



**POLICY REPORT
DEVELOPMENT AND BUILDING**

Report Date: June 11th, 2012
Contact: Kent Munro
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VanRIMS No.: 08-2000-20
Meeting Date: July 10, 2012

TO: Vancouver City Council

FROM: Director of Planning in consultation with the Director of Legal Services

SUBJECT: 658 Keefer St - The 'Chan House' - Heritage Revitalization Agreement Amendments

RECOMMENDATIONS

- A. THAT Council instruct the Director of Legal Services to bring forward for enactment pursuant to Section 592 of the *Vancouver Charter* a by-law to amend the Heritage Revitalization Agreement applicable to the heritage building, known as the "Chan House", and the lands at 658 Keefer Street (legal description: PID:028-091-027; Lot A, Block 84, District Lot 196 NWD Group 1, Plan BCP42970) (the "Lands"), and noted on title to the Lands under number BB311256, to permit the development of the Lands as proposed under Development Permit Application DE415218 and more particularly described in this report.
- B. THAT the amendments to Heritage Revitalization Agreement shall be completed and noted on title to the Lands to the satisfaction of the Director of Legal Services and the Director of Planning.
- C. THAT Recommendations A to B be adopted on the following conditions:
 - (i) THAT the passage of the above resolutions creates no legal rights for the applicant or any other person nor any obligation on the part of the City, and any expenditure of funds or incurring of costs in relation thereto is at the risk of the person making the expenditure or incurring the cost; and

- (ii) THAT the City and all its officials shall not in any way be limited or restricted in the exercise of their authority or discretion, regardless of when they are called upon to exercise such authority or discretion.

REPORT SUMMARY

The purpose of this report is to seek Council authorization to amend the existing Heritage Revitalization Agreement (HRA) applicable to the 'Chan House' at 658 Keefer Street to allow for a change to the form of development for the Lands as contemplated under the HRA.

The heritage building is listed in the 'B' evaluation category on the Vancouver Heritage Register and has been designated under the *Vancouver Charter* as a protected heritage property.

The HRA as it currently exists varies the zoning applicable to the Lands to allow for, under development permit application number DE409469, certain additions to the heritage building and the conversion of it to a four unit Multiple Conversion Dwelling, with an increase to 0.90 in the maximum floor space ratio (FSR) permitted for the Lands and other variances needed for that proposed development. The HRA is dated October 7, 2007. The variances granted therein were approved in 2006 as compensation to the owner for the heritage designation and for the owner's obligations under the HRA and a related restoration covenant registered on title to the Lands to rehabilitate and conserve the heritage building. The owner now proposes a different form of development for the Lands under development permit application DE415218. The owner proposes now to construct an Infill One-Family Dwelling on the Lands, rather than to make additions to the heritage building as previously proposed. This will require some amendments to the HRA as described in this report and shown in the Technical Zoning and Parking Summary in Appendix 'F'. The Director of Planning is prepared to approve the development permit application should Council approve the recommendations of this report.

COUNCIL AUTHORITY

Pursuant to Section 592 of the *Vancouver Charter*, Council, by by-law, may amend an HRA. If the proposed amendments would permit a change in use or density, Council must hold a public hearing on the matter. Although the proposed amendments would not vary the overall permitted density for the Lands as provided for in the HRA (see the Development Permit Application section), the floor area calculation and the zoning provisions employed in these calculations differ from those previously employed in that it is proposed now that certain kinds of floor space, that is, floor areas on the Lands to be used for off-street parking and bicycle storage, will be excluded from the FSR calculation, and Staff have concluded that in effect this would be a density change and that therefore a public hearing is required.

The following Council Policies are applicable to the project:

- *Heritage Policies and Guidelines (April, 1991)*
- *Green Buildings Policy for Rezoning (July, 2010)*
- *Interim Rezoning Policy During the Preparation of the Downtown Eastside Local Area Planning Program (March 2012)*

GENERAL MANAGER'S COMMENTS

The General Manager of Community Services RECOMMENDS approval of A, B, and C.

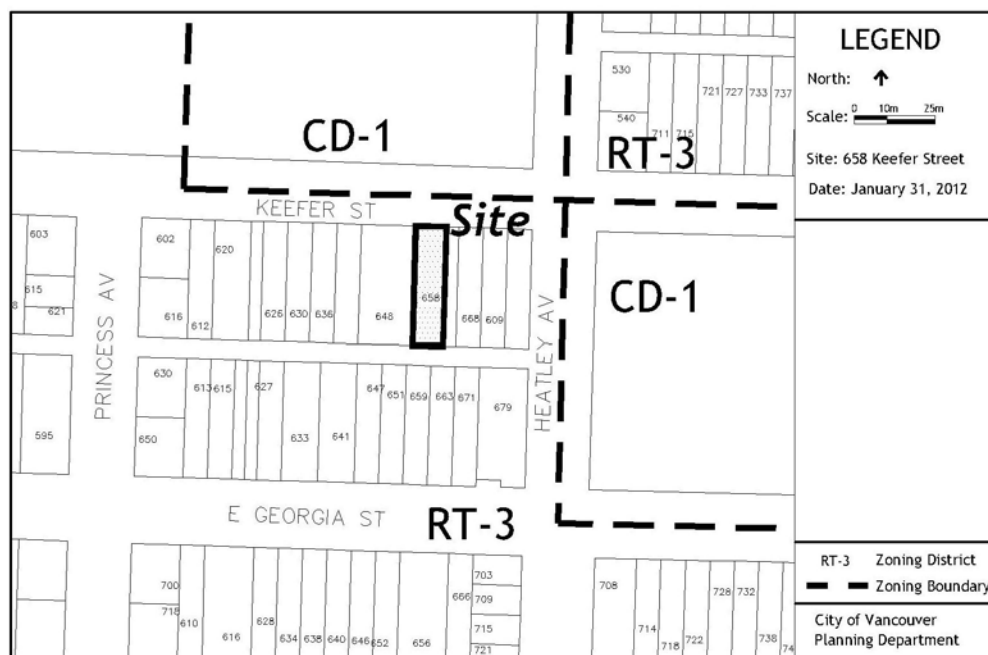
STRATEGIC ANALYSIS

The 'Chan House' is located within the Downtown Eastside Local Area Planning boundary and therefore the *Interim Rezoning Policy During the Preparation of the Downtown Eastside Local Area Planning Program* applies to the project which states that rezoning applications involving heritage retention and HRAs will be considered, but if such projects conflict with other Council Policies, staff will consult the Local Area Planning Process (LAPP) Committee and then report to Council for direction on how to proceed. In this case, the project does not conflict with any other Council Policy and staff have concluded that the HRA may be brought forward for Council's consideration at this time. Nevertheless, the application has been made available to the LAPP Committee for its review.

Site and Context

The 'Chan House' at 658 Keefer Street is located in the Strathcona neighbourhood in an area zoned RT-3 (see Figure 1 below). The *RT-3 District Schedule* of the *Zoning and Development By-law* permits One-Family Dwellings and Two-Family Dwellings, the conversion of existing buildings into suites, and in some cases apartment buildings, townhouses, and infill development. The Lands are 3,813 square feet in area. A twenty foot wide lane exists at the rear of the property.

Figure 1 - The 'Chan House' site and the surrounding zoning



Heritage Value

The 'Chan House' was built in 1906, and is a good example of early Edwardian housing built in the Strathcona neighbourhood (see page 1 of Appendix 'A' and the maps in Appendix 'C'). The

house is also associated with Mary Chan and the Chan Family (see the collage on page 2 of Appendix 'A'). Mary Chan is known as an important social activist in the City who, during the 1960s, mobilized opposition to the urban renewal schemes at the time which saw the expropriation and demolition of blocks of houses in the area and the dislocation of owners and residents. She co-founded a group which organized large numbers of people in the community to lobby for a halt to these kinds of projects. Her efforts, in part, also lead to the establishment of Gastown and Chinatown as historic areas. The house is listed on the Vancouver Heritage Register in the 'B' category and is a protected heritage property (see the Previous Approval section below).

Previous Approval

On June 22nd, 2006, Council approved an HRA for the site and the heritage designation of the 'Chan House'. The project proposed additions to the house and the conversion of the house to four dwelling units, as approved under Development Permit Application Number DE409469 (see page 2 in Appendix 'D' and Table 1 in Appendix 'F'). A density of 0.90 FSR was approved for the site, as well as other variances of the *Zoning and Development By-law*. After the issuance of the permits for the project, the owner determined that an infill scheme was preferable as it would allow for greater conservation of the family home. In 2009 the current applicant approached staff with the owner's request to amend the HRA to allow for an infill dwelling as opposed to additions to the heritage building as approved. Staff reviewed this request and concluded that an infill proposal would result in greater conservation of the building and that amending the HRA could be considered provided a completely new application is made, and provided Council approves the associated amendments to the HRA. Staff advised that the previously approved density of 0.90 FSR should not be exceeded in the new proposal.

Current Development Permit Application

The current development application, as set forth in Development Permit Application DE415218, and as described herein, proposes variances to the *Zoning and Development By-law* for purposes of the proposed development (see drawings in Appendix 'D'). The application proposes to convert the 'Chan House' to two dwelling units and to construct an Infill One-Family Dwelling at the rear of the site (see the renderings in Appendix 'B' and the drawings in Appendix 'D'). Certain zoning variances are required for that proposed development.

The maximum density permitted for the lands, as provided for in the HRA as it currently exists, is 0.90 FSR. The maximum permitted density proposed now, under the current development application, and as shown in Table 'A', is also expressed as being 0.90 FSR. However, it is proposed, for purposes of the current development application, that the HRA be amended to exclude from the FSR calculation for the lands certain kinds of floor space, that is, off-street parking and bicycle storage, which otherwise would be included in the calculation. In effect, this will result in a density increase for the lands of 269 square feet, which, if included in the FSR calculation, would result in a total FSR for the Lands of 0.97 (see Table 2 in Appendix 'F', including the notes at the bottom of the table). Under the RT-3 District Schedule, without the HRA, an FSR of 0.95 would be permitted for infill development.

It is also proposed, and necessary, for the current development permit application that the HRA be amended to provide a zoning variance in respect of the minimum site area required for infill development under the RT-3 District Schedule so as to allow for a smaller site area

than is otherwise permitted (see Table 'A' below and the Technical Zoning and Parking Summary in Appendix 'F').

Table A: Zoning Summary

Site Area: 3,812 sq. ft.

	Required or Permitted under the RT-3 District Schedule	Permitted under the HRA	Proposed amendments to the HRA
Floor Space Ratio	0.75 FSR maximum (2,859 sq. ft.)	0.90 FSR (3,430 sq. ft.)	0.90 FSR (3,425 sq. ft.)
Dwelling Unit Density	2 maximum	4	3
Minimum Site Area for Infill Use	4,497 sq. ft. minimum	not applicable	3,812 sq. ft. (existing)

Staff have considered the probable impact of the proposed amendments to the HRA, including the results of notification (see the Results of Neighbourhood Notification section), the compatibility of the development with the zoning (see the discussion below), and the financial analysis required for the application (see the Proforma Evaluation section) and conclude that the proposal is supportable.

Compatibility with Existing Zoning and Land Use Regulations

The Intent of the *RT-3 Zoning District Schedule* is to:

"...encourage the retention of neighbourhood and streetscape character, particularly through the retention, renovation and restoration of existing character buildings. Redevelopment is encouraged on sites with existing buildings of style and form which are inconsistent with the area's pre-1920 architecture. Emphasis is placed on the external design of additions to existing buildings and new buildings to encourage the preservation of the historic architectural character of the area. Floor area incentives are included to achieve the creation of affordable housing and the rehabilitation of original buildings which are important to the neighbourhood's character."

The project is consistent with the intent of the *RT-3 District Schedule*. The application proposes the retention, rehabilitation and conservation of the heritage building, and the new infill building is compatible with the historic character of the area.

Condition of the Heritage Building and Conservation Approach

The 'Chan House' is in good condition. The rehabilitation work will consist primarily of removing the cement shingles and repairing existing details and materials. The building is to be painted in historic colours. As is the case with similar projects where strata-title units are proposed, the primary challenge with respect to heritage conservation is in meeting the environmental separation requirements in the *Vancouver Building By-law*, in particular those for "rain-screens". Options to provide for alternatives and exemptions will be explored. As only two units in the heritage building are proposed, it may be possible to secure an exemption or partial exemption from rain-screen requirements. If a rain-screen is required, the existing exterior finishes will have to be removed to allow for installation of a drainage cavity. Although the rain-screen requirements of the *Vancouver Building By-law* will create challenges for the rehabilitation of the heritage building's exterior, staff support the

Conservation Plan proposed for the 'Chan House' and conclude that the rehabilitation scheme is consistent with the federally adopted *Standards and Guidelines for the Conservation of Historic Places in Canada*.

Results of Neighbourhood Notification

Eighteen surrounding properties were notified of the current development permit application. Two responses were received. One expressed non-support for the project with concerns regarding sunlight blockage by the new infill building as well as noise during the construction process. The other response expressed support in principle, noting that the current scheme is preferable to the previous approved scheme, but listed a number of concerns and comments. Concerns include the depth of the infill building and the density proposed, and the precedent this might create in the Strathcona neighbourhood which has a large number of historic buildings. Comments include that, in return for the density as proposed, a meticulous Conservation Plan should be required, and that the owners should agree to the heritage designation of the 'Chan House'. Another comment is that the infill building should be designed using the Laneway Housing provisions. The second response also notes support for the parking variances in principle in the neighbourhood as a way to reduce the massing of development.

Infill development is permitted in the current zoning. The Laneway Housing provisions of the Zoning and Development By-law are not applicable to RT-3 zoned sites. While the site area is less than that permitted for infill development in the current zoning, the size of the proposed infill building is commensurate with other infill buildings approved in the area and with existing, historic infill development on the block (see the Technical Zoning and Parking Summary in Appendix 'F', and the Context Plan in Appendix 'B'). The Conservation Plan is highly detailed and thorough, and the heritage building is protected by a Designation By-law. The density is commensurate with other approvals on heritage sites and less than the 0.95 FSR permitted on sites eligible for infill development under the current zoning applicable to the site. If approved, the density will not create a precedent, as each HRA is assessed on a case by case basis. The construction process will be required to comply with all applicable by-laws.

Staff have reviewed the proposed project with respect to the City's Heritage Policies and Guidelines, the RT-3 Guidelines, and the intent of the zoning (see the Compatibility with Existing Zoning and Land Use Regulations section), as well as the results of notification, and conclude that the proposal is supportable.

Comments from the Vancouver Heritage Commission

On January 23rd, 2012, the Vancouver Heritage Commission reviewed the current proposal and unanimously supported the development permit application (See Resolutions of the Vancouver Heritage Register and Staff Comments in Appendix 'E').

Financial Implications

The value of the on-site density bonus, which will facilitate the preservation and designation of the heritage building called the 'Chan House', is approximately \$187,900. The site is within the City-wide Development Cost Levies (DCL) District and it is anticipated that the applicant will pay approximately \$1,490 in DCLs.

Proforma Evaluation

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

Environmental

The City's *Green Buildings Policy for Rezoning*s applies to the application and requires developments of this scale to achieve BuiltGreen BC™ Gold with a score of EnerGuide 82, or an equivalent achievement in green design. The policy allows for exemptions for heritage components provided reasonable design efforts are made to improve green performance where appropriate, while respecting heritage aspirations and promoting heritage retention. Staff encourage owners for applications such as this to seek registration and certification with BuiltGreen BC™. Conditions of the development application approval will require that the drawings incorporate the proposed sustainable features, noting as well that the Green Homes Program changes to the Vancouver Building By-law, adopted on September 5th, 2008, will be applicable to the project as well.

Legal

The proposed by-law, if approved, will allow for amendments to the HRA to provide zoning variances to allow the owner to develop the lands as proposed under development permit application DE415218 by constructing a new infill building at the rear of the property. City staff and the owner have negotiated and completed a form of the proposed amendments to the HRA.

CONCLUSION

The amendments proposed for the Heritage Revitalization Agreement registered to the Lands for the 'Chan House' at 658 Keefer Street will allow for the development of an infill building on the site as proposed, and an improved Conservation Plan, which is supported. The Director of Planning is prepared to approve the current development permit application should Council approve the recommendations of this report. Therefore, it is recommended that Council approve the amendments of the Heritage Revitalization Agreement which is registered to the 'Chan House' Lands.

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Photo 1: Front of the 'Chan House' at 658 Keefer Street

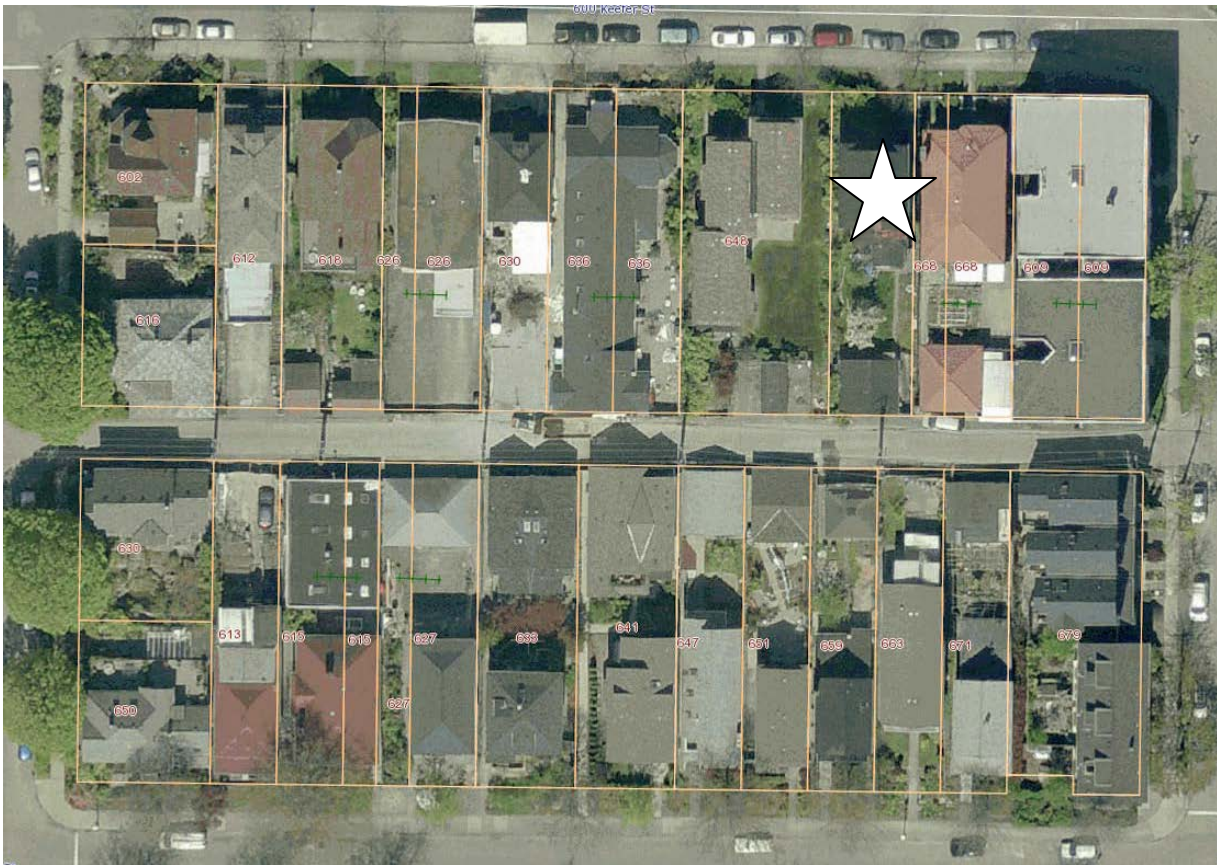


Photo 2: Close-up of Front Porch Details



Collage 1: Images of the Chan Family and 658 Keefer Street

The bottom photograph shows Mary Chan on the front steps of 658 Keefer Street



Context Plan for 658 Keefer Street (the 'Chan House' shown by the star)



Rendering 1: The Front of the Chan House as Proposed



Rendering 1: The Rear of the Site from the South-East



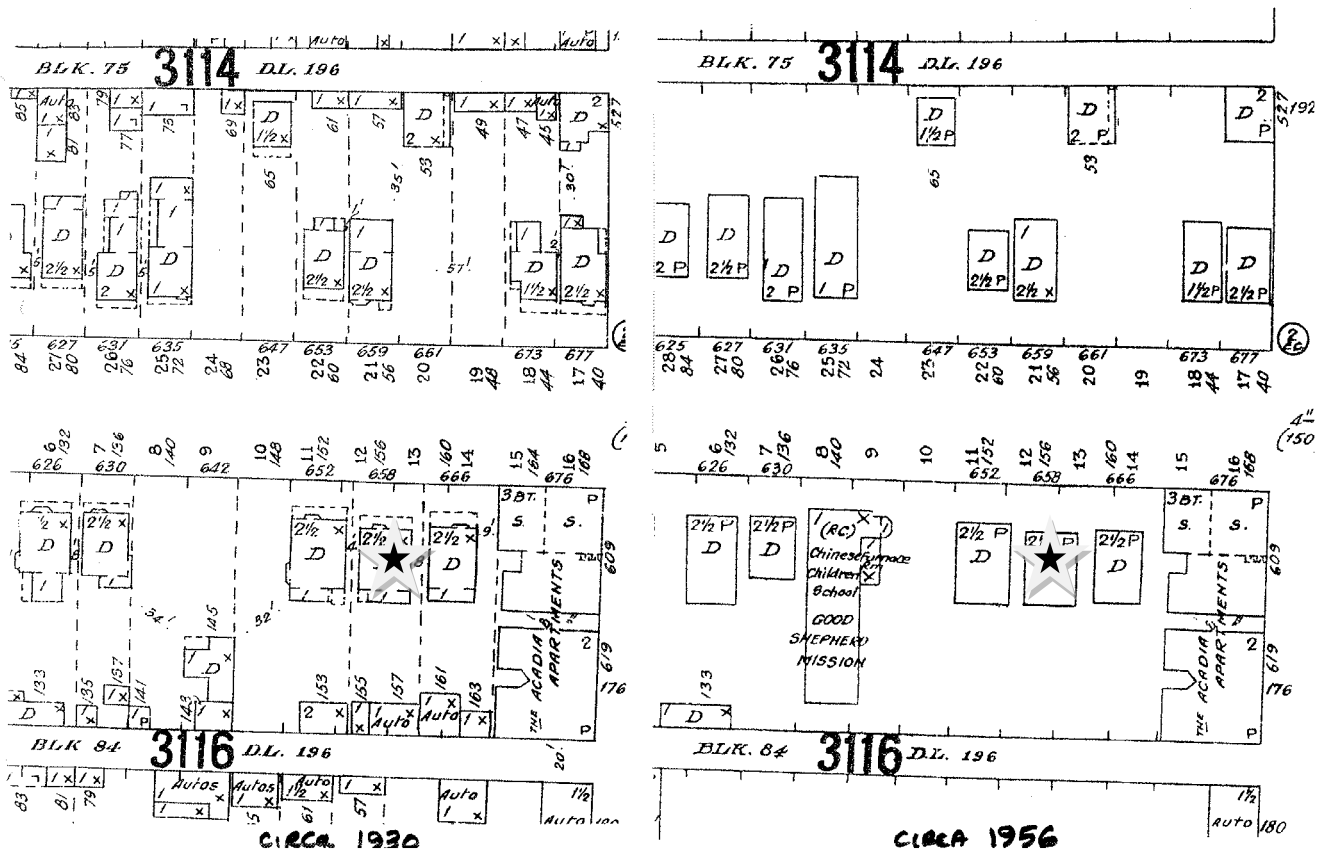
Rendering 2: The Front of the Site from the North-West



Rendering 3: The North Side of the Infill Building



Rendering 4: The South (Lane) Side of the Infill Building

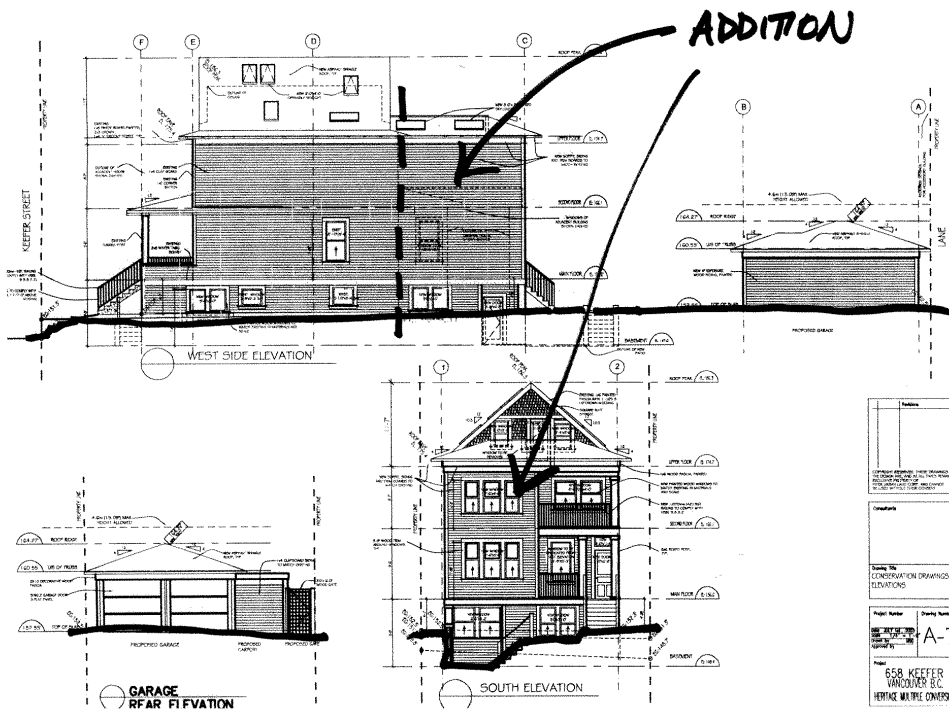


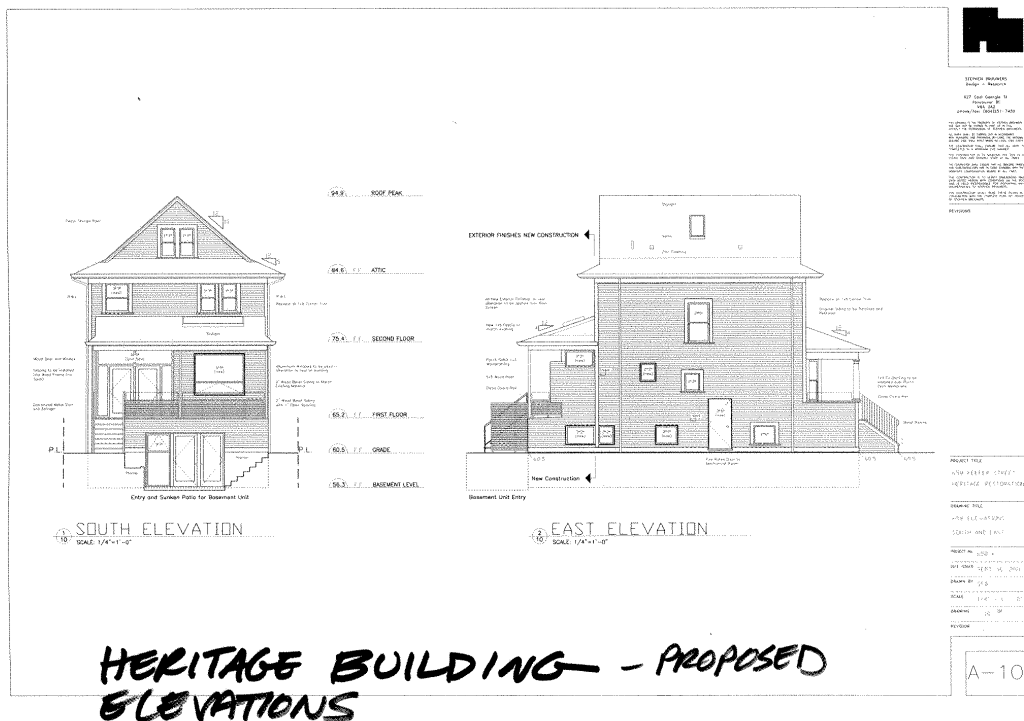
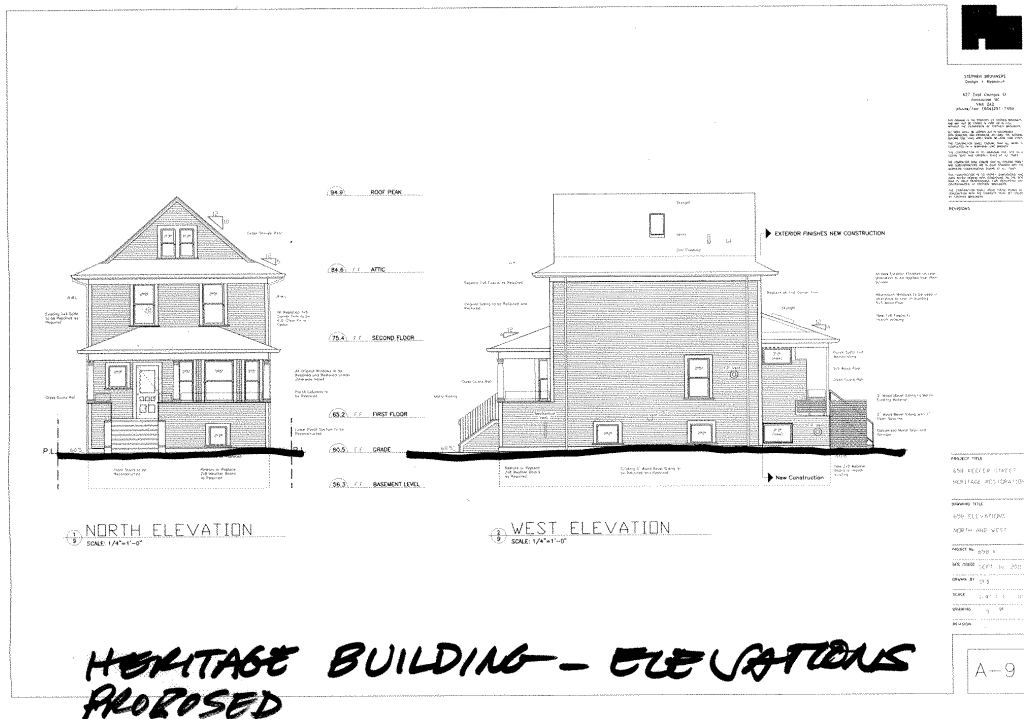
Fire Insurance Maps circa 1930 (left) and 1956 (right)

658 Keefer Street is shown with a star on each map (the 1930 Map is more detailed and accessory buildings, porches, bays, etc. shown in the 1930 Map would generally have existed in 1956). The large Good Shepard Mission and Chinese Children School building at 642 Keefer Street as shown in the 1956 Map still exists, as do the Arcadia Apartments to the east of 658 Keefer Street. The houses to the north of Keefer Street shown in these maps were all demolished to make way for the community centre facilities associated with the Strathcona Elementary School Site.

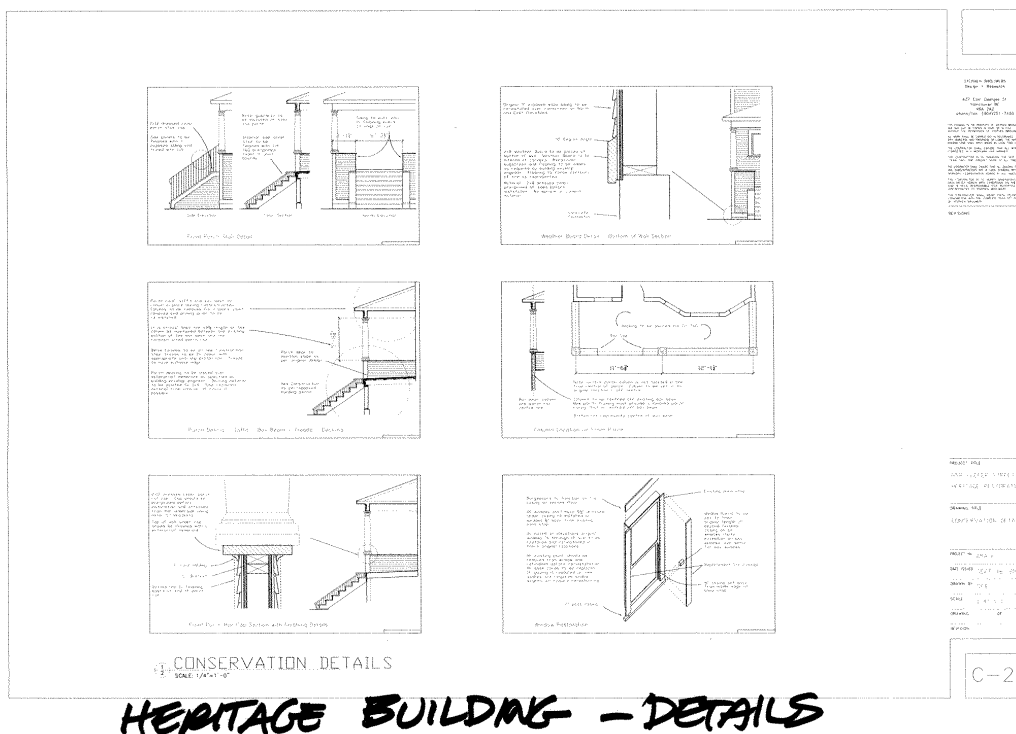


CURRENT APPROVAL (2006)









Resolutions of the Vancouver Heritage Commission

On January 23rd, 2012, the Vancouver Heritage Commission reviewed the project including the new Conservation Plan, and resolved the following:

THAT the Vancouver Heritage Commission (VHC) supports the Conservation Plan for 658 Keefer Street; and

FURTHER THAT the VHC supports the application to build a modern infill building at the rear of the property.

CARRIED UNANIMOUSLY

Technical Zoning and Parking Summary

See page 2 of this Appendix for Table 2.

Table 1: Previously Approved - Zoning and Parking Summary

	Existing	Permitted or Required	Approved Under HRA
Site Area	3,813 sq. ft.	2,792 sq. ft. minimum	3,813 sq. ft.
West Side Yard	3.3 feet	3.13 feet minimum	3.3 feet
East Side Yard	4.0 feet	3.13 feet minimum	4.0 feet
Front Yard	13.8 feet	13.3 feet minimum	13.8 feet
Overall Density	2,859 sq. ft. (0.75 FSR)	2,895 sq. ft. (0.76 FSR)	(3,430 sq. ft.) 0.90 FSR
Site Coverage	Not recorded	45%	43%
Height (heritage building)	34.3 feet	35.1 feet maximum	34.4 feet
Dwelling Unit Density	1	4 maximum for Multiple Conversion Dwelling use (108 units per hectare)	4
Parking	2	4 minimum	3

Table 2: Proposed - Zoning and Parking Summary

	Existing	Permitted or Required (HRA & RT-3 Zoning)	Proposed (HRA Amendments)
Site Area for Infill Use	3,813 sq. ft.	4,498 sq. ft.	3,813 sq. ft. ¹
West Side Yard	3.3 feet	3.13 feet minimum	3.3 feet
East Side Yard	4.0 feet	3.13 feet minimum	4.0 feet
Front Yard	13.8 feet	13.3 feet minimum	13.8 feet
Overall Density	2,859 sq. ft. (0.75 FSR)	2,895 sq. ft. (0.76 FSR)	(3,425 sq. ft.) ¹ 0.90 FSR
Off-Street parking and bicycle storage Floor area exclusion	Existing two car garage is exclude from floor area	where floors are used for off- street parking and bicycle storage in multiple conversion dwellings containing 3 dwelling units or uses which in the opinion of the Director of Planning are similar to the foregoing, those floors or portions thereof so used, which: (i) are at or below the base surface, provided that the maximum exclusion for a parking space shall not exceed 24 feet length; or (ii) are above the base surface and where developed as off- street parking are located in an accessory building situated in the rear yard, provided that the maximum exclusion for a parking space shall not exceed 24 feet in length.	Bicycle storage areas and off - street parking spaces may be excluded from the calculation of floor space. ²
Site Coverage	Not recorded	45%	43%
Height (heritage building)	34.3 feet	35.1 feet maximum	34.4 feet
Dwelling Unit Density	1	4 maximum for Multiple Conversion Dwelling use (108 units per hectare)	3
Parking	2	3 minimum	2

¹ required amendments of the HRA

² as the heritage building is proposed to be converted to two dwelling units, as opposed to three, and because the base surface slopes fairly steeply down to the front of the property, under the current provisions it is not possible to exclude these areas. It is practice, for applications under the current zoning not involving HRAs or heritage designation, for similar variances to be approved under the provisions of the Zoning and Development By-law or appeals to the Board of Variance to account for site specific

considerations or hardships. The variance is proposed as part of the amendments to allow for what might otherwise be approved under these provisions.

658 Keefer Street – PUBLIC BENEFITS SUMMARY

Project Summary:

Rehabilitation and conservation of a heritage building and construction of a new Infill One-Family Dwelling at the rear of the property.

Public Benefit Summary:

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

	Current Zoning	Proposed
Zoning District	RT-3	HRA
FSR (site area = 3,813 sq. ft./ 354 m ²)	0.75	0.90
Buildable Floor Space (sq. ft.)	2,895 sq. ft.	3,425 sq. ft.
Land Use	Residential	Residential

Public Benefit Statistics		Value if built under Current Zoning (\$)	Value if built under Proposed HRA (\$)
Required*	DCL (City-wide) (See Note 1)	\$95	\$1,494
	DCL (Area Specific)	N/A	
	Public Art	N/A	
	20% Social Housing	N/A	
Offered (Community Amenity Contribution)	Childcare Facilities	N/A	
	Cultural Facilities		
	Green Transportation/Public Realm		
	Heritage (See Note 2)		\$ 187,875
	Housing (e.g. supportive, seniors)	N/A	
	Parks and Public Spaces		
	Social/Community Facilities		
	Unallocated		
	Other		
TOTAL VALUE OF PUBLIC BENEFITS		\$95	\$189,369

Other Benefits (non-market and/or STIR components): N/A

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

Note 1: DCLs do not apply to existing floor area which in this case is 2,859 sq. ft. in the heritage building. The recently approved DCL value of \$2.64 / sq. ft. is applicable to the project. As retention of an existing building is generally required in the zoning to achieve 0.75 FSR, the existing area has been subtracted from the permitted area to calculate the DCL contribution under the 'Current Zoning' column.

Note 2: the figure noted in the above table represents the value of on-site density bonus to facilitate heritage building rehabilitation, conservation, and protection. The conservation and protection of heritage resources is a community objective as noted in Council Policy.