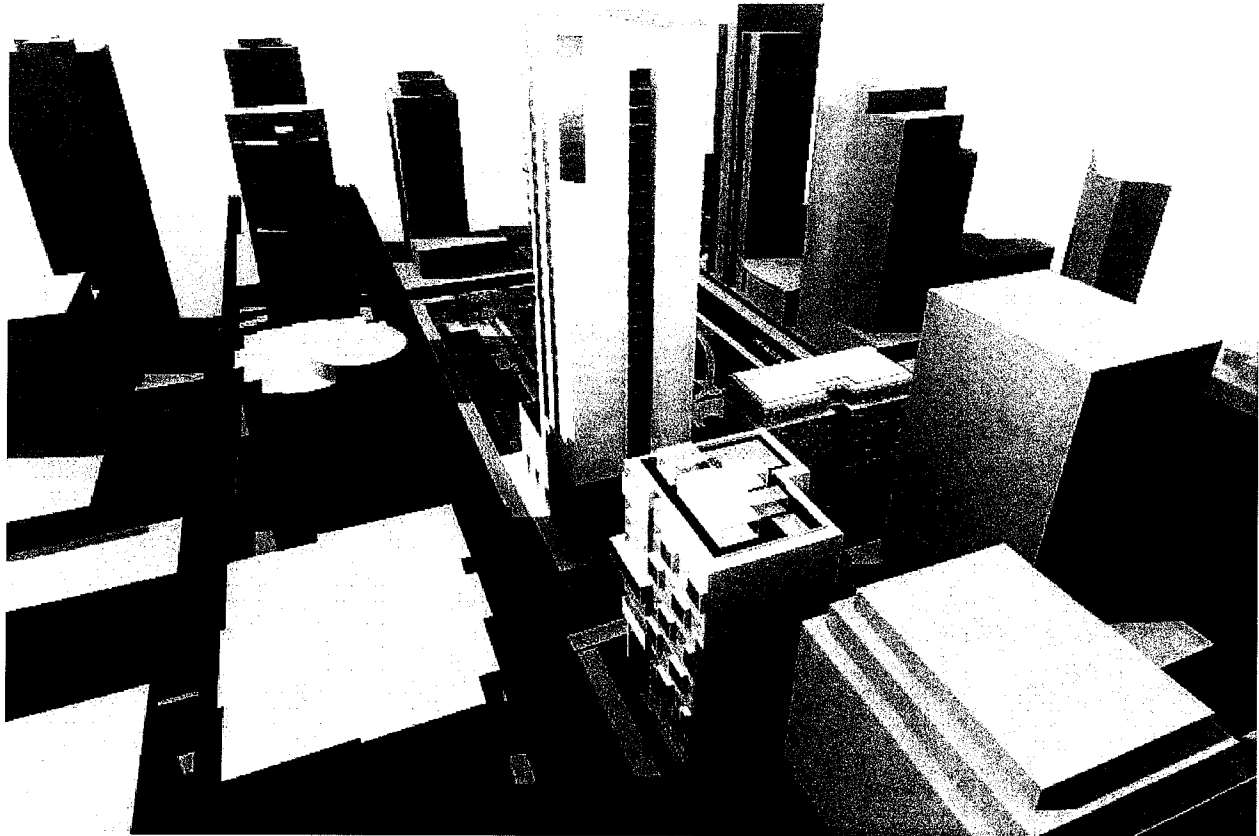


## 508 Helmcken Street Rezoning – Impact on Affordable Housing

Prepared for Brenhill Developments Ltd



A land swap and redevelopment of two parcels located at 508 Helmcken Street and 1077-1099 Richards Street proposes to replace both the existing social housing (The Jubilee House) and Montessori School presently located at these addresses. The project adds a significant amount of new social housing, rental housing and market condominiums. This Rezoning application provides the City of Vancouver the opportunity to advance the housing goals articulated in the *Mayor's Task Force On Housing Affordability* and the *City's Housing and Homelessness Strategy: 2012-2021*.

<b>Proposal Housing Breakdown</b>	
<b>Social Housing</b>	<b>162</b>
<b>Market Rental:</b>	<b>109</b>
Studio	63
1 bedroom	20
2 bedrooms	26
<b>Condominiums</b>	<b>355</b>
Studio	51
1 bedrooms	150
2 bedroom	134
3 bedrooms	4
Estimated Condo Rental	20-30%

The proponent proposes to build a 13-storey social housing building with 162 units of social housing on the Richards Street address. The tenants of the 87 unit Jubilee house will then occupy units across the street from their present location and the Jubilee House will be replaced by a 36-storey building composed of 109 market rental units and 355 condominiums, as well as a new Montessori school at the base. This report will describe the effects of this proposal on the Downtown South neighbourhood and the City’s housing goals.

### **Downtown South Neighbourhood**

With the completion of Expo '86, the City of Vancouver began planning to convert large areas of under-utilized industrial and commercial land to mixed-income residential neighbourhoods. Four of these areas are on Burrard Peninsula – Coal Harbour, False Creek North, Yaletown and Downtown South. Other areas included the Arbutus industrial area and Collingwood/Vanness. Building on the experience of the South False Creek industrial redevelopment, the City’s plan of complete residential neighbourhoods incorporated a mix of building types, recreation centres, parks, day care and a commitment to provide mixed-income neighbourhoods. Low-income housing was targeted at 20% of the total housing stock and expected to be provided under senior government non-market housing programs.

In areas of predominately “tired commercial buildings” like Downtown South, the urban fabric already included low-income housing, mainly in the form of Single Room Occupancy (SRO) hotels. The City adopted a retention/replacement strategy to ensure that revitalization did not lead to the displacement of people to other communities. Accordingly, the City embarked on a one-to-one replacement strategy to building non-market housing within Downtown south at approximately the rate of loss of SRO’s due to fire and demolition for new development<sup>1</sup>. The one-to-one replacement strategy stabilized the number of low-income dwellings at approximately 1,600 and accommodated approximately 60% of area residents. Over the years, the build-out of the neighbourhood to the high-density residential envisioned by the area plan (typically 5.0 fsr) has brought this percentage of low-income residents down to below the 20% benchmark for the other major projects throughout the City.

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<sup>1</sup> The public investment to provide these non-market homes is estimated at \$168 million (CoV non-market housing inventory within the neighbourhood at representative historic capital cost per unit.)

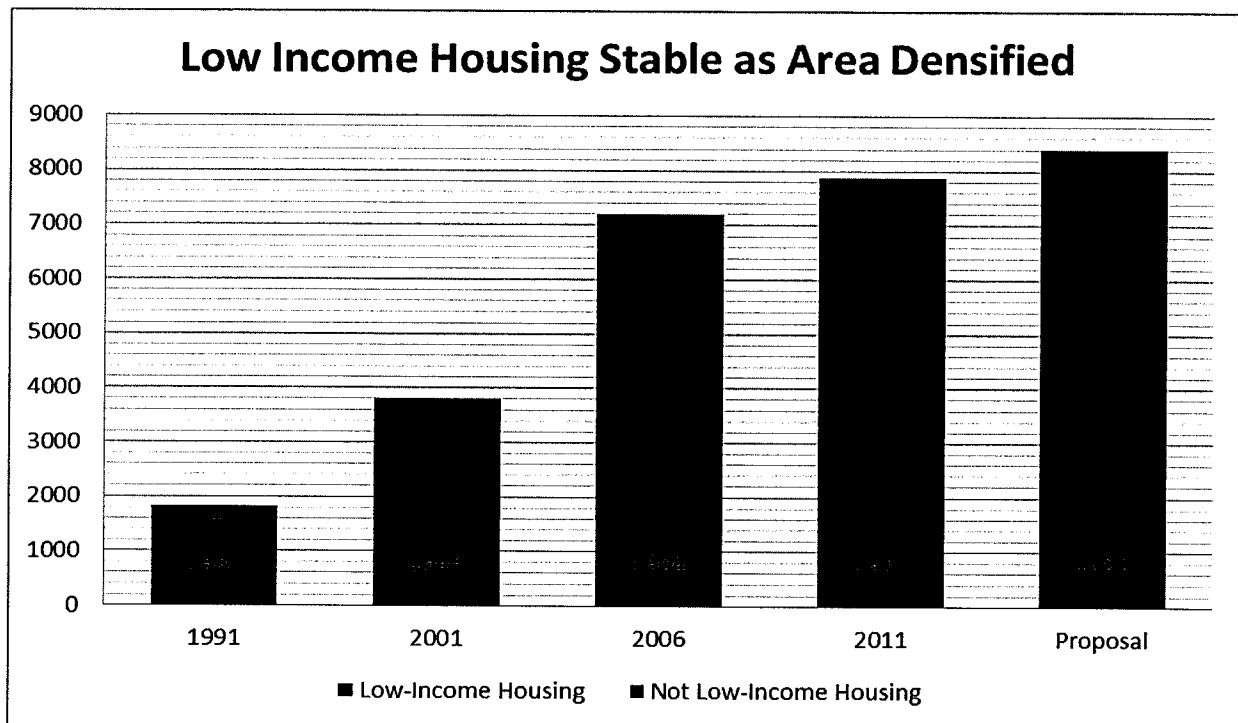
As the neighbourhood changed, the stock of SRO housing diminished while the stock of other non-market housing increased, leaving the overall stock of affordable housing essentially unchanged, as described in the following table:

<b>Low-income Housing Stock - Downtown South</b>		
	1991	2010
SRO	<b>1,350</b>	<b>544</b>
Non-market Housing	<b>230</b>	<b>1,063</b>
<b>Total</b>	<b>1,580</b>	<b>1,607</b>

In 1991 the low-income housing stock comprised 66% of all dwellings, making for a predominantly low-income neighbourhood. The subsequent changes to the neighbourhood are as follows:

<b>Population Growth - Downtown South</b>				
	1991	2001	2006	2011
Population	2740	7210	10571	11588
Increase in population in Period		4470	3361	1017
% Annual Increase		163.1%	46.6%	9.6%
% Low income	<b>66%</b>	<b>24%</b>	<b>18%</b>	<b>14%</b>

While the proportion of low-income and non-low-income residents changed, the overall stock of affordable housing remained constant. The Province and City funded most of these projects. This proposal, will be funded by the proceeds from this rezoning, and would add another 75 units of affordable low-income housing and 110 units of secured market rental housing.



The effect of the proposal is to increase the stock of non-market housing in the Downtown South neighbourhood as well as to provide new secure market rental units. It would contribute 11% to the City's 2014 goal for Non-Market Rental (Social Housing) and 7.3% of the goal for Purpose-Built Rental.

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	Rented Housing				Other Units	
	Non-Market Rental (Social Housing)	Purpose-Built Rental (Secured Market)	Secondary Suites	Rented Condos	Condos	Other Ownership
<b>This Project Units</b>	<b>162</b>	<b>109</b>	<b>n/a</b>	<b>71</b>	<b>355</b>	<b>n/a</b>
<b>City Strategy Target 2014 (%)</b>	<b>11%</b>	<b>7.3%</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<b>Note:</b>	<b>Target: Downtown Urban Singles - 28% of target, includes replacement</b>			<b>Portion of Condo will be rented 20% estimate, included in Condo figure</b>		

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**Conclusions:**

The proposed development makes a significant contribution to the City of Vancouver's Housing Goals, at several points on the housing continuum, as follows:

- Replacement and improvement of 87 aging social housing units and the addition of an additional 75 units for a total of 162 social housing units. As noted in the City's Housing Strategy the City has responded to the absence of senior government funding for social housing with creative partnerships, like this rezoning initiative with Brenhill Development Ltd and The 127 Society for Housing.
- Market rental – 109 units of secured rental.
- Market Ownership – 355 strata-titled market condominiums of which 20% to 30% will likely be rented in the by individual owners.

Prepared by: McClanghan & Associates-June 2013

**REMARKS BY BRENT KERR, BRENHILL DEVELOPMENTS LTD.  
16 July 2013**

Mr. Mayor and Council,

I am Brent Kerr with Brenhill Developments and I am pleased to appear before you with our project that is the culmination of a lot of hard work among a number of partners.

This project will produce multiple benefits and is a neighbourly solution for a number of challenges, not the least of which is the replacement for Jubilee House, a social housing building that has significantly deteriorated.

We have been able to achieve this benefit by working with 127 Housing Society, the operators of Jubilee House. I want to thank the Board and the staff of 127 Housing Society, who have had a long-term stake in this neighbourhood. They bring their considerable expertise and caring to the table to realize this new replacement housing project that nearly doubles their non-market housing in Jubilee House.

The social housing benefit that this project enables will help to provide a healthy mix of housing in Downtown South. At the conclusion of my remarks, I will hand to you a short paper we prepared that analyzes changes in the housing stock in Downtown South over the last twenty or so years.

In summarizing it now, it's interesting to note that in 1991, low-income housing stock in the neighbourhood comprised 66% of all dwellings. Since then, as you are aware, Downtown South grew considerably. Meanwhile, the percentage of low income housing dropped to only 14% in 2011. By adding another 75 units of affordable low-income housing and 110 units of secured market rental housing, we are helping re-balance the proportions in the housing stock.

Through coincidental geography and a land exchange facilitated by the hard work of the City, we have been able to avoid disruption of the current Jubilee House tenants and allow them to simply cross the street into a brand new expanded and enhanced social housing building that we are building turn-key. They remain in their neighbourhood, which has always been their neighbourhood.

I want to point out to Council that Brenhill will be building and delivering the new Jubilee House as a complete turn-key project with its 162 new social housing units before we are able to start construction of the new market project before you this evening. As we often hear when social housing is being proposed in a neighbourhood, some are arguing that the new Jubilee House will have a negative impact on neighbouring property values.

Obviously, I firmly believe such an argument is without foundation and our plan to proceed with the new proposed project before you is evidence of my confidence that neighbouring market values are not negatively impacted by social housing nearby.

Finally, I want to point out that the project before you also offers 110 new secured market rental homes in the downtown area where tenants are seeking rental stability in a market largely characterized by condominium rental units. It also offers childcare and early learning for more than 100 children through a Montessori School that has been established in the neighbourhood and will expand in this new building.

I want to thank all of the City staff who have been involved in this creative project. They have worked extremely hard and diligently.

Ms. Hoese has presented the details of our proposal, so I won't attempt to present anything further. Our project team is here this evening, led by our architect, Mr. Stu Lyon of GBL Architects. We are available to answer any questions.

Thank you.