



POLICY REPORT  
DEVELOPMENT AND BUILDING

Report Date: November 5, 2012  
Contact: Kent Munro  
Contact No.: 604.873.7135  
RTS No.: 9835  
VanRIMS No.: 08-2000-20  
Meeting Date: March 14, 2013

TO: Vancouver City Council

FROM: General Manager of Planning and Development Services in consultation with the Director of Legal Services

SUBJECT: 1017 Keefer Street - 'Bates House' - Heritage Designation and Heritage Revitalization Agreement

**RECOMMENDATIONS**

- A. THAT Council instruct the Director of Legal Services to bring forward for enactment pursuant to Section 593 of the *Vancouver Charter* a by-law to designate as a protected heritage property the residential building at 1017 Keefer Street (legal description: PID 015-573-851; Lot 12, Block 79, District Lot 181, Plan 196) (the "Lands") known as the "Bates House" (the "heritage building").
- B. THAT Council instruct the Director of Legal Services to bring forward for enactment pursuant to Section 592 of the *Vancouver Charter* a by-law to authorize the City to enter into a Heritage Revitalization Agreement to:
  - (i) secure the rehabilitation and long-term preservation of the heritage building; and
  - (ii) vary the *Zoning and Development By-law* in respect of the Lands to permit the rehabilitation of the heritage building and the construction of a new infill dwelling thereon as proposed under Development Permit Application Number DE415631 and as described in this report.
- C. THAT the Heritage Revitalization Agreement shall be prepared, completed and registered, noted and given priority on title to the Lands to the satisfaction of the Director of Legal Services and the Director of Planning.

- D. FURTHER THAT Recommendations A, B and C be adopted on the following conditions:
- a. THAT the passage of the above resolution 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
  - b. 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 for the designation of the Bates House at 1017 Keefer Street, which is listed on the Vancouver Heritage Register in the 'B' evaluation category, as a protected heritage property and to authorize the City to enter into a Heritage Revitalization Agreement ("HRA") to ensure its rehabilitation and long-term protection. It is proposed that as incentive and compensation to the owner for the proposed heritage designation, and for the rehabilitation and conservation of the heritage building, the HRA will vary the *Zoning and Development By-law* to permit the development of the Lands as contemplated in Development Permit Application Number DE415631 (see plans in Appendix B and the Technical Zoning and Parking Summary in Appendix C) and as further described in this report.

The heritage building has been vacant since 2010. Since late September 2012, staff in the Building Division and Fire Prevention Services have been aware of the circumstances of this site and have been working with the current owner and neighbouring tenants on a safety and security plan to secure the unoccupied house and to implement various strategies to minimize risk. As a result, there is an urgency to move this application forward to completion. The General Manager of Planning and Development Services is prepared to approve the development permit application should Council approve the proposed heritage designation and the proposed HRA for the heritage building.

### **COUNCIL AUTHORITY/PREVIOUS DECISIONS**

Pursuant to Section 592 of the *Vancouver Charter*, Council may by by-law, enter into an HRA with the owner of a heritage property in respect of the heritage property which may vary or supplement certain by-laws and permits, including the *Zoning and Development By-law*.

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

Pursuant to Section 595 of the *Vancouver Charter*, if sought, Council must compensate an owner of property designated as protected heritage property, for any reduction in market value of the property caused by the designation. This is achieved often, as is proposed in this case, by by-law variances found in an HRA so as to permit development to occur that would otherwise be impermissible, thereby enhancing the development potential of the lands in question.

The proposed heritage designation and HRA for the Bates House require Council approval at Public Hearing and by-law enactment pursuant to Sections 592, 593 and 594 of the *Vancouver Charter*.

The following Council policies are applicable to this 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 Planning and Development Services RECOMMENDS approval of A, B, C and D.

#### **STRATEGIC ANALYSIS**

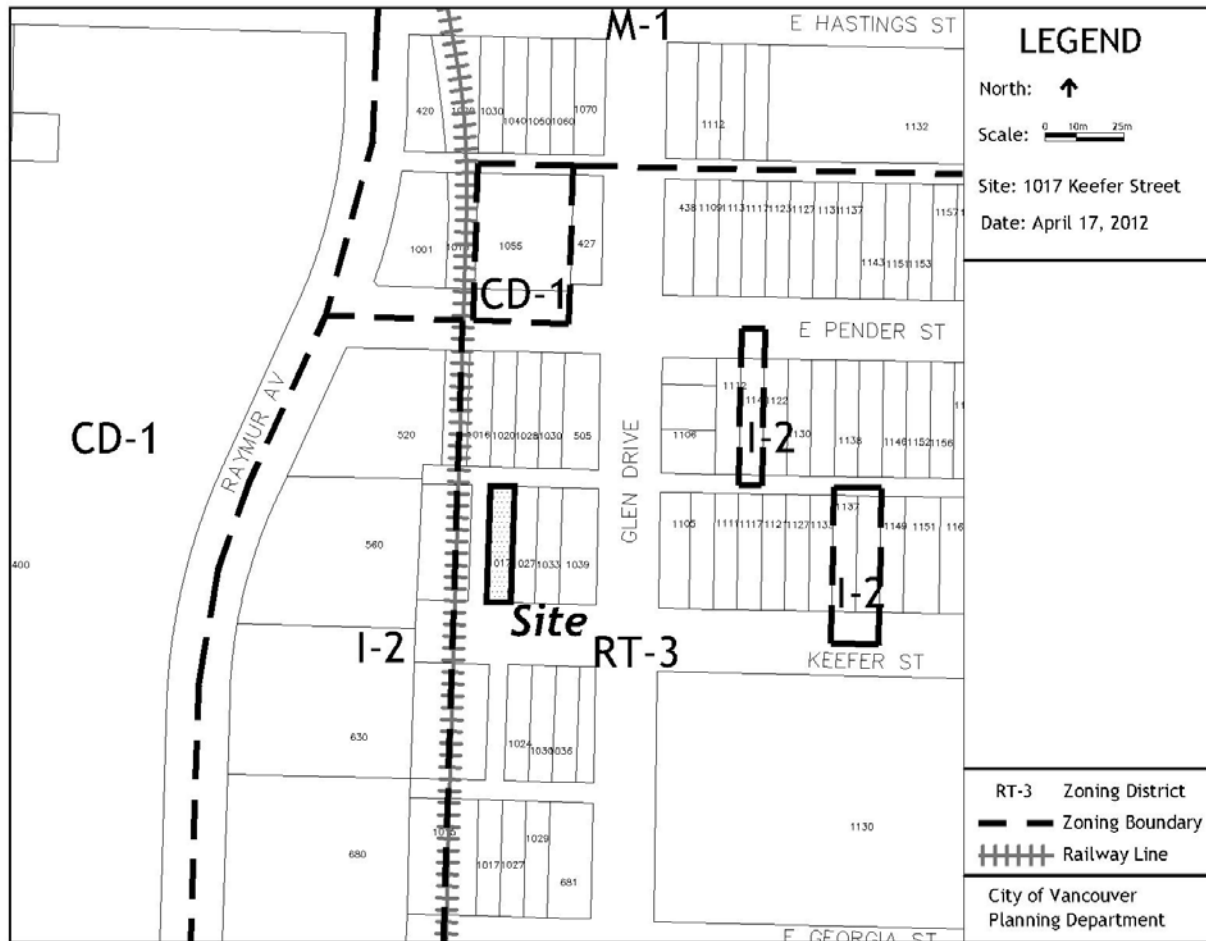
##### ***Site and Context***

The Bates House is located in Strathcona, which is 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. This 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 an HRA for the heritage property may be brought forward for Council's consideration at this time. The application has been made available to the LAPP Committee for its review.

The Lands are located in the eastern portion of the Strathcona neighbourhood, zoned RT-3, at the west end of the block bordered by a railway line and industrial uses to the west (see Figure 1). The lot area is 283.8 m<sup>2</sup> (3,055 square feet). There is a rough-surfaced lane, 20 feet in width, along the west and north sides of the Lands.

Development under the existing RT-3 zoning applicable to the Lands would allow, without Council's decision to vary the requirements of the *Zoning and Development By-law*, density up to a maximum of 0.75 FSR and site coverage up to a maximum of 45%.

Figure 1: Site and surrounding zoning



### Heritage Value

The Bates House at 1017 Keefer Street was built in 1899 for Minnie and Alexander Bates, and is one of the earliest remaining houses in this eastern part of Strathcona. It pre-dates construction of the Great Northern Rail line (circa 1908) immediately to the west. The rail line divided Strathcona and isolated this part of the neighbourhood, including Keefer Street, and contributed in part to the conversion of many properties to industrial use. The fragmented land uses and isolation from the rest of Strathcona had a longer-term impact on a number of properties in the area including 1017 Keefer.

Alexander Bates was a labourer at the BC Sugar Refinery, which is still located at the foot of Glen Drive, immediately to the north of the Bates House. The Bates family lived at 1017 Keefer until 1908. Over the following decades the connection to the waterfront remained strong: occupants worked at Ramsay Bros. warehouse on Powell Street and American Can Co. on Alexander Street, and as longshoremen. Ray Fjellman, owner from 1980 to 2010, was a junk collector whose eccentric ways retained a connection to this bygone era.

A lane house existed at the rear of the property from at least 1911 and into the 1930s. It is inconclusive as to how long it remained, but records confirm that by 1956 it had been removed (see Fire Insurance Maps in Appendix A).

The Bates House, a B-listing on the Vancouver Heritage Register, is a simple vernacular two-storey form which originally featured a full width porch with squared posts, simple double hung windows set in pairs fronting the porch and directly above, and another porch along the west side of the single-storey extension (see archival and current photos in Appendix A).

***Development Application and Proposed Incentives***

The zoning applicable to the Lands is RT-3. It is proposed that the incentive and compensation to be provided to the owner for the heritage designation and conservation of the heritage building will be in the form of variances to the RT-3 District Schedule of the *Zoning and Development By-law*, as set forth in Development Permit Application Number DE415631 and as described below (see plans in Appendix B).

The proposed variances will be addressed by way of an HRA for existing non-conformities and non-conformities created by the new development on these RT-3 zoned Lands. The major variances include minimum site area to permit an infill dwelling, density and lot coverage (see Table A). Other minor variances are summarized in the Technical Zoning and Parking Summary (Appendix C). A relaxation of one off-street parking space is also proposed (from required three spaces to proposed two spaces).

**Table A. Zoning and Parking Summary**

Item	Existing	Permitted or Required	Proposed
Site Area for Infill	284 m <sup>2</sup> (3,055 sq.ft.)	418 m <sup>2</sup> (4,500 sq.ft.) minimum	284 m <sup>2</sup> (3,055 sq.ft.)
Overall Floor Space Ratio (FSR)	0.55 FSR (155 m <sup>2</sup> / 1,669 sq.ft.)	0.75 FSR (212.8 m <sup>2</sup> / 2,291 sq.ft.)  0.95 FSR for infill - (269.7 m <sup>2</sup> / 2,903 sq.ft.) provided min. site area is met	0.97 FSR (276.3 m <sup>2</sup> / 2,974 sq.ft.)
Site Coverage	36% (1,083 sq.ft.)	45% (1,372.5 sq.ft.)	54% (1,640 sq.ft.)

The condition of the Bates House requires reconstruction of certain components, including setting the heritage building on a new foundation and providing new living space at the lower level (see further details under the section of this report titled *Condition of the Heritage Buildings and Conservation Approach*). The heritage building is proposed to be enlarged and divided into two units, one at the front and the other at the rear. The third unit is proposed to be developed as an infill dwelling next to the lane. Presently under a single ownership, the Lands are anticipated to be subdivided to create three strata titles. The heritage building will be enlarged from 1,669 sq.ft. to 2,012 sq. ft. and the proposed infill dwelling will be 962 sq. ft., for a total of 2,974 sq.ft.(0.97 FSR).

The Bates House and its neighbouring sites collectively contribute to the area character, identified as Streetscape "A" in the *Strathcona-Kiwassa RT-3 Guidelines*. Such sites may qualify for infill development; however, the subject site does not meet the minimum site area. The rationale for recommending variances to permit an infill dwelling is based on the historical precedent of a lane house on this property, the lane running along the west and north sides permitting access and parking which could not normally be achieved on such a narrow mid-block site, and as an incentive to encourage the extensive rehabilitation required for this house.

The proposed by-law variances, including density, are commensurate with the cost of conservation, including heritage designation and rehabilitation. The General Manager of Planning and Development Services is prepared to approve the Development Permit Application should Council approve the recommendations of this report.

### *Compatibility with Existing Zoning and Land Use Regulations*

The intent of the *RT-3 Zoning District Schedule* is generally to encourage retention of neighbourhood and streetscape character through retention, renovation and restoration of existing character buildings. Floor area incentives are included to achieve the creation of housing and the rehabilitation of original buildings which are important to the character of the neighbourhood. In addition to the existing heritage building being a B-listing on the Heritage Register, this side of the 1000-block Keefer Street is a "Streetscape A" in the *Strathcona-Kiwassa RT-3 Guidelines*, having quality intact buildings that contribute to area character and which should be retained. A summary of the Guidelines as they pertain to this project, and the proposed relaxations, are noted in Table 3, Appendix C.

The rehabilitation of the Bates House and the proposed infill dwelling will contribute to the historic and architectural character of the Strathcona neighborhood. Staff conclude that the proposal is consistent with the area's zoning and guidelines.

### *Condition of the Heritage Building and Conservation Approach*

From the late 1980s and through the next two decades, a previous owner made unauthorized alterations to the heritage building. That owner also removed character-defining elements and did not maintain the heritage building (see photos in Appendix A). This was an attractive character house when it was added to the Heritage Register in 1986, but over time it has deteriorated.

The most extensive alterations occurred at the front of the heritage building. These included an extension on the second floor above the already-enclosed porch and other crudely-constructed enlargements and enclosures to the west side and the rear. The rudimentary foundation of the heritage building and subsequent repairs and alterations do not meet current building standards. Staff in the Building Division and Fire Prevention Services are aware of the circumstances around this site and have been recently working with the current owner to implement a safety and security plan for the unoccupied heritage building and neighbouring tenants.

Nevertheless, the form of the heritage building is intact along with much of the original cladding. A number of original windows remain. The proposal is to rehabilitate those

remaining components, to replicate missing doors, windows and front and side porches to their original appearance and to place the heritage building on a new foundation.

Recognizing the current condition of the heritage building and associated challenges, staff support the proposal and conclude that the approach for this heritage building is consistent with the federally adopted Standards and Guidelines for the Conservation of Historic Places in Canada.

#### *Results of Neighbourhood Notification*

A total of 13 notification letters were sent out to surrounding property owners and to the Strathcona Residents Association Zoning Committee, and a site sign was installed. Two positive responses were received, one from the owner of property immediately to the east. A separate response from the Strathcona Residents Association Zoning Committee expressed strong support for the proposed heritage retention and rehabilitation, and requested consideration for minor changes to the design of the proposed infill dwelling.

#### *Comments from the Vancouver Heritage Commission*

The application was presented to the Vancouver Heritage Commission on July 16, 2012. The Commission expressed unanimous support for both the rehabilitation of the heritage building and the infill dwelling in exchange for heritage designation and a Heritage Revitalization Agreement (see Appendix E).

#### *Financial Implications*

The value of the on-site density bonus, which will facilitate the preservation and rehabilitation of the heritage building known as the Bates House, is approximately \$161,000. The site is within the City-wide Development Cost Levies (DCL) District and it is anticipated that the applicant will pay \$3,798 in DCLs, should the development proceed.

#### *Proforma Evaluation*

Real Estate Services staff analysed the project economics in accordance with Council's approved policies. The Director of Real Estate Services advises that the additional density proposed to offset the rehabilitation and conservation costs and compensate for any reduction in land value resulting from the designation of the heritage building will not result in any undue profit, noting the extensive scope of heritage rehabilitation planned.

#### *Environmental*

The City's Green Buildings Policy for Rezoning 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 exemptions for heritage components provided that reasonable effort is made to improve green performance through design, 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 demonstrate sustainability - a high degree of retention - noting as well that the

“Green Homes Program” changes to the *Vancouver Building By-law*, adopted on September 5, 2008, will be applicable to the project.

### *Legal*

The by-law variances contemplated for the proposed HRA will improve the development potential for the Lands. The owner’s proposal to rehabilitate and conserve the heritage building in exchange for those variances should be appropriately secured as legal obligations contained in various covenants to be registered on title to the Lands to enable the City to enforce those obligations and ensure they will be fulfilled at the owner’s expense. City staff and the owner have negotiated and completed a proposed form of HRA, to be registered on title to the Lands, including rehabilitation and conservation obligations on the part of the owner and enforcement provisions for the City.

Section 595 of the *Vancouver Charter* requires that, if sought, Council must compensate an owner for loss in property value if it can be shown that such loss was caused by a heritage designation. The owner has signed the proposed HRA which includes a provision that he has been fully compensated for such designation and the obligations of rehabilitation and long-term conservation contained in the HRA. The HRA is to be registered on title of the Lands before the development permit for the project is issued.

### *CONCLUSION*

Staff have considered the proposed by-law variances, the potential impact of the development including results of notification, the compatibility of the development with the zoning and the financial analysis and conclude that the proposed development is supportable.

The recommended heritage designation and HRA for the Bates House at 1017 Keefer Street, listed in the ‘B’ evaluation category on the Vancouver Heritage Register, will ensure that the heritage building is rehabilitated, conserved and protected from inappropriate exterior alterations and from demolition. The proposed HRA will vary the *Zoning and Development By-law* to allow for the proposed development and the owner has agreed to accept the proposed variances as compensation for designation of the heritage building and associated obligations. The General Manager of Planning and Development Services is prepared to approve the development permit application for this project should Council approve the recommendations of this report. Therefore, it is recommended that Council approve the heritage designation and HRA for the heritage building known as the Bates House at 1017 Keefer Street.

\* \* \* \* \*





1017 Keefer Street - Bates House (1899), March 1974



1017 Keefer Street - Bates House (1899), circa 1980  
Seen from street (above) and seen from lane, rear and west side (below)

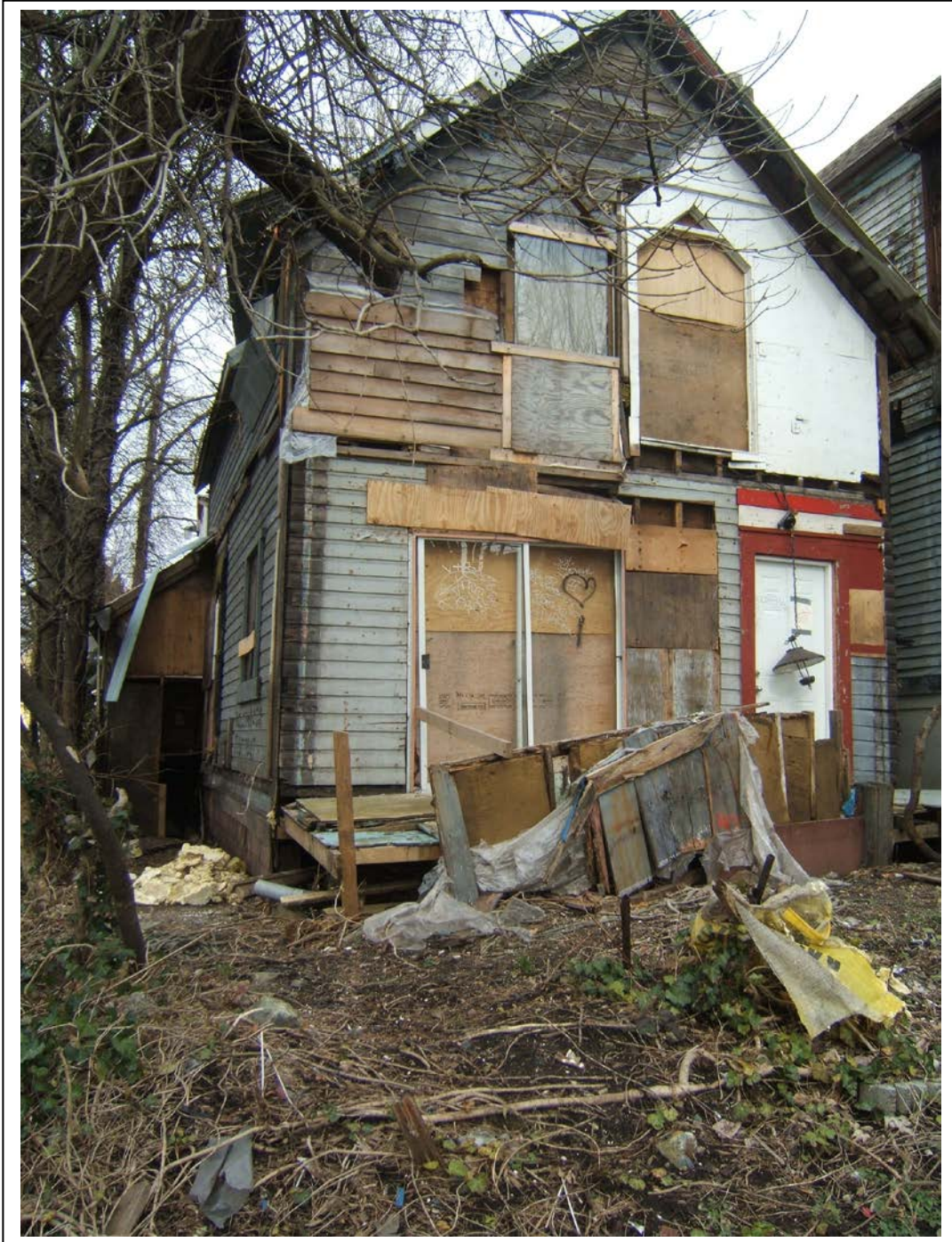




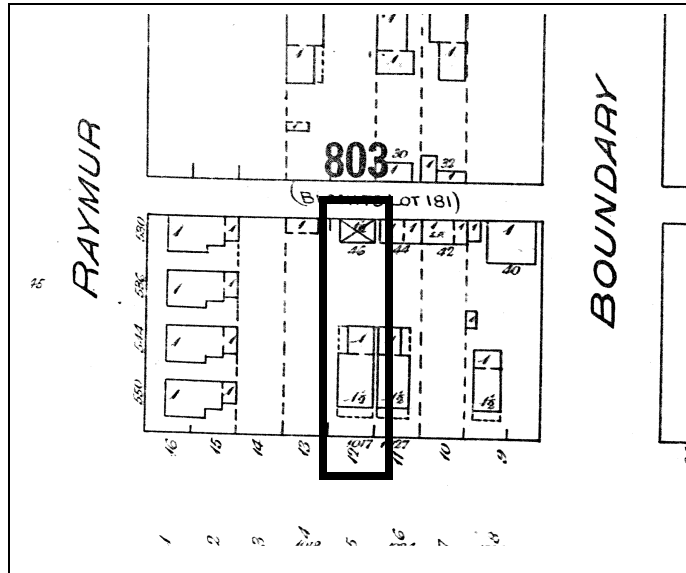


1017 Keefer Street - Bates House (1899)  
Prior to removal of additions, overgrowth and debris on property, May 2010





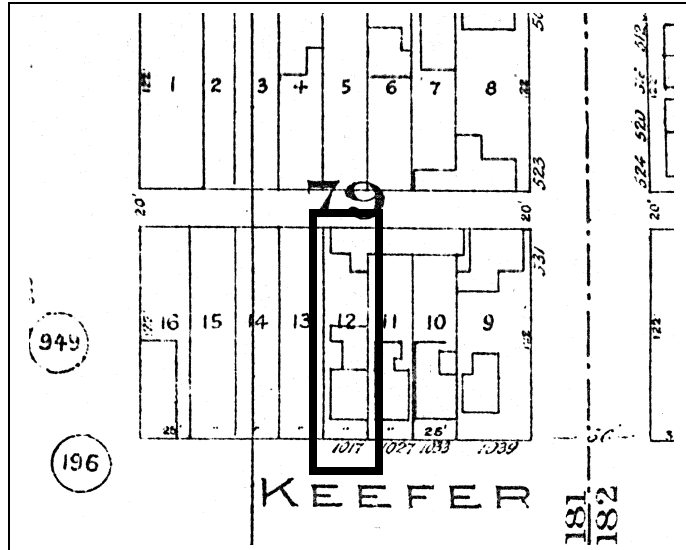
1017 Keefer Street - Bates House (1899)  
Following removal of various unauthorized additions, exposing original front  
of house (with front porch removed), March 2012



**Fire Insurance Maps Illustrating  
1017 Keefer Street - Bates House**

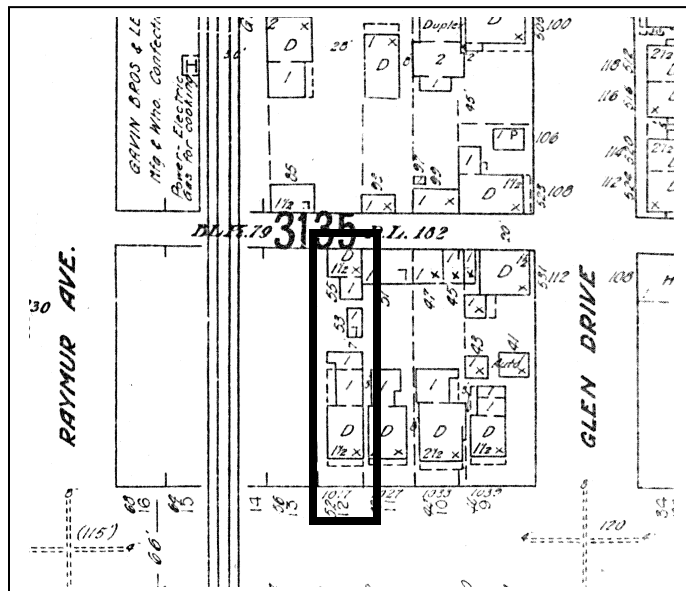
**Map 1 - 1901**

Bates House with a structure in rear yard next to the lane. It is inconclusive whether this was some form of a shed or a dwelling. However, its 1½ storeys stands out from the adjacent lane structures, suggesting a dwelling or a larger structure that allowed straightforward modification into the lane house seen on Maps 2 and 3.



**Map 2 - 1913**

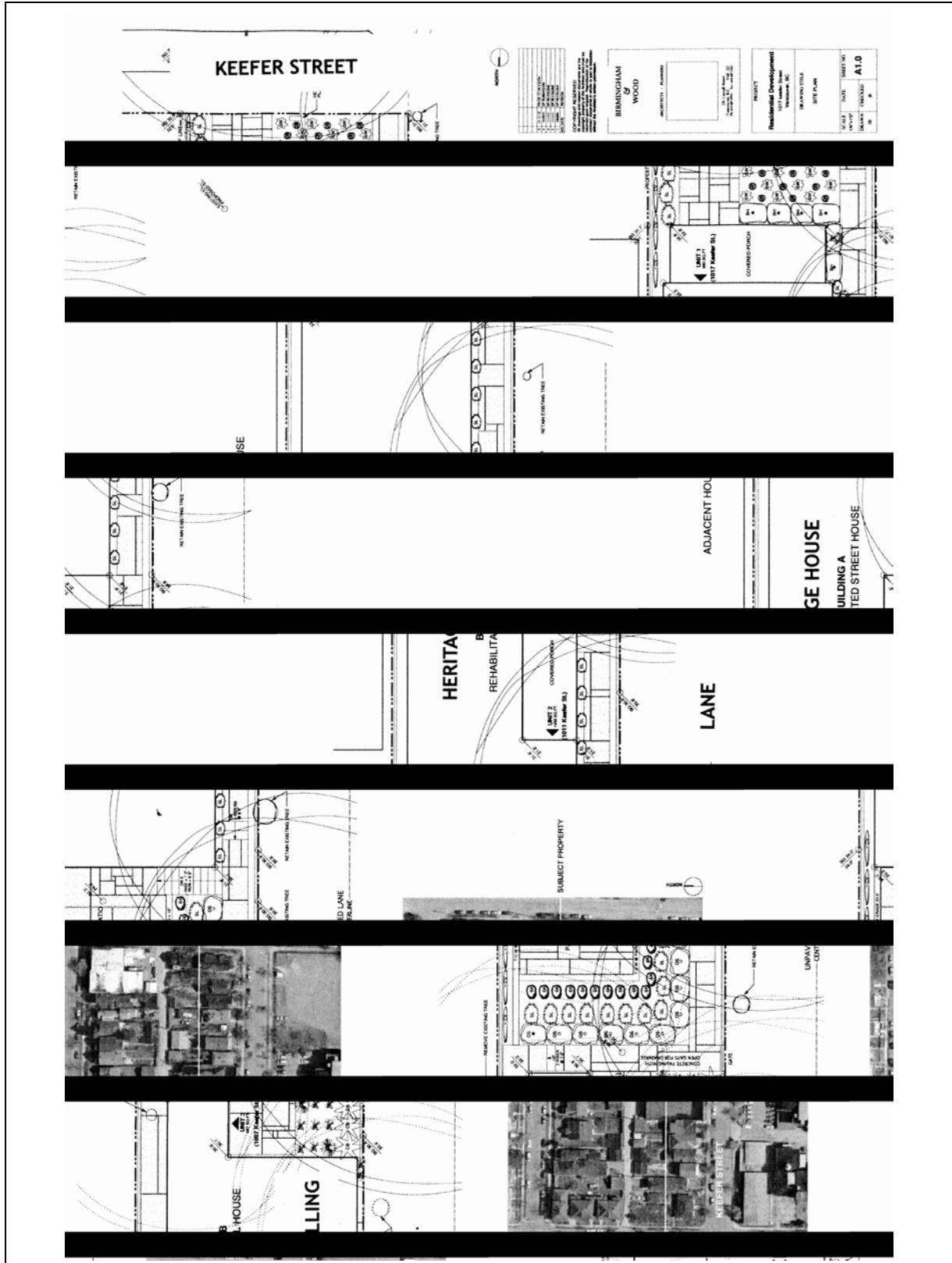
Bates House with a larger "L" shaped building in rear. Although limited map detail does not confirm this is a dwelling, its footprint is similar to that shown on the 1930 Fire Insurance Map (see Map 3 below), and City Directories around 1913 confirm a residence in the rear.



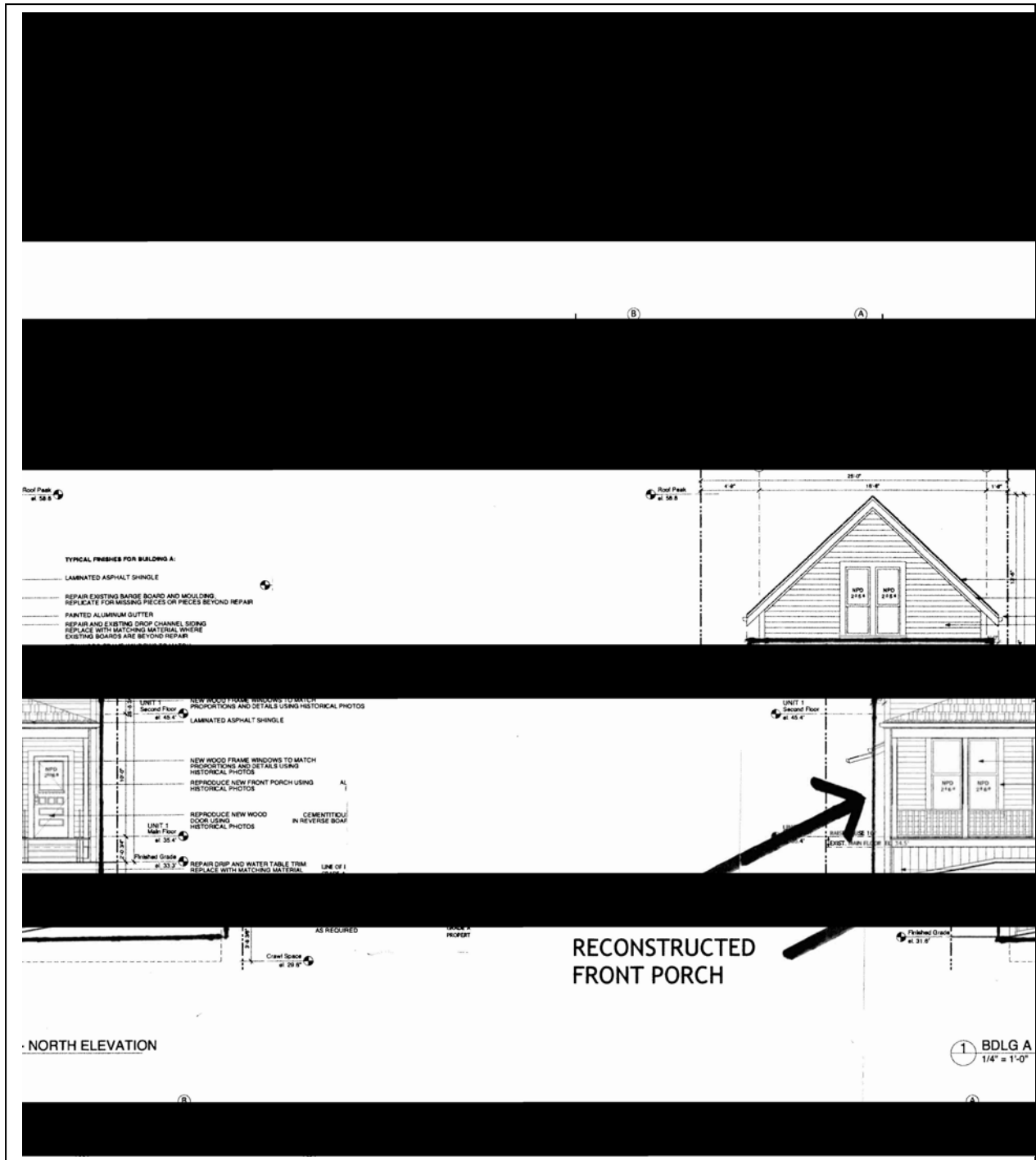
**Map 3 - 1930**

Bates House with an "L" shaped building at the lane. The footprint is identical to the 1913 Fire Insurance Map. Notation indicates this is a dwelling (indicated by the "D"), 1½ storeys with a single storey extension. The proportions of the 1½ storey portion are similar to the structure that appears on the 1901 Fire Insurance Map.

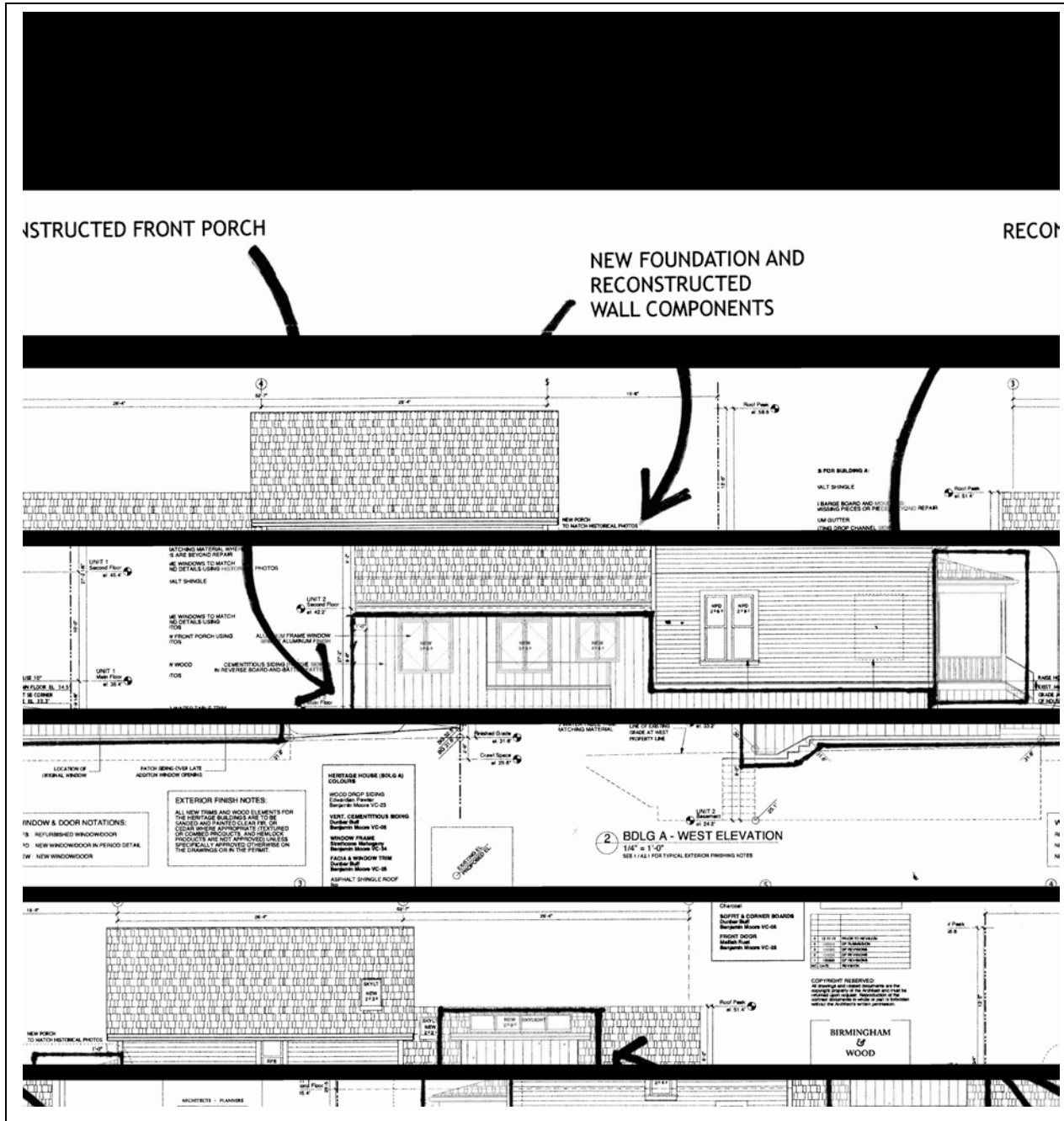
Site Plan - 1017 Keefer Street



Front and Rear Elevations - Bates House, 1017 Keefer Street

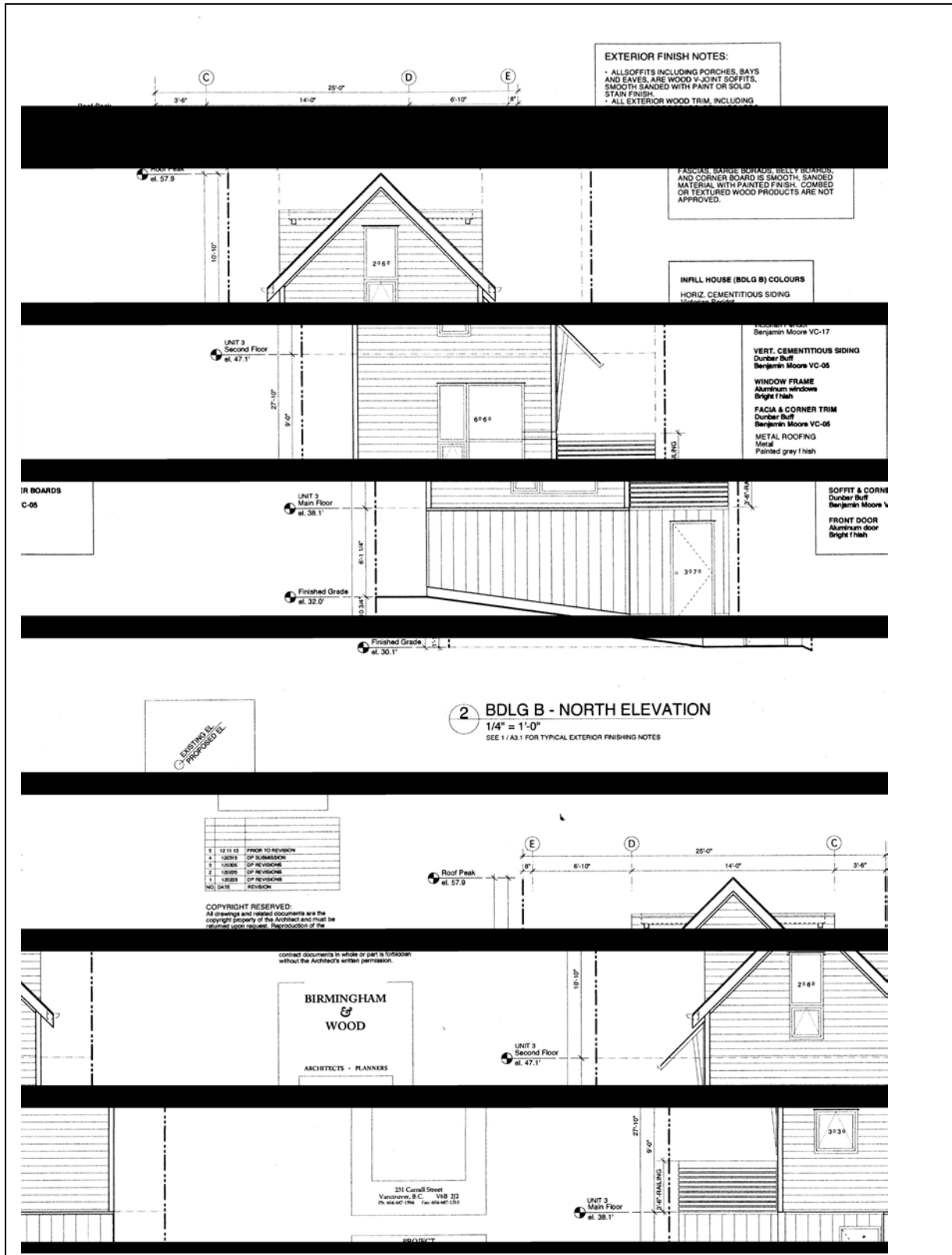


Side Elevations - Bates House, 1017 Keefer Street

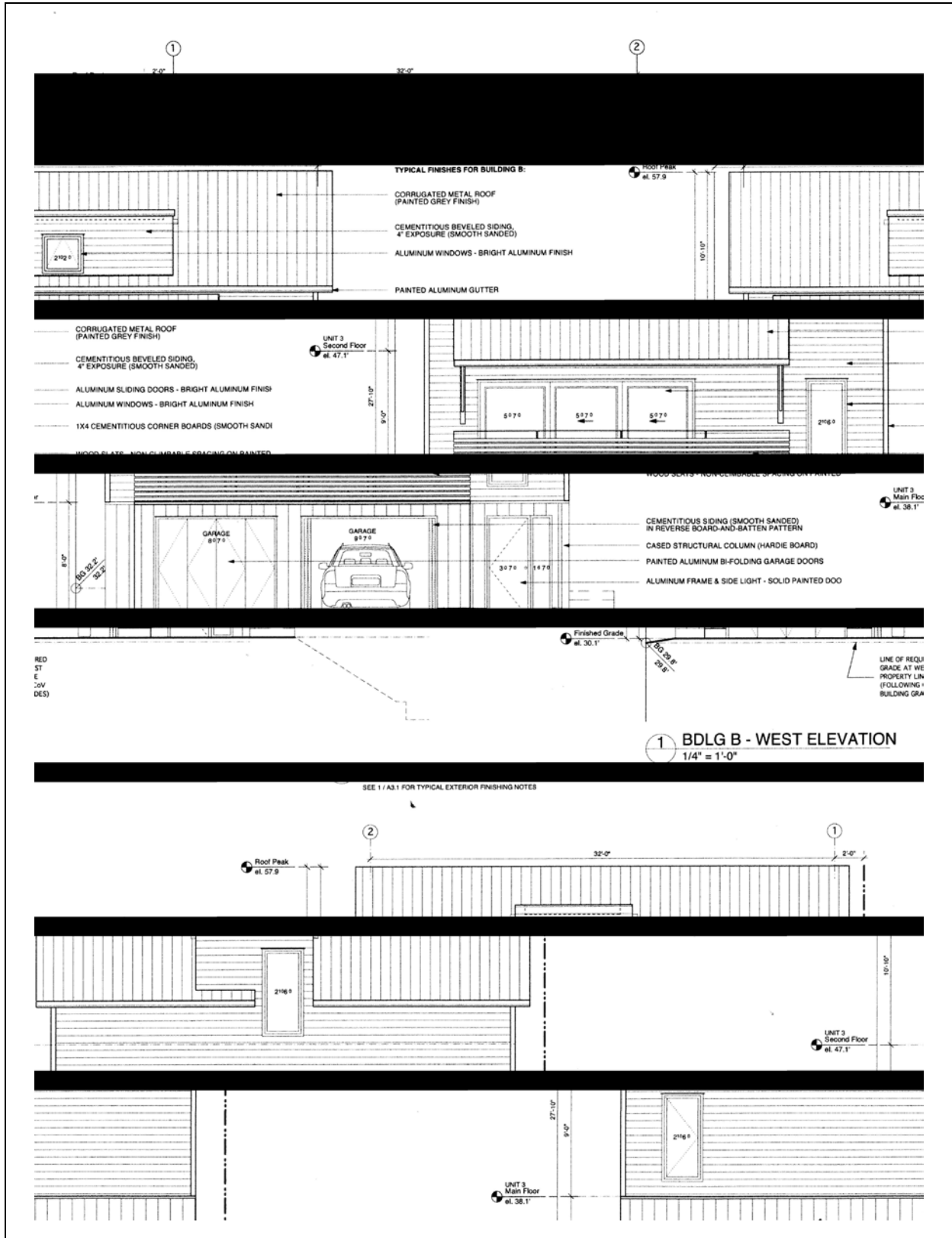




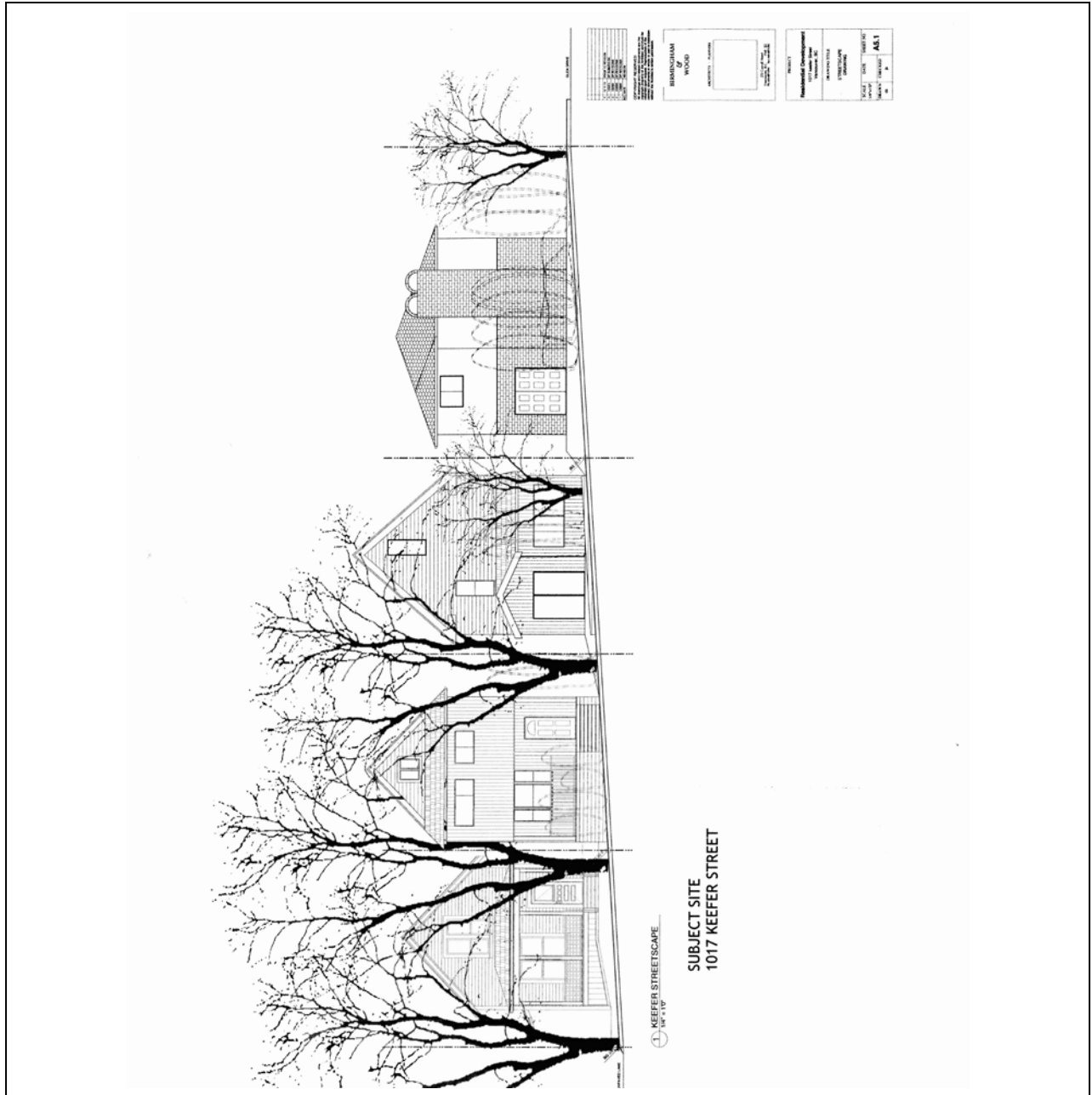
Front and Rear Elevations - Infill Dwelling, 1017 Keefer Street



Side Elevations - Infill Dwelling, 1017 Keefer Street



Streetscape - 1017 Keefe Street and Neighbouring Houses to the East



Technical Zoning and Parking Summary:

Table 1: Variances of the RT-3 Zoning District Schedule and Parking By-law

Item	Existing	Permitted or Required	Proposed
Site Area to Allow Infill	283.8 m <sup>2</sup> (3,055 sq.ft.)	418 m <sup>2</sup> (4,500 sq.ft.) minimum	283.8 m <sup>2</sup> (3,055 sq.ft.)
Height (Infill)	N/A	2½ storeys	3 storeys
Front Yard	2.9 m (9.5 ft.)	3.4 m (11.2 ft.)	2.9 m (9.5 ft.)
Side Yard	West: 1.44 m (4.7 ft.)  East: 0.53 m (1.75 ft.)	0.76 m (2.5 ft.) minimum	Heritage Building: West: 1.44 m (4.7 ft.) [no variance required]  East: 0.53 m (1.75 ft.)  Infill Building: West: 0.02 m (0.66 ft.) East: 1.07 m (3.5 ft.)
Rear Yard	16.4 m (53.7 ft)	16.9 m (55.6 ft.)	16.4 m (53.7 ft)
Overall Floor Space Ratio (FSR)	0.55 FSR (155 m <sup>2</sup> / 1,669 sq.ft.)	0.75 FSR (212.8 m <sup>2</sup> / 2,291 sq.ft.)  0.95 FSR for infill - (269.7 m <sup>2</sup> / 2,903 sq.ft.) provided min. site area is met	0.97 FSR (276.3 m <sup>2</sup> / 2,974 sq.ft.)
FSR Calculation Pertaining to Off-Street Parking or Bicycle Storage	Not applicable	Exclusion from FSR calculation under limited circumstances	Excluded altogether from FSR calculation
Site Coverage - Overall +	36% (100.6 m <sup>2</sup> / 1,083 sq.ft.)	45% (127.5 m <sup>2</sup> / 1,372.5 sq.ft.)	54% (152.4 m <sup>2</sup> / 1,640 sq.ft.)
External Design Requirements	N/A	Specifications for new construction to meet certain design targets	Removed from requirements
Parking *	1	3	2

+ It is also proposed that the site coverage allowance for a proposed infill development, limiting to maximum of 50%, be removed.

\*Applied under discretion of Director of Planning, not varied by HRA.

**Table 2: Variances of Section 10 (General Regulations) of the Zoning and Development By-law**

Item	Permitted or Required	Proposed
Projections into Required Yards	Steps are not permitted in a side yard except an exterior side yard. Eaves, gutters, sills and chimneys or other similar projections permitted provided they do not project more than 540 mm into a required yard;	Steps are to be permitted in any side yard.  Eaves, gutters, sills and chimneys may project into a required yard provided that the Director of Planning is satisfied that they correspond to drawings approved under DE415631.
Living Accommodation Below Finished Grade	Certain components of living space may not be set below finished grade.	The Director of Planning may allow floors to exceed the dimensions prescribed in this Section.

**Table 3: Relaxations to the RT-3 Guidelines**

Guideline Item	Recommended/Required	Proposed
Site area to allow infill	418 m <sup>2</sup> (4,500 sq.ft.) minimum	283.8 m <sup>2</sup> (3,055 sq.ft.) *
Separation	Minimum 6.1 m (20 ft.) between principal dwelling and infill	5.9 m (19.5 ft.) *
Side setback for infill	Minimum 3.0 m (9.8 ft.)	West side: 0.02 m (0.66 ft.) * East side: 1.07 m (3.5 ft.) *
Infill Building Frontage and Width	Principal façade width: max. 6.1 m (20 ft.); other facades must be set back at least 3.0 m (9.8 ft.)  Maximum width of infill building at rear property line is 6.1 m (20 ft.), and all other building elements shall be set back at least 1.5 m (5 ft.) from the rear property line	Principal façade width: 4.3 m (14 ft.) [no relaxation required]; west side set back 0.2 m (0.66 ft.) and east side set back 1.07 m (3.5 ft.) *  Secondary façade width is 2.1 m (6.8 ft.), and set back 1.5 m (5 ft.) from the lane [no relaxation required]
Building Height - Infill	Lesser of 8.5 m (27.9 ft.), 2½ storeys or 1½ storeys plus a basement	8.5 m (27.8 ft.) [no relaxation required] 3 storeys *

\* Relaxations required

1017 Keefer Street – PUBLIC BENEFITS SUMMARY

**Project Summary:**

Rehabilitation and conservation of a heritage building and development of an infill building at the rear of the site.

**Public Benefit Summary:**

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

	Current Zoning	Proposed
Zoning District	RT-3	RT-3
FSR (site area = 3,055.6 sq. ft./ 284 m <sup>2</sup> )	0.75	0.97
Buildable Floor Space	212.8 m <sup>2</sup> (2,291 sq.ft.)	276.3 m <sup>2</sup> (2,974 sq.ft.)
Land Use	Residential	Residential

Public Benefit Statistics		Value if built under Current Zoning (\$)	Value if built under Proposed (\$)
Required*	DCL (City-wide) (See Note 1)	6,670	3,798
	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		161,000
	Housing (e.g. supportive, seniors)	N/A	
	Parks and Public Spaces		
	Social/Community Facilities		
	Unallocated		
	Other		
<b>TOTAL VALUE OF PUBLIC BENEFITS</b>		<b>6,670</b>	<b>164,798</b>

**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 based on recently approved rate of \$2.91 per square foot. The value for the proposal is based only on the additional floor area of 121.2 m<sup>2</sup> (1305 sq.ft.) – the remainder of floor space in the heritage house is exempt.

Resolution of the Vancouver Heritage Commission, July 16, 2012:

MOVED by Charlene Krepiakevich  
SECONDED by Shelley Bruce

THAT the Vancouver Heritage Commission supports the Statement of Significance and Conservation Plan for 1017 Keefer Street, Bates House, including the addition of the infill dwelling, as presented at the July 16, 2012, meeting. The Commission suggests that the applicant consider the following:

- The return to paired windows on the front (north) elevation [of heritage house];
- The use of historical palate for the existing heritage house; and
- Reconsideration of the windows [on infill dwelling] to reflect more accurately traditional Strathcona proportions and styles.

CARRIED UNANIMOUSLY

STAFF RESPONSE/COMMENTS:

The applicant has agreed to these suggestions, which will be addressed through Prior-to Conditions tied to the Development Permit Application.