings. Overtime, even smaller heritage and character buildings will become candidates for rehabilitation as bonus and residual density transfer will help make the projects economically viable. Some of the area's prominent office buildings, such as the Dominion Building, might become targets for residential conversion. These conversion inquiries should be evaluated on a case-by-case basis to ensure the objectives of revitalization and heritage retention do not inadvertently compromise the valuable commercial/office base in the area.

The trend of new market residential developments on vacant sites seeking density and height relaxation is also expected to continue if the current economic conditions persist. The City will entertain these inquiries on a case-by-case basis and will ensure public benefits commensurate with developer's gain are secured. In the short term, the public benefits should be provided in the form of social housing or heritage retention in Victory Square.

While the City strives to continue to provide replacement social housing, many of the area's residential hotels (contain SRA units) will still provide low-income housing for existing residents in the short to medium term. The SRA By-law will continue to serve as a tool for the City to regulate the conversion rate. Further, residential hotel owners will be encouraged to upgrade their buildings through incentives, such as CMHC's Residential Rehabilitation Assistance Program (RRAP), non-profit management, management training opportunities or other means. Some residential hotels may also be purchased and upgraded by government and other partnerships. Additional suitable sites will be acquired for new social housing to be built with senior government funding, whenever possible. These efforts, especially securing lands for social housing, should be coordinated and carried out strategically and expeditiously in light of the market development pressure that will face Victory Square. Projects with smaller suites (less than 320 sq.ft.) may also provide some low-income housing.

It is expected that new residential projects and the continued rehabilitation of heritage buildings for housing and live/work uses will bring greater demand for local services to the area. With an increase in the residential population, the viability of street-level businesses will improve. This will benefit the existing low-income residents by enhancing safety and providing needed service commercial uses, such as food stores and full-service pharmacies. It is anticipated that the regional serving commercial activity, based on specialty markets related to arts and culture, will also continue to grow.

Artists, who have been among the first to re-occupy vacant upper floors in existing buildings, will, along with property owners, be encouraged to do the basic building upgrades necessary to

"legalize" their affordable spaces as artist live/work studios. Cultural and educational institutions will likely continue to take advantage of opportunities in the area, including, the presence of a strong arts community, affordable housing and commercial services for students.

As the area starts to revitalize, the City and the community will work together to develop a public realm plan that is appropriate for the area. This public realm plan will guide public and private investments in the area.

Lastly, the 2010 Winter Olympic and Paralympics Games will have a positive impact on Victory Square's revitalization process. Specifically, the area is expected to benefit through the Inner-City Inclusivity commitment and procurement strategy that emphasize opportunities for inner-city residents, and through the celebration of diversity in arts and culture.

The Medium to Long Term

In the medium to long term, it is expected that Victory Square will have a stronger residential presence. However, it will remain a mixed-use inner-city neighbourhood where cultural and creative industries have established a critical mass and where live/work opportunities continue to be an attraction in the area.

Many heritage and character buildings will be rehabilitated for adaptive reuse, including residential, live/work, arts and culture, commercial and office uses. The rehabilitation and adaptive reuse of existing buildings will become increasingly financially viable due to improved local economic conditions.

New developments on vacant sites will continue while land supply permits. These developments will "blend in" with the existing historic fabric by having sympathetic massing and by creatively interpreting architectural languages of the past. Public Benefits will continue to be secured through density and height relaxation to new developments, whenever applicable.

A market residential base compatible with the long standing low-income community will be established, through new developments and through conversion of existing buildings.

Many of the existing residential (SRA) hotels in the area will be secured through purchase and upgrade by the City, senior governments or non-profit organizations. For those SRA hotels that are converted to market uses, the policy and practice of at least one-for-one replacement with low-income housing will continue. Construction of new low-income housing will continue as more funding becomes available, including funds raised through Development Cost Levies and Community Amenity Contributions (CACs); new mixed income (market and non-market) housing projects may also become feasible. Senior governments will also be encouraged to provide capital and operating funds for social housing projects.

Public realm in Victory Square will continue to be improved with funds raised through DCLs, Capital Budgets from Engineering Services and the Park Board, such as Greenway projects. Hastings Street will regain its past glory with continuous storefronts providing pedestrian interest and where potentially more neon signs will contribute to an animated commercial corridor. It is also expected that local business groups will continue to work with the proposed Victory Square Partnership to coordinate efforts such as area wide marketing and further improvements to the public realm, including Victory Square Park.

The continued expansion of educational institutions will create demand for more student housing. Development of appropriate housing could be accommodated through joint ventures with the institutions.

When appropriate, there will be additional community facilities to serve the growing needs of an established mixed-use community. The local low-income community will also benefit from an expansion of these services.

There will also be increased pressure on rental artist live/work studios, galleries, and other cultural uses. Bonuses and other incentives will be used to secure an appropriate number of affordable artist live/work studios for low-income artists; some bonusing and/or floorspace exclusions will be available for non-profit cultural uses such as galleries and rehearsal space. It is expected that some market developments will seek these bonuses as the area improves and the economics for market housing makes development increasingly attractive.

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Chapter 1 Urban Design and Character

INTRODUCTION

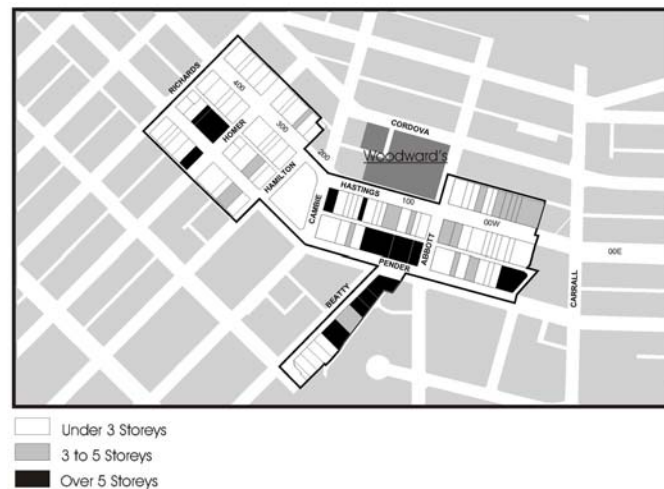
Objective

This chapter contains the general urban design policies which will guide the retention and renovation of existing buildings, as well as the design of new development. The objective of these policies is to ensure that development is in keeping with the heritage character and scale of Victory Square.

Discussion

Victory Square's low to mid-rise scale and heritage buildings are among its most important assets. The following features contribute to Victory Square's special character:

- Buildings follow a traditional "street wall" pattern of development, where frontages are continuous and buildings are built to the front property line;
- There is a fine grain of development, as most frontages are 26 ft. or 52 ft. in width;
- Approximately 42% of the existing buildings are listed on the Vancouver Heritage Register and another 30% are character buildings that are potential candidates for the Heritage Register;
- Two taller heritage buildings, the Sun Tower and the West Pender Building in Victory Square, along with Dominion Building which is in the Gastown Historic Area, are unique in that they project above the street wall and they stand in relative isolation, visible from many vantage points;
- Victory Square Park is framed by heritage buildings which collectively define this notable public space;
- Retail storefronts are almost continuous along Hastings Street and in the 300-400 blocks of Pender Street. Currently, storefront vacancies detract from the area's vitality. Continuous retail activity could provide additional services and better link Victory Square to surrounding areas; and,
- The differences in building height - from low-rise to mid-rise – varying block to block, produce a street wall that ranges from 40 ft. to 75 ft. and a distinct "sawtooth" pattern that creates visual interest and is characteristic of the area.



Map 2: Victory Square Area Building Heights

In March 2004, Council approved the site specific Urban Design Guidelines for the Woodward's redevelopment. The Guidelines recognize the historic importance of the Hastings Street Corridor and the Victory Square area. Further, these guidelines recognize the physical and symbolic role of the Woodward's building as a catalyst for area revitalization. To this end, the proposed massing and form of this development will be judged on its own merit and is anticipated to mark the significance of the site. It should be noted that the continuous historic streetwall along Hastings and Abbott Streets will be respected and any higher building elements, such as a tower, will be located along the Cordova Street Axis.

Having sunlight on the sidewalks and in open spaces is important. The length and angle of the shadow cast by buildings on the south sides of streets is affected by the street alignment, which is different east and west of Cambie Street. However, the general effect of the shadow cast at noon on the Spring Equinox suggests the height of the streetwall on the south side of streets should be limited to approximately 60 ft. Further, a review of development sites indicates that the potential for shadowing on north-south streets is limited.

Urban design guidelines should be prepared for Victory Square to ensure urban design objectives as stated in the Policy Section are met through development.



Figure 2: Sawtooth Streetwall Pattern

Policy Context

The Central Area Plan - Land Use Strategy, adopted by Council in December 1991, identifies Victory Square as a "Heritage Character Area" and proposes the following implementation actions for the area:

- "Ensure Victory Square's permitted density, height, and uses will help to retain existing heritage buildings and character rather than encourage major new office development."
- "Future detailed planning for Victory Square should address its linkages to and impacts on Gastown and Chinatown."

Victory Square is defined as "Area C" in the Downtown District Official Development Plan (DD ODP). The DD ODP permits a maximum height of 150'. In 1991, Council adopted an interim policy for Victory Square which permits a maximum height of 70', in most circumstances.

POLICIES AND ACTIONS

1.1 Overall Design Principles

- a) New buildings should reflect the height and massing of existing low and mid-rise buildings. The maximum height of 150' permitted under the DD ODP is too high for most sites in the area; 70' is an appropriate prevailing height limit for developments;
- b) New buildings surrounding Victory Square Park, should reflect the scale and character of the existing buildings which frame the park;
- c) Landmark buildings (Sun Tower, Dominion Building, West Pender Building and the proposed Woodward's building) should remain the area's most prominent buildings;
- d) New developments and additions to heritage buildings should follow building typologies that reinforce the prevailing precinct qualities while being distinguished as contemporary construction; and
- e) New higher building elements, given their heights and forms, should generally be located away from Hastings Street and Pender Street and should be evaluated on their own merit, including significant public benefits such as provision of significant number of replacement housing units for low-income residents.

1.2 Building Heights and Shadowing

- a) Variety in building heights is encouraged. However, in general, heights should not exceed the maximum limit in order to yield a streetscape with compatible scales;
- b) The shadows cast by new developments on the south side of a street should generally not extend beyond the curb on the opposite side of the street at noon on the Spring Equinox; and
- c) Victory Square Park should not be shadowed between 10 a.m. and 4 p.m. on the Spring Equinox.

1.3 Lower Building Elements

- a) The height of the streetwall should be a minimum of 2 storeys (25 ft.). The saw-toothed pattern of the existing street walls should be respected. On most blocks, a streetwall height of 60 ft. on the south side of the street is the limit that will help to achieve the sunlight access/shadow policy noted above (see 1.2 (b)).
- b) The design of the streetwall should retain the vertical expression and overall façade proportions (i.e., 26-52 ft. frontage) common in the area. In the case of developments exceeding 52 feet of frontage, building facades should reflect the existing pattern and rhythm of individual narrow frontages (i.e., a 100 ft. frontage should be broken down into two to four façade bays);
- c) The streetwall should be built to the front property line; and
- d) A storefront character (i.e., 26-52 ft. frontages with storefront windows and other design features) should be retained on Hastings Street, Abbott Street and on the 300 and 400 blocks of West Pender Street. (Examples of storefront character can be found in Victory Square as well as the nearby Gastown.)

1.4 Higher Building Elements

- a) To minimize visual and shadow impacts, building elements higher than the prevailing streetwall in a particular block will require massing analysis and possible upper level setbacks from the street frontage to preserve street and precinct scale; and
- b) Where developments have frontages greater than 78 ft. in length, building height should be varied within the length of the frontage to break down massing while reflecting prevailing narrow frontages in the area.

1.5 External Design of New Development

- a) The architectural design of new buildings should be distinguishable from, but compatible with, existing buildings in order to ensure that the heritage character of these existing buildings remain visually dominant in the area; and
- b) The design of signs, canopies and lighting should be appropriate to the architectural character of Victory Square.

1.6 Heritage Rehabilitation and Additions

- a) The design approach to heritage additions should avoid "facadism" in favour of designs which integrate with the existing building and respect the scale and character of the heritage precinct; and
- b) Vertical additions to heritage buildings should generally be limited to one storey and set back from the streetwall. Additions of greater height may be accommodated towards the rear of the site where they will not compete with the scale at the street. The addition should enhance, not distract from, the original character of the building (See Policy 4.4 in Chapter 4 Heritage Policies).

1.7 Private Residential Amenities

- a) Provision of private or semi-private open space is encouraged as an outdoor amenity for residents/building users. However, relaxation to regular standards will be considered in the interest of maintaining heritage precinct character;.
- b) These open spaces may be provided in the form of rooftop deck (private or semi-private), common courtyard accessible to residents only, or inset balcony, when appropriate; and
- c) Private rooftop decks in existing buildings and new construction should respect the traditional streetwall character of Victory Square in general and the specific elevations of heritage buildings in particular by appropriately setting back from the parapet to be out of pedestrian view at street level.



Figure 3: Beatty Street

Chapter 2 Land Use, Height and Density

INTRODUCTION

Objective

This chapter contains the general policies and actions related to land use and density. The objective of these policies is to:

- support revitalization by encouraging a wide range of land uses;
- reinforce the existing scale and character of the area;
- protect heritage buildings and residential (SRA) hotels;
- encourage reuse of existing buildings; and,
- facilitate new residential and mixed use development.

Discussion

Victory Square contains a wide range of land uses including:

- Commercial Retail, Service, Tourist Hotel and Office;
- Educational Institutions;
- Arts and Cultural Services; and,
- Residential.

Commercial retail and service uses are located predominately at street level, concentrated along Hastings Street and in the 300 and 400 blocks of West Pender Street. Office uses are generally located on upper floors. Institutions located in Victory Square include the Vancouver Film School, located on West Hastings Street, and the Architectural Institute of British Columbia, at the corner of Cambie and Pender Streets. Simon Fraser University (SFU), Vancouver Community College (VCC) and the British Columbia Institute of Technology (BCIT) are located immediately adjacent to the planning area. Cultural uses include art galleries, bookstores, music shops and artist studios.

The diversity of land use is an important asset for Victory Square and should be encouraged through City policies and regulations. To achieve the goal of a healthy and sustainable community, there should be a balance between non-residential and residential uses.

Housing in Victory Square, which is discussed in detail in Chapter 5, includes a mix of residential hotels, social and special needs housing, and market housing. Market housing currently constitutes only a small portion of the residential base and includes live/work studios, rental apartments and condominiums. Most artist live/work studios are not legally authorized uses and do not meet Building By-law regulations (see discussion on Arts, Culture and Education under Chapter 7 Economic Revitalization).

The predominant form of housing in Victory Square is the residential or Single Room Accommodation (SRA) hotel. Similar to other areas in downtown, with increasing development pressures facing Victory Square, there is a potential that the area's low-income residents will be displaced through the conversion of SRAs to more profitable uses. In July 2003, the City introduced the Single Room Accommodation (SRA) By-Law to regulate the conversion of SRAs, which include SRAs, rooming houses and other buildings with rooms less than 320 square feet, by establishing criteria and a review process for conversion applications. The decision to approve or deny a conversion request rests with City Council.

Further, many SRA hotels in Victory Square are buildings listed on the Vancouver Heritage Register or character buildings that potentially could be added to the Heritage Register. The objectives of low-cost housing retention and heritage retention must be balanced. While it might be possible to upgrade some of these SRA hotels to provide long term accommodation for low-income individuals, a general strategy is to provide social housing units to replace these existing units based on a minimum one-for-one basis, and to protect and rehabilitate these heritage buildings through the Heritage Incentive Program.

As noted in Chapter 1, Victory Square's historic scale is defined by the predominately low-rise buildings, combined with a scattering of mid-rise buildings. It has an important concentration of turn-of-the-century commercial buildings. The existing Woodward's Department Store is the tallest mid-rise building standing at approximately 100 ft. Within and adjacent to Victory Square Park are three landmark buildings: the Sun Tower (252 ft.), the Dominion Building (150 ft.), and the West Pender Building (125 ft.). These buildings will be joined by the proposed Woodward's tower.

The average density of all existing buildings in Victory Square is 3.5 FSR and over half are less than 3.0 FSR. The zoning permits a density of 5.0 FSR, of which a maximum of 3.0 may be residential use. It is recognized that the greater the difference between the existing density of a building and the maximum permitted density under the zoning, the more likely it is the site will be redeveloped. To help ensure the conservation of existing heritage buildings, especially those with a lower density, in 2003, Council approved the five-year (2003 – 2008) Heritage Incentive Program for Gastown, Chinatown, and Hastings Street (between Cambie Street and Heatley Avenue). The Program has proven to be effective in facilitating rehabilitation of heritage buildings which might not otherwise be financially feasible. This program should be extended to the remainder of Victory Square; a detailed discussion of the area's heritage resources and the Heritage Incentive Program is contained in Chapter 4 (Heritage Policies).

Maintaining the area's historic fabric also means that new buildings should be compatible with the scale and character of existing buildings. The revised zoning and development parameters for the area should set a level of density and building height that reflects the area's heritage character and scale and that provides incentives for the provision of low-income housing.

Built form analyses have shown that a 70' height limit is appropriate for the planning area. Further, a 70' height limit can accommodate a density of 5.0 FSR. In some instances, a height relaxation might be supportable based on an urban design analysis at the enquiry stage. The residential cap of 3.0 FSR is important in helping to achieve a balance between non-residential and residential uses, especially when residential uses are the most profitable uses under the current market.

Due to the historic pattern of smaller scale developments and difficulty in assembling lands, small lot development (on sites that have less than a 52' frontage) will be the main form of development in Victory Square. This poses challenges due to parking constraints and lack of floor plate efficiency and economy of scale. It is usually only economically viable when small-lot development can be built with a limited amount of parking. Further, reduced on-site parking tends to produce more affordable market housing and should be encouraged by City policies. See Chapter 9 on parking for a further discussion.

Policy Context

The City's land use and building form policies for Victory Square prior to the adoption of this Concept Plan are summarized as follows:

- the zoning permits a maximum density of 5.0 FSR and a height of 150 ft.;

- the residential portion of the permitted density is limited to 3.0 FSR;
- in 1990, Council introduced an interim policy limiting development, in most cases, to 3.0 FSR and up to 70 ft. height; and,
- retail continuity is required along Hastings and Abbott Streets.

The 1991 Central Area Plan has the following land use recommendations for Victory Square:

- Recognize that protecting areas with heritage character can also provide location opportunities for business support services;
- Consider choice of use zoning to help retain existing buildings;
- Determine the applicability of policies and programs identified for Downtown South to low-cost housing elsewhere in the central area; and
- Retail continuity requirement is recommended for 300 and 400 block West Pender Street.

In 2003, the City introduced the Heritage Incentive Program to Gastown, Chinatown and a portion of the Hastings Street Corridor. Within the boundary of Victory Square, this applies to Hastings Street from Cambie to Carrall Streets.

In 1976, Council adopted a policy that those portions of the CPR Right-Of-Way in Gastown and vicinity be reserved as future public open space. In 1999, the property at 27 West Pender Street, adjacent to the CPR Right-of-Way within the Victory Square boundary, was developed by the Vancouver Native Housing Society. The Right-of-Way was secured as open space in accordance with this Council policy.

POLICIES AND ACTIONS

- 2.1 Encourage development in keeping with the area's scale and character by permitting a maximum density of 5.0 FSR and a maximum building height of 70 ft. on all sites.
- 2.2 In keeping with the goal of achieving a balance between non-residential and residential uses, the maximum density of residential use should not exceed 3.0 FSR.
- 2.3 Density up to 5.0 FSR for residential (except where retail-continuity is required at grade) and building height up to 100 ft. should be considered for development where social housing comprises more than two-thirds of the floor space ratio, subject to urban design analysis.
- 2.4 Section 3.11 of the DD ODP which provides for an increase in density in return for provision of low cost housing will continue to apply. This clause allows market developments to include a component of low cost housing and be compensated in density, through a Development Permit process, subject to a Housing Agreement as well as urban design analysis.
- 2.5 For market developments, density above 5.0 FSR (overall) or 3.0 FSR (residential) and height increase more than 70' may be considered on a case-by-case basis, only for developments that meet the area's urban design objectives and that provide public benefits in the forms of provision of low-income housing, SRA retention or on-site heritage retention. This will require a rezoning or Heritage Revitalization Agreement (HRA). Refer Policy 4.5 to 4.7 for detailed policy directions regarding heritage conservation as public benefits.

- 2.6 A wide range of land uses should be permitted throughout Victory Square, including retail, service, office, institutional, housing, artist and general live/work.
- 2.7 The retail use continuity requirement of the DD ODP should be extended to include 300 and 400 blocks of West Pender Street, to encourage street level vitality by requiring retail, retail-commercial and service uses at grade.
- 2.8 On other streets in Victory Square, retail, retail-commercial and service uses at grade are permitted but not required. However, a strong pedestrian interest at grade should be provided through good design practice, such as visual transparency and appropriate detailing.
- 2.9 Heritage buildings should be conserved and rehabilitated as per Policy 4.4.
- 2.10 The City's current practice of facilitating residential development in heritage areas by the following relaxations should be continued:
 - a) Open space requirements (common and private open space, as per Policy 1.7);
 - b) Horizontal angle of daylight;
 - c) The requirement for direct light into sleeping areas; and
 - d) Daylight requirements for developments adjacent to rooming houses (light wells).

draft

Chapter 3 Reuse of Existing Buildings

This is an information chapter. There is no policy and action proposed.

Objective

This chapter contains an update on policies and actions related to the reuse of existing buildings. The objective of the policies and actions is to facilitate the reuse of older buildings and storefronts in the Victory Square area by continuing to find appropriate alternative ways to deal with City regulations and procedures. These include issues related to provisions of the Zoning and Development By-law, the Parking By-law and to the various aspects of the Building By-law.

Policy Update

Since 1998 when the previous Concept Plan was drafted, the City has made significant progress in facilitating reuse of existing buildings by simplifying development processes and reducing unnecessary building upgrades. The reuse of existing buildings raises issues that are mainly covered by three City by-laws:

Zoning By-law

The Zoning and Development By-law regulates issues of building use in broad categories such as commercial, residential or industrial. When a new use goes into an existing building there is a review process to see if the proposed use is permitted and if the previous use was different than the proposed use. If a different use is proposed, a "change of use" application must be made and approved at the discretion of the Planning Department. In effect, a development permit is obtained for the new use in the existing space.

In practice, when evaluating applications that involve changes of use that are similar in nature, or, when the change of use is seen as in keeping with policy intents, the processes of obtaining a development permit and a building permit are often combined to save time for the applicants. This practice should be continued and staff will monitor the processes to see if further improvements are needed.

Parking By-law

The Parking By-law governs the parking and loading requirements for uses within each zoning district in the City. Where there is a change of use, the Parking By-law determines what change in parking is required based on an evaluation of the previous versus the proposed use. The evaluation considers passive uses (storage, vacant, and warehouse space) and active uses (all other uses) to determine if additional parking is required.

Generally, parking standards for heritage buildings are less than those for new constructions. In the case of designated residential heritage buildings, the parking requirement can be relaxed but not waived. In a Historic Area (HA zoning), like Chinatown and Gastown, not only can parking for a designated residential building be waived, but a reduced rate will apply whenever appropriate. To facilitate revitalization of the Victory Square area, the same parking standards as that of Chinatown (HA-1, HA-1A), Gastown (HA-2) and Yaletown (HA-3) should be adopted.

Building By-law

The renovation of existing buildings is regulated by the Building By-law. The by-law seeks to ensure that buildings are safe by mandating requirements which have the following objectives: safety, health, accessibility, and fire and structural protection of buildings.

Reuse of existing buildings often triggers requirements of significant upgrades under the Building By-law. Part 10 of the Building By-law requires that when work is carried out to an existing building, the building must be upgraded to an "acceptable level".

On April 20, 2004, Council approved a new trigger mechanism for determining the acceptable level of upgrade for an existing building as a one year pilot project (end in December 2005). Prior to this, the acceptable level was based solely on monetary values in relation to the proposed project cost as a percentage of the assessed property values (excluding land value). For many buildings in Victory Square, current development economics generate insufficient income to justify significant upgrading costs such as full seismic upgrades and automatic fire suppression systems. This new model mandates a more reasonable level of upgrade which better reflects the scope of work being carried out. Incremental upgrades are triggered based on the "category of work" being carried out rather than monetary values. This new model, as well as guidelines relevant to the application of the model may be found on the City's web page at: www.city.vancouver.bc.ca/VBBLupgrades

During the pilot period, the City has monitored the effects of the model and examining it to determine where improvements or further refinements are warranted. Staff will report back to Council with any required modifications for formal adoption.

Current Policies and Practices

To facilitate the reuse of existing buildings and the revitalization of the heritage precinct, the City has already incorporated a variety of policies and actions.

Staff at Development Services facilitate adaptive reuse of buildings by combining development process and building process where change of uses are deemed appropriate and no other zoning issues are triggered.

The pilot project of "new trigger mechanism for upgrading existing buildings" bases building upgrade requirements on "category of work" rather than monetary values. A public bulletin outlining typical scenarios that trigger upgrading or change of use has also been produced. Some of the Building By-law provisions under review in this pilot project include the examination of mechanisms to reduce the impact of upgrades to other parts of a building resulting from change of use in one part of the same building, including defining interchangeable uses which will not trigger building upgrading.

Other policy directives regarding existing buildings that the Chief Building Official's office has been working on include:

- a) Promote the use of "alternative building valuations" to reduce the number, extent and cost of building upgrades triggered by renovation proposals.
- b) Allow the use of workable alternatives in applying the requirements for persons with disabilities where a building is designated as a heritage building. Work with the Committee on Disabilities on further alternatives to facilitate the reuse of existing buildings.

- c) Continue the process of reviewing proposed changes to the National Building Code, particularly in regards to the dimensions for corridor and hall widths, height of risers, and length of runs in existing buildings.
- d) Explore the use of time-limited development permits (interim use maximum of 2 years) in unsprinklered 2-storey buildings less than 1,000 sq. m. (approximately 11,000 sq. ft.), for non-residential uses with proviso that the building owner commit to sprinkling within two years or the building will revert to its previous use.
- e) Continue to permit sleeping areas and bedrooms in dwelling units in locations having borrowed light, rather than direct natural light from exterior windows, etc., for existing buildings (in practice).
- f) Continue to consider mechanical ventilation, and the pressurization of corridors, to ensure a slow but continuous movement of air as an alternative to natural ventilation for existing buildings (in practice).
- g) Consider relaxing energy conservation requirements up to 40% for residential uses and up to 60% for commercial uses in existing buildings.

There are also provisions in the Building By-law for lesser standards to be applied to small area tenancies or "suites" within buildings. Lesser standards will be applied for some ground floor uses in SRA hotel buildings. A change in occupancy on the main floor does not automatically trigger seismic upgrade of the entire building. Instead, a visual review for obvious structural defects must be carried out, and any defects must be remedied.

Chapter 4 Heritage Policies

INTRODUCTION

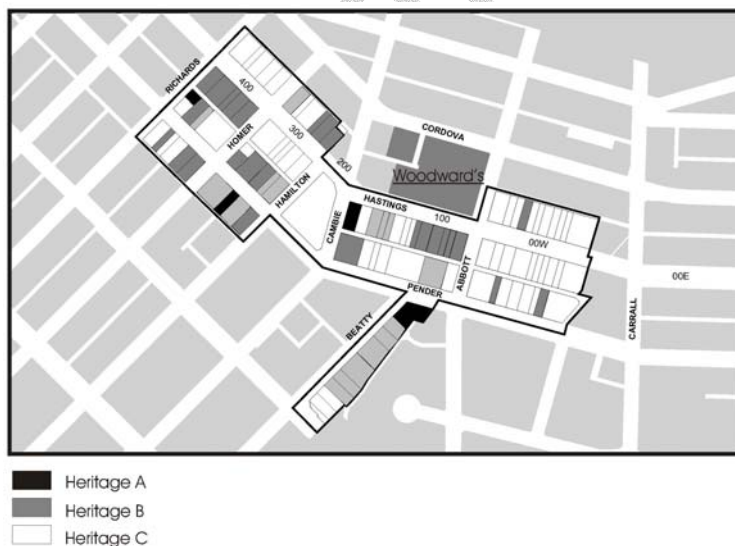
Objective

This chapter contains the general policies and actions related to the heritage resources of Victory Square. The objective of these policies and actions is to encourage retention of the area's scale, character, and its heritage buildings by emphasizing adaptive reuse and compatible new development. This approach is based on input from the community, market analysts and the development industry that recognize the area's heritage has value and is an asset to the long-term prospects for revitalization.

Discussion

In the 1986 Heritage Inventory, the Victory Square area was identified as a heritage character area. Its traditional scale and character also has the potential to reinforce the adjacent historic areas of Gastown and Chinatown.

Part of Vancouver's historic downtown, Victory Square contains an important collection of heritage buildings, with 47 sites listed on the Vancouver Heritage Register (VHR), approximately 40% of the existing buildings in the area. Further, a 1995 consultant report identified 34 buildings with potential heritage values, some with facades covered by application of sheet metal, stuccos, or other contemporary materials. Public realm features, such as Victory Square Park, the Cenotaph, area ways, and sections of granite pavements and curbs, also have heritage values.



Map 3: VHR-listed Heritage Buildings in Victory Square

Rehabilitation of heritage buildings is crucial in the revitalization of Victory Square. Though the depressed appearance of the area was thought to deter investment and discourage heritage revitalization, there have been notable exceptions. The Architectural Institute of British Columbia purchased and renovated the Province Annex building at the corner of Pender and Cambie for use as the Institute's offices and ancillary commercial space. Another example involving

heritage retention and new construction is the VanCity Place for Youth housing project (Covenant House) on Pender Street. Private initiatives can be seen on the 500 Block Beatty Street where several large "C" listed heritage warehouses in good structural conditions have been converted to residential lofts.

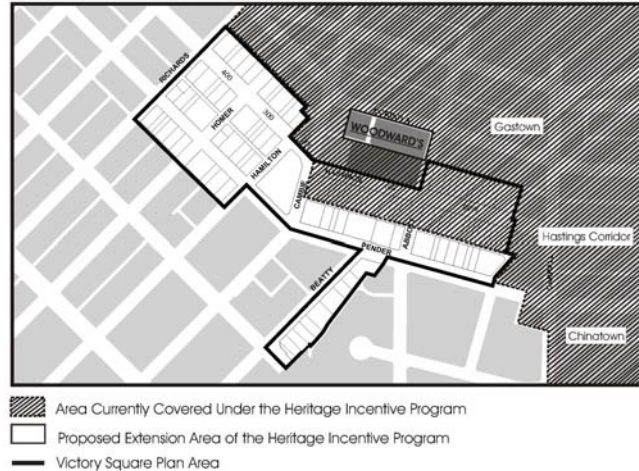
Unlike the warehouses in Gastown and along the 500 block Beatty Street, a typical Victory Square heritage building is a 2-3 story commercial building with a narrow frontage (52' wide or less), many of which have elaborate decorative features not commonly seen in other historic areas. The Page House at 330 West Pender and Century House at 432 Richards are two examples. Both are designated buildings under the Vancouver Heritage By-law. There are a few higher buildings that serve as landmarks in the area, such as the Sun Tower, the Province Building and the proposed Woodward's tower as well as the Dominion Building which is part of the Gastown Historic Area (HA-2) district.



Figure 3: Century House

There are significant financial costs associated with heritage rehabilitation, especially in the case of a small-scale building and where significant structural upgrade is required. In recognition of the risks and challenges associated with rehabilitation of heritage buildings in Chinatown, Gastown, and the Hastings Street Corridor, in 2003, Council approved the five-year (2003-2008) Heritage Incentive Program to encourage heritage conservation and the revitalization of the historic precinct. As of May 2005, 6 projects were completed through the Program and there are 14 projects currently under staff review. The preliminary results show that the Program is effective in facilitating heritage retention. Other property owners and developers have expressed their interests on a number of heritage sites in Victory Square that are not yet covered by the Incentive Program.

As indicated on Map 4, the sub-area not yet covered by the Program includes Hastings Street to the west of Cambie Street, Pender Street within the planning area and the 500 block Beatty Street. There are 33 heritage buildings in this sub-area, including significant heritage buildings such as the Page House and the Century House, as well as the almost intact heritage streetwalls along the 300 and 400 blocks of West Hastings and Pender Streets. Extension of the Heritage Incentive Program to this sub-area is crucial to area revitalization.



Map 4: Proposed Victory Square Area Extension of the Heritage Incentive Program

The Incentive Program to be extended to the remainder of Victory Square will be the same as that of Gastown, Chinatown, and the Hastings Street Corridor (between Cambie and Heatley), with the exception of the density figure used in residual density calculation. There will be the same three program components: façade grant program, heritage building rehabilitation program (i.e. shortfall cost compensation) and residual density for transfer off site.

Residual density is technically defined as the difference between a building's existing density (FSR) and the maximum density permitted under the zoning for that site. For Chinatown and Gastown, the respective zoning district schedules (HA-1, HA-1A for Chinatown and HA-2 for Gastown) do not have a maximum density provision. Based on the maximum conditionally approvable height limits in these two district schedules, a density figure of 5.5 FSR is estimated and adopted in residual density calculation.

Subsequently, Council approved the extension of the Heritage Incentive Program to the Hastings Street Corridor between Cambie Street and Heatley Avenue which includes part of the Victory Square area (east of Cambie, Area C of DD ODP) and part of Downtown Eastside Oppenheimer Park area (subarea 1 of DEOD ODP). While the maximum density permitted in the two ODP sub areas is 5.0 FSR, for transfer purposes, Council chose to adopt 5.5 FSR as the density figure to be used in residual density calculation in the Hastings Street Corridor. This decision reflected Council's desire to revitalize the Hastings Street Corridor, especially the area east of Cambie Street which has been facing significant challenges in revitalization.

For the remainder of the Victory Square area that will be covered by the extension of the Program, there are substantial policy arguments for using 5.0 FSR as the density cap in residual density calculation:

- 1) The remainder of Victory Square (areas along Hastings Street west of Cambie Street, along Pender Street in the planning area boundary, and in the 500 block Beatty Street) is closer to CBD and, while revitalization is still challenging, has historically exhibited healthier development environment than areas east of Cambie Street; and
- 2) The maximum density permitted and proposed under the zoning for this area is 5.0 FSR.

A parallel incentive program is the Federal Commercial Heritage Property Incentive Fund. Under this program, the Federal Government can grant up to 20% of rehabilitation costs to a maximum of \$1,000,000 to buildings on the Vancouver Heritage Register. To be eligible for this program, a Statement of Significance needs to be in place and the property needs to be owned by a company or corporation. The Federal Government has already committed funding to several heritage projects in Gastown and Chinatown.

A Statement of Significance (SOS) is a statement of important values of a heritage building or a historic place, as interpreted today. It also includes a description of the character defining elements of a building or a place. It is a tool used by the Federal Government to guide sensitive rehabilitation of heritage resources. SOS is in place for all heritage buildings in Gastown and the VHR listed buildings in Chinatown. Currently, at Council's approval, SOS have been prepared for 57 heritage and character buildings in Victory Square. These include buildings both listed on the VHR and some that are not listed but have potential heritage value. The SOS will provide a framework in the rehabilitation of heritage buildings by solidifying heritage values for each building as well as for Victory Square as a historic precinct.

The City has employed Historic Area zoning schedules for the specific areas in the City: Chinatown (HA-1 and HA-1A), Gastown (HA-2) and Yaletown (HA-3). However, a planning area need not be zoned "Historic Area" (HA) if the zoning and other by-laws encourage the retention and rehabilitation of heritage buildings (e.g., Granville Street). In the case of Victory Square, its inclusion in the Downtown District ODP has been long standing and is advantageous because of the discretionary zoning provisions. Further, parking standards similar to that of an Historic Area district will also encourage heritage conservation. Therefore, the area should remain in DD ODP as a stand-alone heritage character sub-area (similar to what is envisioned under the 1991 Central Area Plan).

Policy Context

The City's general heritage policies offer a range of incentives to encourage the retention and rehabilitation of buildings listed on Vancouver Heritage Register, including:

- Heritage density bonuses
- Transfer of Density policy which allows transfer of up to 10% of the permitted density of the receiver sites without rezoning;
- Zoning and Development By-law relaxations;
- Parking relaxations, especially for residential conversions, and payment-in-lieu for other developments;
- Building By-law equivalencies;
- Demolition delays; and
- Heritage Revitalization Agreements.

The five-year (2003 – 2008) Heritage Incentive Program applies to Chinatown, Gastown, and the Hastings Street Corridor between Cambie Street and Heatley Avenue which includes part of Victory Square. This program offers financial incentives in the following forms:

- façade grants: matching funds up to \$50,000 per principal façade;
- property tax incentive and transferable density to cover the short fall cost; and,
- residual density to be transferred off site, if applicable.

POLICIES AND ACTIONS

The following policies and actions apply to heritage buildings that are listed on the Vancouver Heritage Register (VHR) as well as character buildings that are not yet listed on VHR but identified by the City as having heritage potential.

- 4.1 Recognize and reinforce the heritage character of Victory Square's building stock and public realm features as a component of area revitalization. Identify Victory Square as a Heritage Character Area for the purpose of management, conservation and rehabilitation of heritage buildings and public realm features.
- 4.2 Extend the Heritage Incentive Program to the remainder of Victory Square as indicated on Map 4, with the same program components and same time period (ends in 2008).
- 4.3 Use the maximum density permitted under the zoning, which is 5.0 FSR, for the purpose of calculating a residual density eligible to be transferred off site.
- 4.4 In general, keep heritage buildings at their existing height. However, one storey addition, set back from the street, is supportable, subject to urban design analysis including built form, shadow and visual impacts. It might also be possible to incorporate greater heights than one-storey towards the rear of the building (off the lane), subject to urban design analysis.
- 4.5 Permit transferable densities generated through conservation of heritage buildings, calculated either as a result of shortfall cost compensation or as a residual density, to be used on the same development site, or to be transferred to sites outside Victory Square. Do not permit these densities to be transferred to other sites within Victory Square.
- 4.6 The exception to Policy 4.5 is that, consistent with city-wide Heritage Policies and Guidelines, transfer of density not exceeding 10% of the maximum permitted density should be considered through a development permit process.
- 4.7 Adopt HA district parking standards to Victory Square.
- 4.8 Actively pursue an Outreach Program to inform area property owners and developers about the Heritage Incentive Program and to raise public awareness of the area's valuable heritage resource.
- 4.9 Meet with lending institutions to provide information on the Heritage Incentive Program to facilitate financing for heritage projects.
- 4.10 Integrate historic aspects of the public realm, including area ways, landscapes and street paving, into the overall concept of a heritage character area.

Chapter 5 Housing

INTRODUCTION

Objective

This chapter contains the general policies and actions related to housing in Victory Square. The objective of these policies and actions, in concert with the Downtown Eastside Housing Plan, is to: provide housing for people with low-income, including existing residents of SRA hotels; provide for market housing, including affordable rental and ownership housing, general live/work units; and, provide opportunities for affordable artist live/work spaces.

Discussion

Victory Square has a wide range of housing types including residential hotels (which provide SRA units), social housing, special needs housing, market rental and condominium units. There are also a number of artist live/work studios in the area.

Currently, the predominant form of housing in Victory Square is the residential hotels, which comprises roughly 60% of the total housing stock in the area. Units in the residential hotels (SRAs) are small, single-occupancy rooms, where tenants usually share bathroom facilities and sometimes even cooking facilities. Although not completely desirable, SRAs provide a valuable form of housing for people who have few choices other than homelessness.

In 1995, when the draft Victory Square Concept Plan was first published, data from the City's Housing Centre indicated that the area had approximately 751 SRA units, 10% of the total downtown low-income housing stock at the time. Since then the Niagara, now the Ramanda Inn, has been converted to tourist accommodation and other hotel units have also been closed. As of December 1997, there were 591 identified units in the Victory Square area. This represents a loss of 21% since 1995.

Recognizing that the low-income housing stock was at risk of redevelopment, conversion, and upgrading to tourist uses, as well as closures resulting from fire and other causes, in July 2003, the City introduced the Single Room Accommodation By-law to regulate the rate of change of SRA stock in the City. SRAs include residential hotels, rooming houses and other buildings with rooms less than 320 square feet. Currently, there are 13 residential hotels in Victory Square identified under the SRA By-law, representing a total of 620 SRA units.



Map 5: SRA Designated Buildings

While the number of SRA units is declining, the low-income housing stock in the Victory Square area actually increased between 1992 and 2003 as a result of construction of new social housing projects and upgrading of several existing residential hotels. The following is a list of current social housing projects in Victory Square:

- Pendera (114 units)
- The New Portland Hotel (86 units)
- 27 West Pender (98 units)
- Regal Place (83 units)

Central City Lodge (121 units) and VanCity Place for Youth (50 units) are two of the area's special needs residential facilities. The area's only shelter, Crosswalk Shelter, provides 35 beds. There are also 85 market condominium suites and 38 rental apartments in Victory Square.



Figure 4: Covenant House

Finally, there are live/work units occupied by artists in the area that are unaccounted for. Usually, these units are being occupied without proper City permits and do not conform to the Vancouver Building By-law. They are subject to the City's by-law enforcement actions. In recent years, a number of factors have impacted the number of artists in the area. These include closure of studios due to fires, artists finding alternative live/work opportunities in other parts of the city because of the limited size of these studios and challenges of living in the area. While it is difficult to determine an accurate current estimation of artists occupying live/work studios, legal or otherwise, there remains a strong demand for live/work studios as well as artist studios from artists wanting to live and work in this neighbourhood.

Victory Square should continue to provide housing for low-income people, including the existing residents of residential hotels. In the short-term, the SRA By-law will continue to serve as a tool to regulate the rate of conversion of the SRA stock. Other government incentives and programs, such as CMHC's Residential Rehabilitation Program (RRAP), should help to ensure the continued and improved operation of SRA units as this form of housing will be needed into the foreseeable future. In the medium to long term, the City's goal is to achieve a minimum one-for-one replacement of the 620 SRA units in the area through new construction or upgrading of existing SRA units for long-term accommodation. This target number includes the 125 units serving core-need singles that are allocated for the Woodward's redevelopment.

There have been increased interests in market residential developments in Victory Square. It is recognized that a healthy balance of market housing and non-market housing is vital for the long term sustainability of the community. Further, it is envisioned that a significant portion of the market housing units in Victory Square will be more affordable than units in other downtown areas, as either rental suites (for example, student housing) or affordable ownership suites.

Victory Square is an ideal place for commercial and general live/work units. Its strategic location (close to downtown and transit routes), heritage buildings and new buildings that are suitable to a loft-style living, affordable rents and land prices are all attractive features to small scale entrepreneurs. These forms of development should be encouraged by the City's land use policies.

As noted elsewhere in the Concept Plan, the arts and culture community is important for the revitalization of Victory Square and the diversity of the community. The plan encourages opportunities for low-income artists to remain in the area. In the short term, this may be achieved through facilitating the legalization of existing non-conforming artist live/work units. In the long term, this may be achieved through rent secured units as part of other developments. A target of 25 rent-secured artist live/work studios should be established. This is discussed in more detail in Chapter 7 – Economic Revitalization (Arts, Culture and Education section).

Policy Context

The City's general housing policies include the following:

- To focus housing efforts on low and moderate-income households, including downtown SRA residents, older people with limited incomes, and single-parent families with children;
- To encourage a wide range of housing through all neighbourhoods in the city;
- To encourage the increase of housing capacity in the downtown (Central Area Plan, December 1991);
- To permit artist live/work studios in industrial, commercial, downtown, and historical areas;
- To permit density bonuses for low-income housing in the Downtown District Official Development Plan (adopted January 1995); and
- For Victory Square, the focus of social housing policy is on low-income urban singles.

The SRA By-law regulates the rate of conversion of SRA stock in the City and was adopted in 2003. SRA includes residential hotel units, which are the main form of housing in Victory Square. Every SRA conversion application is subject to Council approval.

Through a Development Cost Levy (DCL) By-law, Council may levy funds required to pay for capital projects involving replacement housing, parks, and daycare facilities that are needed as the result of new development within an area. Other financial contributions, such as Community Amenity Contributions (CACs), can also be used to provide social housing.

POLICIES AND ACTIONS

- 5.1 A minimum one-for-one replacement of the existing residential hotel (SRA) units within Victory Square should be sought. This means at least 620 housing units for low-income singles should be provided either through new construction or upgrading of existing SRA units. This target includes the 125 units serving deep core-need singles that will be included in the Woodward's redevelopment.

- 5.2 Achieve the minimum 620-unit replacement housing target for Victory Square by adopting a comprehensive strategy including the following actions:
- a) Facilitate new social housing projects by permitting additional density and height as per Policy 2.3;
 - b) Consider density and height increase for market developments that provide low-income housing as public benefits, as per Policy 2.5;
 - c) Continue City purchase of land for leasing to non-profit societies for social housing;
 - d) Continue to explore opportunities to purchase suitable residential hotels (SRA) for upgrade for long-term low-income housing, as per Policy 5.3.d);
 - e) Engage in dialogue with senior levels of government to reinstate their programs for the construction and operation of social housing, as part of a area-wide initiative that is also a recommended action under the draft ***Downtown Eastside Housing Plan (May 2005)***; and
 - f) Consider social housing projects in Victory Square for funding from the housing portion of city-wide DCL.
- 5.3 In parallel to delivery of new social housing units, facilitate the upgrade of existing residential hotel (SRA) units. Actions should include the following (Refer to the ***Downtown Eastside Housing Plan*** for more detail on the future of SRAs):
- a) Continue to work with SRA hotel owners to facilitate upgrades through alternative Building By-law requirements such as a visual review for obvious structural defects instead of a full structural survey;
 - b) Continue to work with SRA hotel owners on providing training and support services in the operation of the hotels;
 - c) Continue to encourage senior governments to provide funding, such as through the Residential Rehabilitation Assistance Program (RRAP), for the upgrading of SRAs in a manner which maximizes the long-term housing benefit;
 - d) Continue to increase resources for City purchase, in partnership with senior governments, of suitable SRA hotels which could be upgraded and managed by non-profit societies;
 - e) Continue to encourage non-profit management of SRA hotels; and
 - f) Continue to monitor the SRA stock within Victory Square through the Housing Centre's bi-annual Survey of Low-income housing in the Downtown Core, and report back as additional programs or funding opportunities arise to provide or encourage new social and low-income housing.
- 5.4 Continue to have market housing play a significant role in Victory Square revitalization by allowing the residential density of 3.0 FSR, by considering additional market housing density when other policy objectives are achieved as per Policy 2.4 and 2.5, and by adopting HA parking standards for Victory Square.
- 5.5 Establish a target of 25 rent-secured affordable artist live/work studios for low-income artists currently living and working in Victory Square. This target is in addition to the minimum 620 SRA replacement units for the area. The space requirements of these units should take into consideration needs of artists with families as well as artists with disabilities.

Chapter 6 Health and Social Services

INTRODUCTION

Objective

Health and social services issues identified in this Concept Plan will be addressed by policies and initiatives that also apply to the whole Downtown Eastside. The objective of these policies and actions is to address the needs for health, social and community services of both present and future residents of the area.

Discussion

Today, the Victory Square area is home to approximately 1130 residents (2001 Census). It is a relatively small geographical area in comparison with other sub-areas of the Downtown Eastside. The demographic profile of Victory Square is reflective of that of the whole Downtown Eastside in that the average resident is single, male, low-income, and over the age of 45. While residents of Victory Square live in a diverse range of housing, as discussed in the previous chapter, SRA hotels provide accommodation to two-thirds of area's population. 84.2% of the households in the area are low-income. It should be noted that it is likely that the Census data under-reported those living in illegal occupancies, such as artists or low-income individuals who do not have a permanent place of residence. However, this under-reporting is a known issue and has been factored in the survey methodology.

Approximately 22% of the Victory Square population is female. This reflects the general ratio between male and female population across all communities in Downtown Eastside. However, there are two unique demographic features of Victory Square. Firstly, the Census has found no person under the age of 14 living in the area, suggesting no families with small children living in the area. Secondly, 23% of the area population is aboriginal, comparing with 8.6% for Downtown Eastside overall. This is mainly due to the presence of Vancouver Native Housing Society at 27 West Pender Street.

A 1993 survey identified some of the main concerns from the low-income residents are: poor health, including physical and mental illness, access to long term adequate housing, and affordable commercial services. A comparison of the Census Data from 1991, 1996 and 2001 suggested the area has not experienced major demographic shifts.

For the long-standing low-income population of the Victory Square area, policies and actions have been focusing on the following aspects:

- improving the delivery of needed health and social services including long-term stable housing;
- providing life skill and employment training;
- ensuring local-serving commercial services;
- linking people with jobs through mechanisms such as social enterprises and the Social Purchasing Portal; and
- providing on-the-job employment support.

Health and social facilities serving the whole Downtown Eastside neighbourhood that are located in the Victory Square area include the Pender Health Clinic, which provides primary care, methadone, alcohol and drug counselling. Other facilities serving the needs of Victory Square residents that are located elsewhere in the Downtown Eastside include the Safe Injection Site, DEYAS Needle Exchange, the Health Contact Centre which provides respite, referral and

basic primary care, the Downtown Eastside Women's Centre, Salvation Army's Harbour Light Centre, etc.

Employment services for the Downtown Eastside residents are discussed in Chapter 7, under the title Employment Services.

Recent research and practice in the UK and US are providing evidence that community-based arts programs have clear and positive impacts on health, including prevention and treatment of diseases, and reducing the need for medication. What is more, arts programs can develop and maintain supportive community environments, promote social cohesion and well-being, all positively correlated with the health of individuals.

In terms of community and recreational services, many of the local residents use facilities located just outside of Victory Square, such as the Carnegie Centre, Evelyne Saller Centre, the Dugout and Portside Park or CRAB Park, as it is known to the local community (CRAB stands for "Creating a Real Alternative Beach"). Victory Square Park is important in meeting local residents' needs for open space, a space to relax, meet friends and enjoy the outdoors. The ongoing programming of the Park should take this need into consideration.

Important developments in the delivery of health and social services to Downtown Eastside residents include:

- The **Vancouver Agreement**, an urban development initiative, signed by the governments of Canada, British Columbia, and the City of Vancouver in 2000. The first focus of the Vancouver Agreement is the Downtown Eastside. Improving the immediate health, social, and economic needs for the Downtown Eastside community is the initial priority, and has resulted in many innovative projects and initiatives in the area.
- "**Four Pillar Drug Strategy**" adopted by the City in 2001, which aims to comprehensively address drug related issues by focusing on treatment, prevention, drug treatment and enforcement. The initial focus of the drug strategy is the Downtown Eastside whose residents are hard hit by drug related problems. As part of the treatment component of the Drug Strategy, two key treatment facilities have opened in and around the Victory Square area to serve the needs of the whole Downtown Eastside.
- The redevelopment of **Woodward's** will help meet the need for commercial, community and social services for area residents.

Based on the 1993 survey, the area's live-work space residents, who mostly identified themselves as "professional artists", do not use Downtown Eastside health and social services the way low-income SRA hotels residents do. They tend to use commercial meeting spaces, such as bars and coffee shops that are mainly situated to the west of the Victory Square Park. They usually report good to excellent health conditions. Their main concern is the security of long term legal accommodation (see discussion of the previous chapter as well as Chapter 7 under Arts, Cultural and Education Sectors).

Victory Square is envisioned to be a mixed-use, mixed-income community. Projections based on the residential capacity study suggest that up to 2000 new people could move into the area in a range of market housing options. Many of these new residents will likely be younger singles or couples without children who might be in need of community facilities and amenities tailored to their needs. This Plan must also include provisions for social, recreational and community services to meet the needs of those future residents.

The City secures needed services through a variety of mechanisms and funding sources. In Victory Square, the City will work with the community to identify social needs and funding

priorities for existing and emerging services and set out ways to secure funding to achieve these benefits, such as city-wide DCLs, Community Amenity Contributions, general revenue sources, Local Area Improvement, or other government funding sources, etc..

Finally, supporting and strengthening the voice of the low-income community will be important as revitalization of the area continues. Respecting the voices of new businesses and residents moving into the area who wish to be involved in making the community a better place for all to live will also be important. The City will continue to work closely with all sectors of the community to balance a broad spectrum of needs.

POLICIES AND ACTIONS

- 6.1 Continue the ongoing work under the Vancouver Agreement to address health, safety, social, and economic issues of Downtown Eastside residents.
- 6.2 Continue to work closely with Downtown Eastside community organizations through the City's Community Services policy group to identify health and service gaps in the Downtown Eastside and better coordinate service delivery.
- 6.3 Work with the community to identify emerging community needs and funding priorities for social and recreational services and to develop a financial strategy for service delivery.
- 6.4 Continue to work with diverse community groups to address a broad spectrum of interests and needs and to develop community-based conflict resolution procedures.
- 6.5 Continue to encourage and facilitate community-based health and social service agencies serving Victory Square to develop partnerships with arts organizations and plan participatory cultural activities for local residents as a strategy to promote individual and community health and wellness.

Chapter 7 Economic Revitalization

INTRODUCTION

Objective

Economic revitalization of Victory Square is an integral part of the Downtown Eastside Economic Revitalization Plan, a top priority program under the Vancouver Agreement. This chapter states some specific policies and actions applicable to the Victory Square area. The objective of these policies and actions is to foster a unique economic vibrancy for the area.

Discussion

Once a regional commercial and retail destination, Victory Square has great potential to develop as a vibrant retail and commercial hub with a unique emphasis on arts, culture and education sectors.

Victory Square is a transition area between the downtown Central Business District (CBD) and the various communities of the Downtown Eastside. Its strategic location and heritage character have made the area an ideal location for many start-up small businesses, general business support services, arts and cultural related activities. The area west of the Victory Square Park has seen an increase in new retail stores and pedestrian traffic.

The Vancouver Agreement Economic Revitalization Plan for the Downtown Eastside was developed through extensive community consultation. Its objectives are to increase the demand for Downtown Eastside goods and services, increase the ability of local suppliers to meet that demand and to create employment opportunities for residents. The Plan is based on the principle of revitalization without displacement.

For Victory Square specifically, the key opportunities and challenges of area revitalization can be summarized as:

- improving safety and security conditions;
- facilitating commercial and retail activities;
- delivering skill and employment training for low-income residents; and
- strengthening the growing arts, cultural and education sectors.

Safety and Security

Addressing safety and security concerns and dismantling the underground drug related economy are top priorities under the Vancouver Agreement. Significant effort has gone into addressing safety and security issues in Victory Square, particularly in the blocks east of Cambie Street where the current retail vacancy is still high.

Some important initiatives that have already taken place and have had a positive impact on Victory Square include:

- In March 2004, the **Downtown Eastside Crime Prevention/Community Development** project was completed which was to implement a social development approach to crime prevention addressing root causes of crime;
- Under the Vancouver Agreement, the **Neighbours First** project that was completed in 2003 was a pilot project aimed to make the Downtown Eastside a safe environment for residents by engaging various community groups;
- The City's By-law Enforcement team and the Vancouver Police Department have been collaborating on joint enforcement projects to crack down on illegal businesses and activities in the Downtown Eastside, which includes Victory Square. **Project Lucille**,

completed in December 2004, was a multi-agency enforcement initiative targeting businesses that support the drug trade in the area. **Project Raven**, completed in March 2005, targeted problem premises such as convenience stores, pawn shops and pizza restaurants. Further, there is an coordinated pre-application screening procedure that aims at ruling out suspicious business before a business license is issued;

- **New operation hours** for businesses in the Downtown Eastside were also adopted in 2000; businesses in the area now must close between 2 to 6 am; and,
- The **Vancouver Police Department** has adopted an on-going, coordinated enforcement approach to safety and security issues in the Downtown Eastside in general.

Commercial Revitalization

Victory Square has a well-established retail base, especially for the blocks west of Cambie Street. The retail base has a particular emphasis on creative arts such as music shops, bookstores, fashion boutiques and furniture galleries.



Figures 5 & 6: Victory Square Retail Storefronts

The draft Downtown Eastside Retail Capacity Study by the Hudema Consulting Group has identified Victory Square as a significant retail area that will not only augment Gastown and Chinatown, but also has its own unique niche as an arts and cultural precinct. The area's historic character is particularly attractive to retailers that are looking to create a distinctive image.

Victory Square is also an established office precinct. Sun Tower, the West Pender Building, as well as the Dominion Building and the BC Electric Building (which are part of Gastown Historic Area district), are all examples of heritage office buildings. These buildings provide attractive alternatives to downtown office towers. The revitalization of the area should aim to retain this valuable office base and to balance it with introduction of new residential uses.

The area's strategic location on the peripheral of downtown CBD makes it ideal to accommodate small scale business support services, such as printing, office supplies, repair, design services and incubator type businesses.

The area is also a particularly attractive locale for artist and commercial live/work opportunities. The City is revising its regulatory framework to accommodate live/work uses in the Downtown Eastside and working with tax authorities to resolve taxation related issues in order to encourage live/work.

The redevelopment of the Woodward's building will incorporate commercial uses that serve the needs of local low-income people as well as the wider community. Its location will help revitalize the blocks east of Cambie Street where the current retail and commercial vacancy rate is high.

Under the City's liquor policy, Victory Square is considered part of the Downtown District. Unlike the Downtown Eastside, there is no moratorium on liquor seats in the Downtown District. Recently, there has been a market interest in opening licensed eating and drinking establishments in the area. In evaluating inquiries for new licensed establishments in the area, particularly those with primarily alcohol services, the overall vision of a mixed-use inner city neighbourhood should serve as the guiding principle and any potential impact, i.e. noise, odours and litter, etc., on the surrounding blocks should be taken into consideration. Further, Police and other City services, such as graffiti removal, street/lane clean-up, garbage pick up, and property use enforcement, should be in place prior to any significant increase in liquor seats in the area.

Employment Services for Low-Income Residents

Employment and job training services available to Victory Square low-income residents include the BladeRunners construction trades training program office, the LifeSkills Centre which provide skills employment training and peer support, and Fast Track to Employment, etc.

Social enterprises play an important role in linking commercial revitalization and the low-income communities. There are also several social enterprises in and around Victory Square, such as the Potluck Café and United We Can, which has grown into a successful community-based business providing low-threshold employment opportunities to low-income people. As the economic vitality of the Downtown Eastside community improves, it is anticipated that there will be more social enterprises in operation in the near future. The City's Lease Subsidy and Tenant Improvement programs encourage and facilitate the start up of such social enterprise businesses. It is the intent of the Vancouver Agreement's Economic Revitalization Plan to continue to offer the Lease Subsidy Program in the future through a non-profit implementation agency.

The Vancouver Agreement Employment Strategy will continue to assist in the revitalization of the area by strengthening the local economy and creating training and employment opportunities for local residents. A number of initiatives are under way and work is being done to take advantage of additional opportunities associated with major economic drivers such as the redevelopment of Woodward's, False Creek Flats, the expansion of the Vancouver Convention and Exhibition Centre, and the 2010 Winter Olympic and Paralympics Games.

Arts, Culture and Education Sectors

Encouraging the continued growth of arts, cultural and educational activities is an important revitalization strategy for Victory Square.

Victory Square has a well-established education/institution presence. In and around the area are Vancouver Community College, Simon Fraser University, Vancouver Film School, many English language schools and a lively arts and cultural community. Victory Square is identified as a "niche" market, where many creative arts related shops are opening for business.

Increasing arts and cultural activities in the public realm is also important. Past successful examples include the Walls of Change project in 1998, for which City Council approved a Community Public Art grant to the Carnegie Community Centre Association to create murals and paint hoardings along Hastings Street from Cambie to Main Streets. Another example is the Woodward's Window Display Project where students from local elementary schools, Downtown Eastside residents, and local business owners and non-profit organisations participated in art works on display in the windows of the vacant Woodward's building.

Experience in other cities has shown that vacant retail sectors can undergo a dramatic transformation through a “Phantom Galleries” program. Property owners permit otherwise empty storefronts to be programmed by artists on a temporary basis until such time as the retail market returns to a neighbourhood. The intent of this type of intervention is to use the space as a catalyst to bring people back in the area to support current businesses, as well as to attract more permanent retail and other businesses to move into those spaces.

These community-led initiatives create visual interest for foot and vehicular traffic. They also provide artists with a valuable opportunity to display their work. Dark and boarded-up windows are changed into bright, luminous and attractive spaces. The perception of the streetscape shifts from vacant and dangerous to active and interesting.

Key requisites for these programs include business owners providing the spaces free-of-charge, artists providing sweat-equity in the creation and public exhibitions and/or opening their studios to the public to view their art-making processes, the City in finding approval mechanisms to support uses, and in supporting the nominal operating costs including artist selection processes, marketing and promotion costs associated with the program. This could provide an opportunity for cooperation between the City, the Downtown Eastside and Victory Square artist communities, and business owner/landlords to revitalize the Victoria Square area and the Hastings Street Corridor.

A new level of activity combined with coordinated gallery openings would draw more people to the area on particular nights. This entails both opportunities and challenges. Additional communication, advance planning and cooperative promotion with local restaurants and retailers is required to take advantage of this increased activity.

On the other side of the spectrum of encouraging the continued prosperity of arts, cultural and educational activities is the provision of safe, affordable accommodation for low-income artists and students in the area.

Many of the formerly vacant commercial buildings in the area have been occupied by artists as live-work studios. While artist live-work studio is a permitted and encouraged use in Victory Square, a number of these studios were converted without proper City permits, including change of use permits and building permits. Currently, the City is not actively taking by-law enforcement actions against these units unless specifically responding to a complaint or there is an immediate safety concern. However, the long term goal is that, overtime, these artists will be able to stay in the area in safe and affordable accommodation, taking advantage of the revitalization of the area, rather than being displaced. This goal requires policies and actions which support long-term security for existing low-income artists and non-profit galleries within the neighbourhood. As such, the City should establish a policy to provide at least 25 low-income artist units as part of public benefits of other developments in the area. Some of these should accommodate the space requirements of artists with families as well as artists with disabilities.

Consideration should also be given to specific requirements of certain arts practices, including sound proofing for musicians and composers, ensuring studio sizes are adequate for visual artists, studios with sprung floors for dance artists, and accommodating needs of artists working with certain materials.

One goal should be to ensure that a synergistic ecology of businesses and cultural services can evolve, supporting various scales of operation, from emerging to established, non-profit and commercial, across arts disciplines.

Finally, public art and community based art projects also play a significant role in the revitalization of Victory Square as an arts and cultural precinct. This is discussed further in Chapter 8 - Public Realm.

POLICIES AND ACTIONS

- 7.1 Explore community policing initiatives involving Victory Square as part of the Downtown Eastside, such as the development of a community-police partnership which would:
- Facilitate mutual understanding of safety and security concerns;
 - Foster ongoing dialogue and cooperation among the City, Police, community groups, and service providers;
 - Proactively address safety and security issues as they arise; and,
 - Organize information-sharing sessions on topics such as addressing the impacts of the illegal drug trade and persons exhibiting aggressive behaviour and community resources available for addressing safety and security concerns.
- 7.2 Continue the collaborative work between the Vancouver Police Department and the City's By-law Enforcement team on addressing issues related to problem premises in the area. This involves the ongoing monitoring of the impact of existing liquor establishments as well as pawn shops, second hand stores and other retail establishments and restaurants that have become part of the underground drug economy.
- 7.3 Implement the Vancouver Agreement's Economic Revitalization Plan and Employment Strategy to actively strengthen the local economy and create training and employment opportunities for low-income residents. Some of these ongoing initiatives include:
- a) Work with educational institutions (SFU, VCC, BCIT) to implement skills development programs tailored to local residents such as the SRA Building Management Program;
 - b) Create a non-profit society to implement the Economic Revitalization Plan that will act as a one-stop shop in creating employment and business opportunities in the community; and
 - c) Work with the VANOC (Vancouver Organizing Committee for the 2010 Winter Olympic and Paralympics Games) to ensure the commitments to local hiring and procurement outlined in the Bid Book's Inner City Inclusive Commitment Statement are realized.
- 7.4 Encourage a broad range of cultural and institutional uses in Victory Square. Investigate ways to nurture and to remove regulatory barriers to a more flexible and diverse arts and cultural presence in the area.
- 7.5 Foster a sustainable consumer base for the Victory Square area through market housing and attracting new small scale businesses, in particular, those serving local residents and visitors to the area to participate in arts, culture and educational activities.
- 7.6 Foster partnerships between local businesses, educational institutions and residents by linking employment and job training opportunities.
- 7.7 Continue to encourage low-income artists to stay in the area. A target of 25 low-income artist live-work studios should be established as part of the housing strategy for the area. Also, consider the provision of non-profit art spaces as bonusing opportunities in development projects in and around Victory Square.

- 7.8 Continue to encourage arts and cultural opportunities in public spaces to stimulate interest and revitalization in the area, similar to the Wall of Change and Woodward's window display projects. Encourage public/community based art projects within Victory Square as part of the overall public realm plan for Victory Square. Actively pursue arts and cultural event programming for public spaces in and around Victory Square. These include Victory Square Park and the streets.
- 7.9 Consider opportunities for "phantom galleries" in the area, where artists utilize vacant storefronts as temporary galleries to display art work and provide pedestrian interests.

draft

Chapter 8 Public Realm

INTRODUCTION

Objective

Policies and actions contained in this chapter address various aspects of the public realm in Victory Square, including: parks and open spaces, the streets and the laneways. The objective of these policies and actions is to enhance the functions of the public realm and to reinforce a unique sense of place.

Discussion

Victory Square, the 0.96-acre park, is the geographical and symbolic centre of the community. The Cenotaph monument and surrounding plaza have special significance to the veterans and are the focus of the annual Remembrance Day observance. The park and the Cenotaph are both listed in the Vancouver Heritage Register as “landscape resources”.

The park is also an important asset for the local low-income community living in nearby residential (SRA) hotels. It provides needed public open space, and the public washrooms located adjacent to the park are clean and safe.

A renewal of the park was undertaken in three phases from 2002 to 2004. Key changes and upgrades include: improvements to the plaza around the Cenotaph, new specialty lighting, improved pathways through the park, new benches, an outdoor stage and new lawn. The Cenotaph and all significant trees have been retained. Approximately \$1.1 million was invested in these improvements.

The next phase in park improvement is currently underway. It focuses on the programming and event planning of the park space to make sure it serves the whole community and is integrated to the broader city park system. The City’s Downtown Eastside Park and Open Space Program and Event Plan, currently being developed by the community in consultation with Park Board and Planning staff will inform the development of ongoing public realm arts programming as well as public art opportunities.

Nearby parks include Cathedral Square (Dunsmuir and Richards), Pigeon Park (Hastings and Carrall), Andy Livingston Park (Keefer and Carrall) and Dr. Sun Yat-sen Garden (Pender and Columbia). Other public open spaces nearby include the Keefer Steps (adjacent to Chinatown SkyTrain Station), the plazas at 111 Dunsmuir and 333 Dunsmuir, and the various open spaces along the former CPR railway corridor.

The streets are the most heavily used public spaces in Victory Square. They serve many functions: to allow traffic movements, to provide a framework for pedestrian activities and an environment where community interaction can take place.

The improvement to streets within Victory Square will take place in the broader context of public realm improvements for the downtown and historic precinct. Some important broader initiatives include:

- The City-wide **Vancouver Transportation Plan** (1997) and the **Downtown Transportation Plan** (2002) establish the priorities of city street traffic as: pedestrians, cyclist, public transit and automobiles, in this order;

- The **Downtown Historic Trail** is a planned pedestrian walkway connecting various downtown historic districts. It has identified Victory Square Park as a key feature along the trail that links Yaletown to Gastown;
- The **Carrall Street Greenway** is planned to be a major cycling/pedestrian link from False Creek to Burrard Inlet;
- The **Downtown Streetcar** Project has identified Columbia, Cordova and Water Streets as potential streetcar route with three neighbourhood stations planned along Cordova Street near Carrall, Abbott and Richards Streets; and
- The former **CPR right-of-way corridor** has been secured as a linear public open space that runs diagonally from Pender/Taylor Streets to Powell/Columbia Streets.

Within Victory Square, some major changes to the public realm that have taken place since 1998 include:

- Road improvements have been completed for the Pender Street bikeway between Richards and Carrall Streets and Beatty Street will have bike lanes in both directions; and
- Traffic flow on four streets have been changed from one-way to two-ways to improve local circulation: Cambie, Abbott, Homer and Beatty.



Figure 7: Victory Square Park Renovations

Generally, Victory Square's street system functions effectively at the present. The next step in traffic planning will focus on enhancing pedestrian and cycling opportunities and providing public realm improvements. Further, staff will continue to monitor impacts on traffic flow from expected developments in and around Victory Square.

The Victory Square area should have a public realm plan that encourages pedestrian uses, community interaction, improves the area's image and enhances its historic character. As the area continues to revitalize, there will be opportunities to improve aspects of the public realm in a manner which enhances the area's historic character and complements its unique identity. Proposals should be generated, refined, and implemented in consultation with property owners, businesses, residents and visitors.

Several surface treatments installed in the early 1900's still exist, including portions of lanes and roadways with granite "setts" (cobblestones), sections of granite street curbs, and sidewalks with glass blocks over "area ways" (basement projections under sidewalks). Area ways are a desirable

feature in redevelopment and historic features in laneways including the “H-frame” utility poles are valued by the film industry because of the character setting which they create. A few examples of 1902’s incandescent street lighting remain on Cambie Street north of Hastings Street.

With the exception of the historic elements described above, most streets have standard features, such as concrete sidewalks. However, portions of three streets have received special treatment. The first was Hastings Street which, in 1973, received special intersection and mid-block crosswalk paving between Cambie and Carrall Streets. In 1985, a modified Gastown beautification treatment which included incandescent street lighting was extended along Abbott Street between Water and Pender Streets. In 1996 the granite paving along Hamilton Street adjacent Victory Square Park was restored.



Figure 8-12: Alley H-Frames; Hamilton Street Paving; Areaways; Lamppost

The Council approved Downtown Transportation Plan (2002) recommends that a Downtown Public Realm Plan be prepared to coordinate the planning of many elements of the public realm, including streets, open spaces, community facilities, public art, etc. The proposed timing of this project, if approved by Council, will be between 2006 and 2007. There should be coordination between the preparation of the Victory Square public realm plan and the Downtown Public Realm Plan.

POLICIES AND ACTIONS

- 8.1 Conserve the Cenotaph and continue to maintain its surrounding plaza and Victory Square Park in honour of Canada’s veterans, and ensure that Remembrance Day ceremonies continue to be held at Victory Square.
- 8.2 Enhance and add to the interpretative features in Victory Square Park, focusing on the history of the Cenotaph, the park site and the surrounding area as well as the design of the square and the symbolism of various features in the park.
- 8.3 Incorporate Victory Square Park as a key feature along the “Downtown Historic Trail”, a planned pedestrian walkway that will connect Yaletown to Chinatown, Gastown and the Downtown Eastside historic areas.
- 8.4 Prepare design and landscaping guidelines for Victory Square Park.
- 8.5 Prepare guidelines for special public events at Victory Square Park, as a sub set of the Park Board’s existing special events guidelines which apply to all parks in Vancouver, and

- coordinate with the Downtown Eastside Open Space Arts Programming, in consultation with the community and Park Board staff.
- 8.6 Continue to work towards increasing pedestrian activities on streets and other public spaces in and around Victory Square.
- 8.7 Continue to monitor the impacts of adjacent developments on traffic volumes in Victory Square.
- 8.8 In consultation with the local community and in coordination with the preparation of Downtown Public Realm Plan, develop a public realm plan for the Victory Square area with the following elements:
- Develop a streetscape plan that addresses public realm elements such as pedestrian lighting, banners, trees and landscaping, benches and bus shelters, etc.;
 - Address the issue of restoring area ways;
 - Pursue a strategy of improving lane environment through good design, public realm improvement, lighting and uses. Explore the feasibility of conservation of historic H frames;
 - Investigate the possibility of re-introducing more neon lights along Hastings Street;
 - Encourage public/community based art opportunities in and around Victory Square; and
 - Develop a strategy to improve lighting of the public realm from private buildings.
- 8.9 Continue to work with property owners, local residents and social enterprises like “United We Can” for street and lane maintenance and graffiti removal.
- 8.10 Pursue opportunities to provide smaller open spaces accessible to the public within the Victory Square area where this does not involve demolition of heritage buildings.
- 8.11. Encourage community-based public art projects consistent with a community development model that brings together the diverse groups that live, work and visit the area.

Chapter 9 Parking and Loading

INTRODUCTION

Objective

This chapter contains the general policies and actions related to parking and loading requirements. The objective of the policies and actions is to strike a balance between the goal of supporting the revitalization of the Victory Square area by improving parking for customers, employees, suppliers of area businesses, and new housing and commercial developments, and the goal of building a compact, livable, urban neighborhood that is primarily based on transportation choices such as transit, walking, cycling and car-sharing.

Discussion

Victory Square is an inner-city neighborhood that is easily accessible on foot or by bike from within the city and is well served by both local and regional transit.

Curbside parking and one City parkade (Beatty Parkade at Pender and Beatty) provide the majority of parking spaces in Victory Square. This is partly because Victory Square was mostly built during a time when on-site (off-street) parking was not required. However, currently, there is no significant shortage of parking spaces for commercial and residential uses, as there are quite a few vacant buildings and under-developed sites, and as local workers and residents generally own fewer vehicles than typical in other areas of the city.

Curbside parking and loading is available on north-south streets, but is limited on east-west streets. On Hastings and Pender Streets west of Hamilton Street, the curb lanes are used for transit vehicles and other traffic. Curbside parking is also available on the south side of Cordova Street (immediately north of Victory Square) during non-rush hour periods.

There are approximately 120 metered curbside spaces in the area with an additional 520 metered spaces within a one-block radius. There are also up to 110 loading spaces - including both street front loading spaces and lanes - within the area. As much as possible, the street front loading spaces should be freed up for curbside parking.

Off-street parking is located in surface lots, parking structures (e.g., parkade or underground parking) and as part of recent developments. There are 150 "monthly" stalls, and 80 "transient" (hourly or daily) stalls in the planning area. There are also an additional 110 private stalls, some of which may be used for customers or for loading. However, in the blocks immediately adjacent to the planning area, there are over 4,500 spaces, including 2,200 transient spaces.

The anticipated growth in commercial activities and residential population in the area should be met with a carefully managed parking supply.

A parking stall adds a minimum \$20,000 to \$30,000 to the construction cost. The parking payment-in-lieu costs \$14,500 per stall. These costs ultimately will be passed on to occupants of these buildings. Delivering affordable market housing units (rental and ownership) is an important housing strategy for Victory Square. Policies that allow relaxation of parking requirements or separation of the cost of a housing unit from the cost of parking will make housing units more affordable and offer financial benefits to people who do not own a car.

Providing underground parking and loading spaces for existing buildings can pose difficult physical and economic challenges, especially for buildings on small lots. Therefore, renovation and reuse of existing buildings will likely involve the seeking of relaxations for parking and loading, as has been the case for buildings in the Historic Area (HA) Districts. However, under the current parking schedule for Victory Square, heritage and heritage-worthy buildings will not always qualify for parking exemption, but only a discounted rate of parking requirement.

Further, while parking can be waived for a heritage building, parking will be required for any additions to a heritage building and this requirement adds to the cost of the development. However, for a heritage building going through the Heritage Incentive Program this means that the increase in shortfall cost will be borne by the City and/or the heritage density bank. It is therefore worthwhile to investigate relaxing/waiving the parking requirement when it can not be achieved on-site as a corporate strategy to reduce the cost of the Heritage Incentive Program.

In Victory Square, historic narrow-lot developments (less than 50' frontage) have formed the attractive, fine grain character of the streetscape. Owing to this fine grain pattern, as well as to the difficulty of assembling lots, narrow-lot developments will be the norm for new developments in Victory Square. In most cases, however, providing on-site parking will not be financially feasible due to site constraints.

For new developments that can provide parking on-site, the current residential rate is one or two spaces per dwelling unit, not adequately responsive to unit sizes. This standard is not only higher than the average rate of car ownership per unit in the downtown area but it also "penalizes" developments that contain smaller sized units, which will often be the case for an area like Victory Square. Historic Area (HA) parking regulations would reduce residential parking requirements by 25 percent.

Another means to increase available parking in the area without undue economic hardship on individual developments is to consider permitting underground parking for public use as part of a heritage or SRA retention development, or as part of a new development. Examples include the new Lore Krill building on Cordova Street (65 West Cordova) where three levels of underground parking are provided to serve the neighborhood. The City funded the construction of the underground parking.

In order to determine the implication of parking relaxation/exemption on small lot developments and a general reduction of parking standards for the area, a parking study should be carried out to assess impacts and to come up with alternative ways to serve the area's parking needs.

Policy Context

The following summarizes applicable City Policies prior to the adoption of this Concept Plan:

- For non-residential uses, Victory Square falls within Area II of the CBD parking districts (Map 4.3.1, Parking By-law) that include both minimum required and maximum permitted regulations;
- For residential uses, Victory Square non-heritage developments will need to comply with the requirement of one or two parking spaces per dwelling unit (Section 4.3.6 of the Parking By-law);
- For heritage site redevelopments, Victory Square falls under Section 4.4 for calculating parking, including discounts in most circumstances;
- Victory Square is within the Payment-in-Lieu Relief boundary (Section 4.12 of Parking By-law);

- Relaxation and exemption provisions are available, applicable on a case-by-case basis where there is hardship or outright eligibility;
- Under Section 5 of the Downtown District Official Development Plan (DD ODP), parking garages which are not accessory to another use on the site are not permitted in the Victory Square area.
- Parking Garage Security Policies - the City has a number of provisions regulating the design of new parking structures for safety and security. These include access, openness of stairwells, lighting levels, etc. (under review).

POLICIES AND ACTIONS

- 9.1 Adopt Historic Area (HA) district parking standards in Victory Square.
- 9.2 Give favorable consideration to the following parking relaxation/exemption provisions that are currently available in the Parking By-law.
- a) Consider parking exemption when there is a change of use from previously unknown uses on upper floors of existing buildings, in the interest of heritage conservation and provision of community benefits (Section 3.2.1(c) and Section 4.3.4 of the Parking By-law); and
 - b) Permit greater distances, i.e. 150m (500 ft) or greater, between residential buildings and off-site parking for sites within the Victory Square area (Section 3.2.1 (d) and Section 4.6.2 of the Parking By-law).
- 9.3 Continue the practice of allowing payment-in-lieu of parking for residential developments where provision of parking is not practical or economically feasible due to site constraints, e.g. existing structural issues or small lots, and to confirm a corporate strategy with respect to heritage pro-forma considerations, prior to the parking study as proposed by Policy 9.7.
- 9.4 In consultation with adjacent property owners, residents, and businesses, continue to review the current on-street parking situation and to seek opportunities to achieve additional on-street parking whenever appropriate.
- 9.5 Improve the usability of existing off-street parking garages (in and around Victory Square) by ensuring that they are safe, conveniently located, and accessible:
- a) Compile and publish the City's Parking Garage Security Policies in the form of guidelines for existing parkades, and encourage owners and operators to implement them wherever feasible; and
 - b) Make better use of the City parkade at Pender and Beatty (Beatty Parkade):
 - investigate possible improvements to parkade access for left turns off Pender Street;
 - adjust parking rates to ensure an adequate supply of transient parking (ongoing); and
 - consider locating transient parking to locations within the parkade that are more convenient, i.e., near ground level (in process).
- 9.6 Conduct an area-wide parking study to explore further parking relaxation opportunities to facilitate area revitalization, small-lot developments and the provision of affordable units. The study should include the following components:

- a) Assess parking demand for the whole area based on anticipated volumes of residential and non-residential developments;
- b) Assess existing and potential parking supply of the area based on current regulations of the Parking By-law;
- c) Assess the impact of relaxations/exemptions as per Policy 9.3, and investigate the feasibility of Parking By-law amendment to make them standards rather than discretionary relaxations;
- d) Assess the implications of parking relaxation/exemption under specific circumstances, such as small lot developments, addition to heritage buildings, and provision of cooperative car ownership;
- e) Review parking standards for suites less than 320 square feet and for SRA units; and
- f) Recommend a comprehensive parking strategy for the area, including upgrading and expansion of existing parkades in and around Victory Square, and provision of parking as an area-wide resource as part of other developments.

9.7 If justified by the results of the proposed parking study, increase the availability of off-street parking provided in Beatty Parkade to meet the projected demand from anticipated residential development.

- a) Investigate the feasibility of a complete redesign of the Beatty Parkade to increase parking stall capacity and to improve street frontages (along Pender, Beatty and Cambie Streets) for a better pedestrian realm; and
- b) Investigate the possibility of a mixed-use redevelopment scheme of the Beatty Parkade and to consider funding sources, such as the Parking Sites Reserve, parking payment-in-lieu funds, or cost-sharing as part of a joint venture project.

Chapter 10 Public Benefits

INTRODUCTION

Objective

This chapter contains the general policy framework related to public benefits and defines the further actions required. The objective of these policies and actions is to identify the public benefit requirements for both the present and future residents of Victory Square.

For the area's existing residents, this includes addressing replacement housing for persons displaced by development and unable to afford comparable accommodation in the area, and providing needed social and health services. For the existing and the future residents of Victory Square it means identifying the amenities that will be required as a result of development in the area.

Discussion

The Victory Square Concept Plan seeks to achieve a level of commercial revitalization while, at the same time, retaining buildings with heritage value and providing the opportunity for existing low-income residents to live in suitable long-term housing. Other public benefits which are inherent in the plan include: support for arts and culture, park space and public realm improvement and provision for social and recreational facilities.

The physical character of Victory Square is defined, in large part, by the heritage buildings in the area (see Chapter 4 - Heritage Policies). A significant public benefit is achieved by the retention and reuse of the existing buildings. The proposed zoning framework and the City's existing heritage policies address this benefit. Further, the Heritage Incentive Program, which currently covers Hastings Street between Cambie Street and Heatley Avenue, offers financial incentives to make heritage rehabilitation more economically viable. It is recommended that this Program be introduced to the remainder of Victory Square.

Development interest in the area is expected to be putting pressure on the fragile housing situation in Victory Square (see Chapter 5 - Housing). Providing low-income housing to accommodate residents displaced by development is a crucial public benefit. The proposed zoning framework helps to provide this public benefit. Further, funds collected through DCLs and other financial contributions (such as CACs) should be earmarked for provision of social housing as significant public investment is called for in this endeavor. Unlike some other areas of the City (e.g. Downtown South), development within Victory Square will likely begin slowly with smaller scale projects, the revenue generated by these developments is likely to be minor. To achieve the goal of securing low-income housing in a market that is expected to see rising land values, it may be necessary for the City and other levels of government to "pre-invest" in the area.

The commercial revitalization proposed by the Victory Square Concept Plan is based, in part, on building upon the physical character and the emerging arts and cultural activity (see Chapter 7 – Economic Revitalization). This activity is incubated in the non-profit sector and by artists living and working in the area. Therefore, there is a specific as well as a city-wide public benefit associated with supporting arts and culture in Victory Square. This benefit could be addressed by encouraging galleries, artist live/work studios and general commercial live/work uses in the zoning and by considering bonus for arts and cultural amenities in developments in and around Victory Square. Of particular concern is the impact that revitalization and new development will have on the opportunities for low-income artists currently living in the area. This could be addressed as part of a larger housing strategy.

The area is centred on Victory Square Park, and there is relatively easy access to parks and other open spaces nearby at International Village and in False Creek North (see Chapter 8 – Public Realm). Capital improvements to the Victory Square Park have recently been completed. The focus of the next phase in the Park development is programming more community and city wide activities. While there is a park space per capita deficiency in the Victory Square area, the area has other factors that make it a livable and desirable inner-city neighbourhood, notably the heritage character. Further, residential population growth and demographic changes in the area will be monitored to see if there is a need for additional public open space in the future.

The most heavily used public spaces in Victory Square are the streets. Public realm improvements such as street trees, lighting, litter containers and benches are important for attracting investment. Studies have indicated that the level of public realm treatment affects the perception of safety and security, which has been a concern to individuals living in and visiting Victory Square. A public realm plan should be prepared in consultation with the community. This plan should identify the unique public realm features of Victory Square and will serve as a guiding document for both private and public investment.

The current demand on community facilities and services reflects the high concentration of adults in Victory Square and the specific health and lifestyle needs of some of these residents. The nearby Carnegie Community Centre, along with other service facilities, provides some of these services. However, all existing service facilities are heavily used and additional facilities may be needed. The redevelopment of Woodward's will include much needed services for the urban, low-income, single adult community.

Further, while historically no child care, out of school care, and family place facilities have been provided in Victory Square, there will be child care services provided in the Woodward's redevelopment. There are also family oriented facilities in Strathcona and there will soon be facilities in the International Village. As the population increases in Victory Square it may become necessary to provide more of these services closer to the community.

Other city amenities and services such as library, school, fire, police and health units typically serve larger areas than Victory Square. Development in Victory Square could increase demand for these amenities and services, but they would generally be planned for on a city-wide basis rather than just for Victory Square.

Given these potential future demands, there may be a need to prepare a community needs assessment to identify and prioritize needed services and a financial strategy to address these needs. The strategy should acknowledge that there will be trade-offs or compromises between the various needs because it is unlikely, given the underlying land economics and the costs of development, that all of the desired public benefits can be achieved.

In summary, heritage retention and securing low-income housing have been identified as public benefit priorities in the immediate to medium terms. The other medium term priorities include public realm improvement, further improvement to Victory Square Park, and support of non-profit arts and cultural sector. In the long term, a community needs assessment will be conducted and a financial strategy will be prepared to address social and recreational needs of the growing community.

Policy Context

The City attempts to provide public benefits through a variety of mechanisms and funding sources tailored to the specific needs of a community as determined by a planning program. The first mechanism is through bonus density under the Zoning and Development By-law and

heritage policies and programs. Similar density provisions can also be applied to the creation of specific types of housing.

Section 6.I of the DD ODP provides for the exemption of some floor space for social and recreational amenities. Section 6.II allows additional density as a bonus for individual developments which provide social and recreational facilities. The need for the facility must be demonstrated to the satisfaction of the Development Permit Board. This mechanism applies to facilities for arts and cultural activities.

The City can also set a Development Cost Levy (DCL) in an area which can be used to provide parkland, daycare, and replacement housing; DCL monies can be used anywhere within the area in which they are collected. If there were a city-wide DCL, monies generated could be used anywhere within the city to provide the specific facilities listed in the DCL by-law.

Community Amenity Contributions (CACs) may be accepted from rezoning sites and can be used by the City to fund any public amenity. Alternatively, through the rezoning negotiations, developers may agree to provide public amenities on site.

Individual developments are typically required to upgrade existing services that apply specifically to the project, such as utilities and sidewalks. Other amenities and services can be funded through general tax revenues or a number of programs that come from Municipal, Provincial, or Federal sources.

POLICIES AND ACTIONS

- 10.1 Establish the priorities for public benefits to be achieved through development, zoning relaxation and rezoning in the Victory Square as follows:
 - a) heritage conservation, as per Policy 4.2 to 4.6;
 - b) provision of replacement low-income housing, as per Policy 2.3 to 2.5;
- 10.2 Prepare a public realm plan to guide future public and private investments, including streetscape improvements provided through private developments, as per Policy 8.8. Determine funding priority and funding sources.
- 10.3 Through other City initiatives as well as the Vancouver Agreement, continue to support the non-profit arts and cultural community. In 5 years (2010), review the implementation of Policy 10.1. If deemed appropriate, consider provision of non-profit arts and cultural spaces as public benefits to be achieved through development.
- 10.4 Through other City initiatives as well as the Vancouver Agreement, continue to provide needed services for existing local residents in the Victory Square area. Further, encourage senior governments to better address the social and health issues of Downtown Eastside residents in general, such as mental health and substance abuse issues. (Please refer to relevant sections of the draft **Downtown Eastside Housing Plan**, March 2005.)
- 10.5 Monitor population growth in the area. In 5 years (2010), determine the need to prepare a community needs assessment for community facilities such as child care, social and recreational services.

Definitions

Single Room Accommodation (SRA) – SRAs include residential hotels, rooming houses and social housing units which are less than 320 square feet. Their conversion and demolition is regulated under the SRA By-law.

Residential Hotel – Residential hotels contain Single Room Occupancy (SRO) units. SROs are small rooms, usually in privately owned and managed buildings, with shared bathrooms. In this Concept Plan, the term SRO is not used. Instead, the terms “residential hotel” and “SRA unit” are used.

Low-Income Housing – Low-income housing include SRAs, the portion of social housing serving low-income households, and low-rent units secured in private buildings by housing agreements.

Social Housing – Social housing is funded by government and managed by government or non-profit societies. Residents of many of these units are income-tested and rents are geared to income.

Low Cost Housing – Low cost housing is a term used in the Downtown Official Development Plan to refer to “sleeping, housekeeping or dwelling units designed for persons receiving War Veterans Allowance, Canadian Pension Commission Disability Pension, Guaranteed Income Supplement, Spouses Allowance or income from Guaranteed Annual Income for Need”. Essentially, these units serve core-need households.

Live-Work – Live-work generally refers to the dual use of a premises for “living” and “working” activities. Artist “live/work” studios are presently permitted. The City is working on expanding opportunity in Chinatown, Gastown and the Victory Square area for a broader form of live-work which would allow certain commercial uses.

Equivalency – The method of employing alternative approaches to meet the same prescriptive requirements under the City’s Building By-law, pursuant to its Section 2.5.

Social Enterprise – A business owned and operated by a non-profit society in pursuit of social and community goals.

Phantom Gallery – Phantom gallery is a vacant storefront that is utilized by artists to display art works and showcase art making processes. This is usually done on a temporary basis and the space is provided free of charge to the artists. The purpose of a phantom gallery is to increase pedestrian traffic until it is viable to re-open a retail store.

Community Amenity Contribution (CAC) – CAC is a monetary or in-kind contribution charge on additional density which has been approved by City Council through a rezoning.

Cost Analysis of Extending the Heritage Incentive Program to the Remainder of Victory Square

Staff estimates that an average of five additional buildings per year will likely apply for heritage incentives if programs are extended to the remainder of Victory Square. The cost to the City and the implications for the heritage density bank of this extension are analysed below.

Cost of Extending the Façade Rehabilitation Program

The Façade Rehabilitation Program provides up to \$50,000 per significant façade on a cost sharing basis with property owners. Assuming several buildings will have more than one façade, staff estimate the City will have to provide about \$350,000 per year for the area in the remainder of the Victory Square. This would total \$1.4 million for the four year duration of the Program which ends in 2008.

In the 2003-2005 Capital Plan, \$1.5 M was approved to provide façade grants for the first three years of the Program. Of this, staff anticipate all will be used by the end of 2005. It has been determined that an additional \$3.6 million will be required for the continuation of the Program for Chinatown, Gastown, the Hastings Street Corridor and Victory Square. Funding is being sought in the 2006 - 2008 Capital Plan, however, the amount recommended for funding will be based on all City priorities as reviewed by the Staff Review Group and Council during the Capital Planning process.

Density and Property Tax Implications of Extending the Heritage Building Rehabilitation Program

Under the Incentive Program, the shortfall cost of rehabilitating a heritage building is compensated in two ways: property tax exemption (up to 10 years) and transferable density.

As is the case for the existing Heritage Incentive Program for Chinatown, Gastown and the Hastings Street Corridor, there will be no direct cost to the City associated with tax exemptions for approved heritage building rehabilitation projects in the remainder of Victory Square. Rather, the foregone revenue associated with each tax exemption will be collected from all other taxpayers in the same property class as the exempted property.

Once the ten-year exemption period for each property is completed, the City will ultimately gain some incremental tax revenue associated with the value of the new construction of each heritage project. These are taxes that the City otherwise would not have collected, had these construction projects not been undertaken.

While the City will not gain incremental property tax revenues from increases in property values that result from neighbourhood revitalisation, through these increased market values these neighbourhoods may eventually contribute a greater proportion of the City's overall tax levy. Early indications of developer interest suggest that property values in these areas are on the rise, and this trend will become more evident as many currently vacant buildings renovate and start to produce revenue to their owners, as well as contribute to the vitality of the neighbourhood.

In forecasting the cost of extending the Program, it should be noted that it is not possible to know in advance of processing a full application what the cost of heritage incentive will be for each building, in terms of either tax exemptions or transferable density. This is because renovation and rehabilitation costs - and the associated shortfall cost that is covered by the City's heritage incentives - vary significantly from building to building. Having said that, staff estimate that, on average, an equivalent property tax exemption of \$0.5 M (spread over 10 years) and transferable density worth of \$1.5 M are required per building under the Program. This means a total of \$2 M per building in shortfall cost compensation.

These estimates are based on patterns of complete projects. It should be noted that, on average, current in-stream applications request a bigger incentive than these estimates. However, in light of an improved real estate market in the Incentive Program areas, staff are committed to have pro forma analysis reflect this trend, in property tax exemptions and in project profits. Therefore, while these estimated numbers may not represent the potential maximum cost to the City and the heritage density bank, they do represent a reasonable medium range cost that the City aims to maintain for the duration of the Program through negotiation with developers.

Based on the preceding assumptions, an estimated equivalent of \$2.5 M in tax exemptions will be generated by the estimated five projects per year; and \$10 M for the duration of the Program. The estimated transferable density generated annually is 150,000 square feet, based on a value of \$50 per square foot; and 600,000 square feet for the duration of the Program.

The following table summarizes the above analysis. It indicates the estimated likely cost per year and the estimated likely incremental cost for the duration of the Heritage Incentive Program of extending the Program to the remainder of the Victory Square area.

Table 1.
Estimated Incremental Cost (2005-2008) of the Proposed Extension of the Heritage Incentive Program to Remainder of Victory Square

Victory Square Sub-area not already included in the Hastings Street Corridor ¹	Estimated Numbers of Buildings to Apply for the Program per Year ²	Associated Estimated Façade Grant ³	Associated Estimated Tax Exemptions ⁴	Associated Estimated Transferable Density ⁵
Annual	5	\$350,000	\$2,500,000	150,000 square feet
Total, 2005-2008	20	\$1,400,000	\$10,000,000	600,000 square feet

NOTES:

1. By this extension to the remainder of the Victory Square area, there will be 32 buildings listed on the Vancouver Heritage Register (VHR), plus an additional 34 character buildings that will be eligible to apply for the Heritage Incentive Program.
2. Based on the stats from existing areas covered under the Program, it is estimated that an average of 5 buildings per year will be generated by this extension.

3. It is assumed that 2 of 5 buildings will have two principal facades that are eligible for the Façade Grant. Therefore, 2 buildings x 2 facades x \$50,000 + 3 buildings x 1 façade x \$50,000 = \$350,000
4. Tax exemptions granted as heritage incentives to date have had a value ranging from \$247,000 to \$768,000. An average value of \$500,000 per exemption is assumed in the above table. The tax exemptions are spread over a 10-year period.
5. An average of \$1.5m per building is assumed as the remainder of the shortfall cost that will be compensated in the form of the transferable density. A value of \$50 per square foot is used in the calculation.

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