



POLICY REPORT
DEVELOPMENT AND BUILDING

Report Date: September 3, 2013
Contact: Kent Munro
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RTS No.: 10222
VanRIMS No.: 08-2000-20
Meeting Date: September 24, 2013

TO: Vancouver City Council

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

SUBJECT: 623 Atlantic Street - Peneway House - Heritage Revitalization Agreement
and Heritage Designation

RECOMMENDATIONS

- A. THAT Council add the existing building at 623 Atlantic Street (PID: 015-553-311, Lot 25, Block 108, District Lot 196, Plan 196), known as the Peneway House (the "heritage building"), to the Vancouver Heritage Register in the 'C' evaluation category.
- B. 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 heritage building at 623 Atlantic Street.
- C. THAT Council instruct the Director of Legal Services to bring forward for enactment pursuant to Section 592 of the *Vancouver Charter* a by-law authorizing the City to enter into a Heritage Revitalization Agreement:
 - (i) to secure the rehabilitation and preservation of the heritage building; and
 - (ii) to vary the *Zoning and Development By-law* to permit additions to the heritage building and its conversion to two Dwelling Units, and construction of a new Accessory Building, as proposed under Development Permit Application No. DE416572.
- D. THAT the Heritage Revitalization Agreement shall be prepared, completed and registered, and given priority on title to the site to the satisfaction of the Director of Legal Services and the General Manager of Planning and Development Services.

- E. THAT Recommendations A to D 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, or 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 approval to add the existing building at 623 Atlantic Street to the Vancouver Heritage Register in the 'C' evaluation category, to designate it as a protected heritage property, and to approve a Heritage Revitalization Agreement (HRA) for the site. As incentive and compensation to the owner for the heritage designation, rehabilitation, and conservation of the heritage building, an increase in permitted density, and other variances, as set forth in Development Permit Application Number DE416572 and as described in this report, are proposed (see the drawings in Appendix C and the Technical Zoning and Parking Summary in Appendix D). The General Manager of Planning and Development Services is prepared to approve the development permit application should Council approve the recommendations of this report.

COUNCIL AUTHORITY

Pursuant to Section 582 and Section 593 of the *Vancouver Charter*, Council may, by resolution, add real property to the Vancouver Heritage Register and, by by-law, designate heritage buildings and other heritage resources within the City of Vancouver as being protected heritage properties.

Pursuant to section 592 of the *Vancouver Charter*, Council, by by-law, may enter into HRAs with the owners of heritage properties which may vary or supplement certain kinds of by-laws and permits, including the Zoning and Development By-law.

Pursuant to section 595 of the *Vancouver Charter*, if sought, Council is required to compensate an owner of property being designated as a protected heritage property for any reduction in market value caused by the designation. Often this, along with additional compensation to offset rehabilitation costs incurred under an HRA, is achieved by way of by-law variations contained in the HRA so as to permit an otherwise impermissible development. The proposed heritage designation and HRA for the Peneway House require Council approval at a public hearing and by-law enactment pursuant to Sections 592, 593 and 594 of the *Vancouver Charter*.

The following Council policies are relevant for this application:

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

GENERAL MANAGER'S COMMENTS

The General Manager of Planning and Development Services RECOMMENDS approval of A, B, C, D, and E.

STRATEGIC ANALYSIS

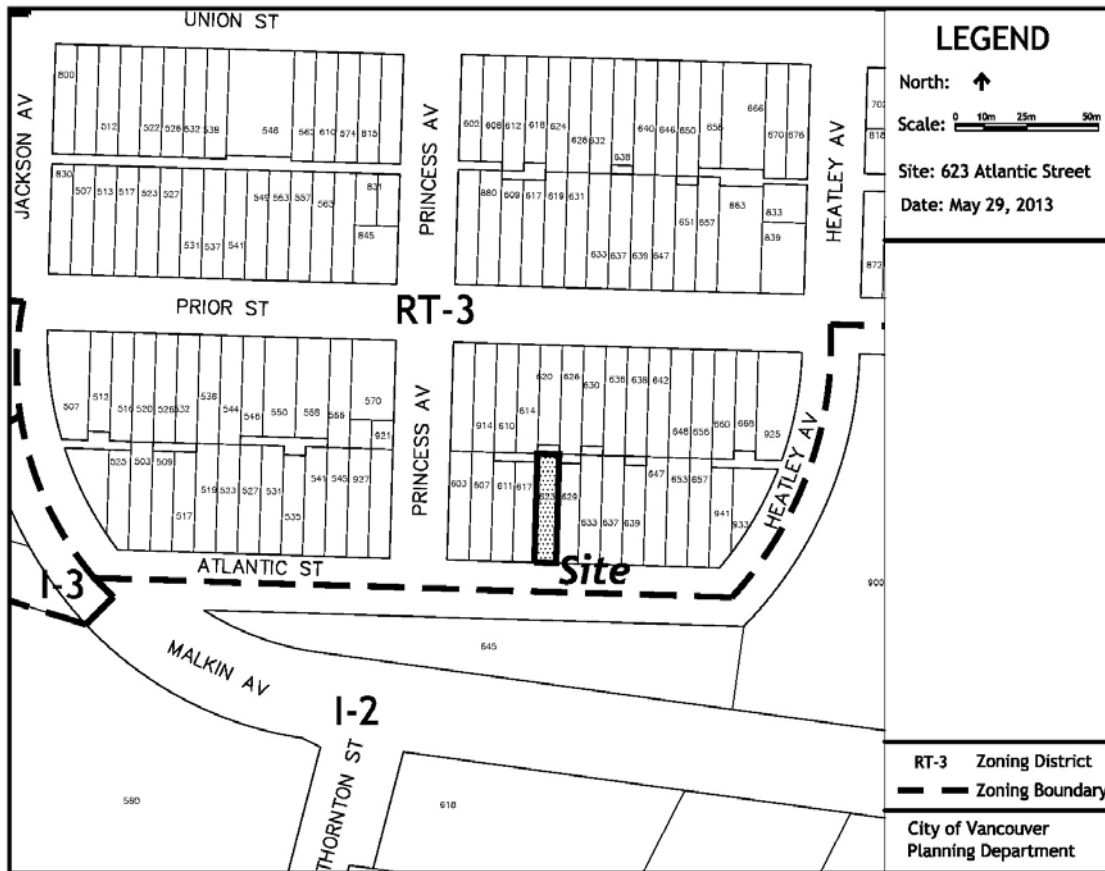
The Peneway House is located within the Downtown Eastside Local Area Planning boundary and therefore the *Interim Rezoning Policy During the Preparation of the Downtown Eastside Local Area Planning Program* is applicable. The policy states that rezoning applications involving heritage retention and HRAs 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 proposed heritage designation 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.

Atlantic Street is not located within the Eastern Core and Northeast False Creek strategic planning area and is not under consideration for re-alignment.

Site and Context

The site is located in the Strathcona neighbourhood in an area zoned RT-3 (see Figure 1 below). The *RT-3 Zoning District Schedule of the Zoning and Development By-law* permits One- and Two-Family Dwellings, the conversion of existing buildings into suites, and in some cases apartment buildings, townhouses, and infill development. Retention of older, existing character buildings is generally required in order to obtain discretionary density allowances under the zoning, which is permitted to be a maximum of 0.75 floor space ratio (FSR), and in some cases up to 0.95 FSR, without Council approval. The total area of the site is 290 square metres (3,125 square feet). A six metre (twenty foot) wide paved lane exists at the rear of the site.

Figure 1 - Site and surrounding zoning



Heritage Value

The Peneway House at 623 Atlantic Street was built in 1896 for Giovanni Peneway, a British Columbia Electric Railway worker, and his family who arrived from Italy in 1891. Although the house has been modified, it is a rare surviving example of early Pioneer housing in the City and is one of the oldest surviving houses in Vancouver (see the photographs and maps in Appendix A and Appendix B). Original materials survive on the front of the house in the covered porch area and along the side walls. Features such as a brick chimney, full width front porch, and “balloon framed” old growth timber structure, are also original. The house was lifted at some point in the past, and added to. The original 1896 portion, prior to additions, is extremely small. In the last couple of decades a dormer was added at the front of the building and the porch facing was redone in brick. The house is associated with the Italian community which became established in the area. Various families of the Strathcona Italian community owned the house up until 1968. It is proposed that the house be added to the Vancouver Heritage Register in the ‘C’ evaluation category.

Development Application and Proposed Incentives

It is proposed that the incentives and compensation to be provided to the owner for the heritage designation, rehabilitation, and conservation of the heritage building will be in the form of variances to the *Zoning and Development By-law* as set forth in Development Permit Application Number DE416572 and as described below.

The zoning applicable to the site is RT-3. The application proposes to restore the heritage building, convert it to two Dwelling Units, and add an Accessory Building, for use as a garage and for parking, at the rear of the site. Additions are proposed at the rear of the house. The roof ridge height is to be extended slightly to allow for adequate headroom on the top floor (see the drawings in Appendix C).

The maximum permitted density under the RT-3 zoning for the site is 0.75 FSR and the total density for the proposed development is 0.86 FSR (see Figure 2 and the Technical Zoning and Parking Summary in Appendix D). As incentive and compensation to the owner to retain, rehabilitate, and protect the heritage building, the application proposes a variance to allow the maximum density to be increased by fifteen percent as noted in Figure 2.

Figure 2: Zoning and Parking Summary

	Existing	Required or Permitted	Proposed
Overall Floor Space Ratio (FSR)	0.69 FSR 200m ² (2,158 sq. ft.)	0.75 FSR maximum 218m ² (2,344 sq. ft.)	0.86 FSR 250m ² (2,693 sq. ft.) 15% over permitted
Dwelling Unit Density	1	2 maximum	2
Parking	2	1 per unit (2 in total)	2

Variances of Accessory Building (i.e. garage) regulations are also proposed to allow for a portion of the requested density to be located in the proposed new Accessory Building as storage floor area.

As part of the application review, staff considered the probable impact of the proposed development, including the results of notification (see the Results of Neighbourhood Notification and Staff Comments section), as well as the compatibility of the development with the zoning, and concluded that the proposed Accessory Building needed to be redesigned to reduce its mass, height, and depth. The applicant provided revised drawings of the Accessory Building incorporating staff advice (see Appendix C). Staff reviewed the revised proposal, as well as the financial analysis required for the application (see the Proforma Evaluation section), and concluded that the revised proposal is supportable as an HRA.

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 a heritage building.

Condition of the Heritage Building and Conservation Approach

The Peneway House is in good condition, although the structural integrity of the additions to the house, as well as some of the original structure, is deficient in areas. Despite the structural challenges, and the alterations which have taken place in the past, staff support the conservation plan proposed for the Peneway House, which forms a part of the development permit application, 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

Thirty-two surrounding properties and one association were notified of the development permit application for 623 Atlantic Street. Five responses were received. Two responses noted support for the proposal as well as concerns, two responses noted concerns, and one response noted opposition to the current design, but not the proposal in principle. Concerns include the following:

- The design of the additions is not sympathetic to the original house;
- The addition is too large and an infill building or a Laneway House should be proposed instead to displace mass and floor area to the rear of the site;
- The Accessory Building is too large and will create shadowing impacts;
- Vinyl windows are shown, which should not be considered; and
- The extent of replication is very high and there is too much replacement of existing material.

Design conditions of the development permit application approval will require that the design and character of the addition be revised to be more compatible with the existing structure. The design of the Accessory Building has been revised to reduce its height, mass, and depth (see the drawings in Appendix C). Infill use (which was explored by the applicant) is not possible on this site due to the narrow existing side yards with respect to required fire fighting access clearances. Wood windows are required for the heritage building. While a large degree of replication is required due to the condition of the existing structure of the house, as well as to meet *Vancouver Building By-law* requirements, staff concluded that the conservation measures proposed are supportable (see Condition of the Heritage Building and Conservation Approach).

Comments from the Vancouver Heritage Commission

On December 10, 2012, the Vancouver Heritage Commission reviewed the Statement of Significance for the site and supported the addition of the Peneway House to the Vancouver Heritage register in the 'C' evaluation category.

On June 17, 2013, the Vancouver Heritage Commission reviewed the application, including the Conservation Plan submitted as part of the application, and supported the proposal (see Appendix E).

Financial Implications

The value of the work which will facilitate the conservation of the heritage building is approximately \$164,600. The site is within the City-wide Development Cost Levies (DCL) District and it is anticipated that the development permit application will generate approximately \$1,600 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 by-law variances proposed to offset heritage costs and to compensate an owner for any reduction in land value resulting from the designation and the rehabilitation and conservation of the heritage building will not result in any undue profit.

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 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. The "Green Homes Program" requirements of the Vancouver Building By-law will be applicable to the project as well.

Legal

The by-law variations to the *Zoning and Development By-law* as proposed will provide an improved development potential on this site. The owner's proposal to rehabilitate and conserve the heritage building in exchange for obtaining the by-law variations needed to get that improved development potential should be appropriately secured as legal obligations contained in various covenants to be registered on title to the site so as to enable the City to enforce those obligations and ensure that they will be fulfilled at the owner's expense. City staff and the owner have negotiated and completed an HRA, to be registered on title to the site, which includes rehabilitation and conservation obligations on the part of the owner and enforcement provisions for the City. Section 595 of the *Vancouver Charter* requires that Council compensate an owner for any reduction in the market value caused by a heritage designation. The owner has signed the HRA and in doing so has explicitly accepted the by-law variances to be provided, and the resulting development advantages to be gained thereby, as full compensation for the heritage designation of the Peneway House and the obligations to

rehabilitate and conserve the heritage building. The HRA is to be registered on title to the site following enactment of the by-law authorizing the City to enter into the HRA and before a development permit for the project may be issued.

CONCLUSION

The approval of the proposed addition to the Vancouver Heritage Register of the Peneway House at 623 Atlantic Street in the 'C' evaluation category, its heritage designation as a protected heritage property, and the proposed HRA, will ensure that the heritage building is rehabilitated, conserved, and protected from exterior alterations which affect its heritage value, and from demolition. The owner has agreed to accept the proposed variances as compensation for the designation of the heritage building and for its rehabilitation and conservation. The General Manager of Planning and Development Services is prepared to approve the development permit application should Council approve the recommendations of this report. Therefore, it is recommended that Council approve the addition of the Peneway House at 623 Atlantic Street to the Vancouver Heritage Register in the 'C' evaluation category, the heritage designation of the Peneway House, and the proposed HRA.

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623 Atlantic Street
PHOTOGRAPHS



Photo 1: Archival photograph of 623 Atlantic Street (date not known but probably 1960s).



Photo 2: Current photograph of 623 Atlantic Street.



Photo 3: 623 Atlantic Street in 1985



Photo 4: An early pioneer cottage in Strathcona.

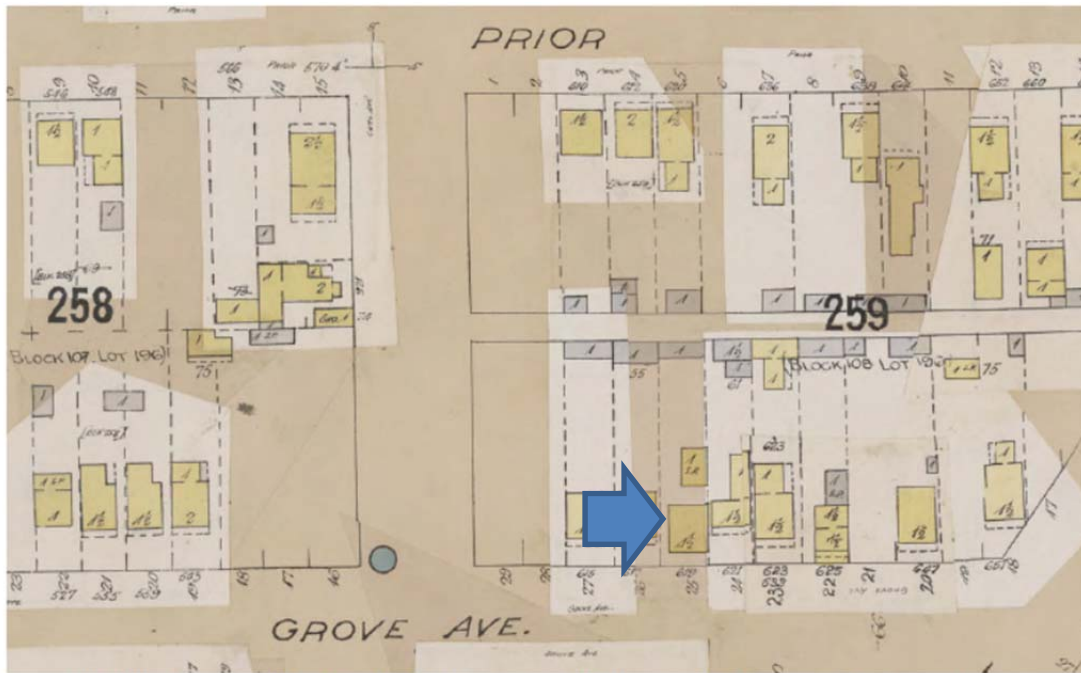
The Peneway House is a good example of early pioneer housing in the City. These small houses provided affordable accommodation for working families and new immigrants and were often used as a way to get a “foothold” on property before building a bigger house or moving to a larger dwelling. Because of their small size, few of these housing types survive today. The Peneway House is 117 years old.



Photos 5 and 6: These photographs show typical laneways near Atlantic Street in the southern part of Strathcona from the pre-1940s era. The lanes in this area featured workshops, small warehouses, infill dwellings, and even barns (cattle grazed on the low ground south of Atlantic Street after the early 1920s). The two storey, shed-roofed accessory buildings visible in these photographs are a type still seen along the lanes in the area (the higher volume provided for storage above a work area or barn floor). These structures were used as the basis for the design of the proposed new accessory building (see the drawings in Appendix C).



623 Atlantic Street
MAPS AND BACKGROUND HISTORICAL INFORMATION



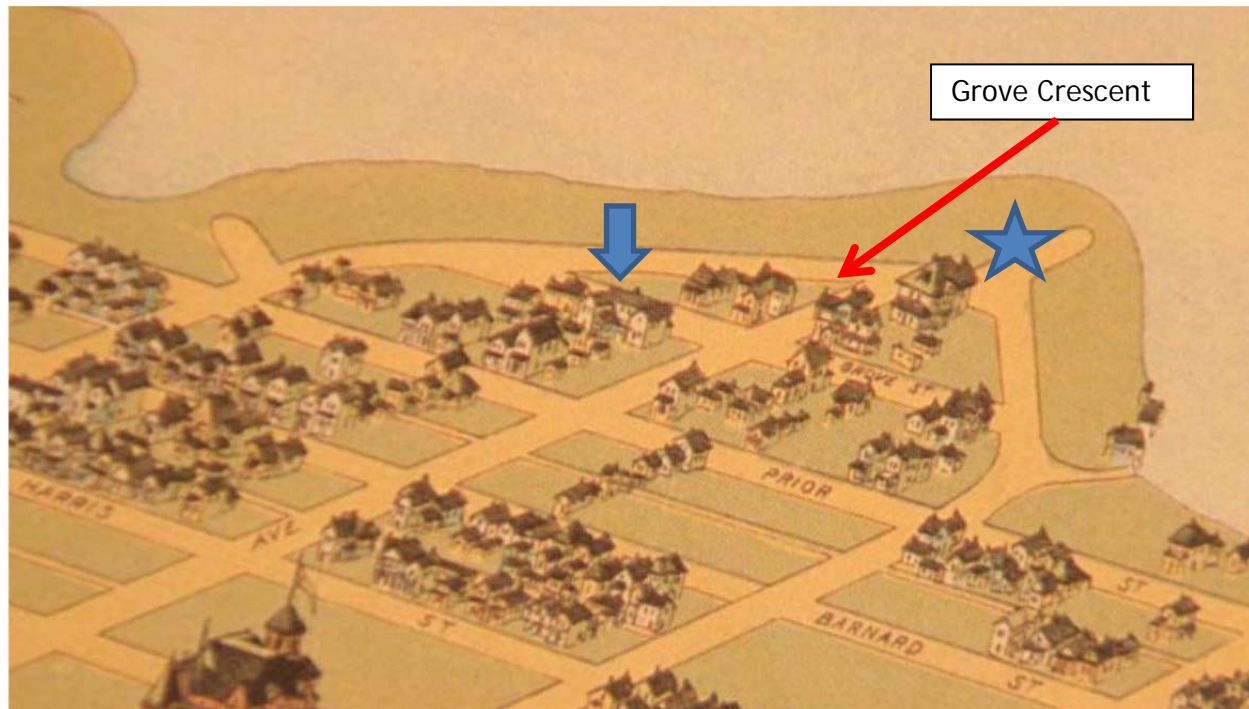
1897 Fire Insurance Map showing the location of the Peneway Residence at 619 Grove Avenue (later, 623 Atlantic Street)

Map 1: 623 Atlantic Street is shown with an arrow. This map shows development in the area in 1897.



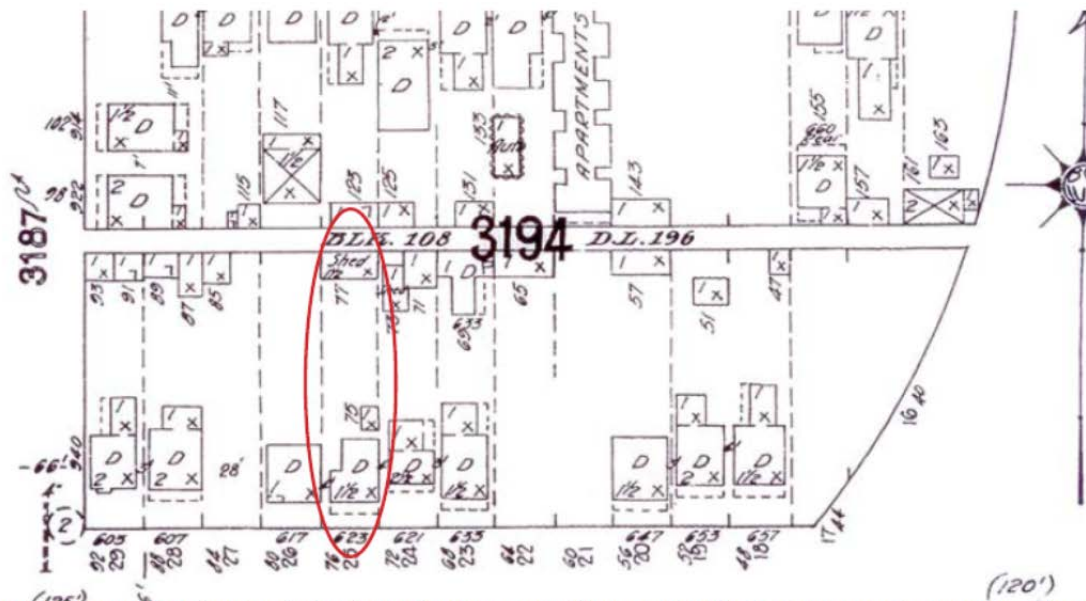
1912 Fire Insurance Map showing the location of the Peneway Residence at 619 Grove Avenue (later, 623 Atlantic Street)

Map 2: A map from 1912 showing development in the area. Atlantic Street was formerly named Grove Avenue. Grove Crescent to the south was never fully developed and became a part of the rail lands with the filling-in of False Creek, which began in the 1920s.



Map 3: Birds-eye map from 1898, looking southeast, showing the Peneway House (arrow) as well as Grove Crescent (upper right hand corner). The houses on Grove Crescent, including a large estate-like house (shown by the star on the map and below), were all demolished south of Atlantic Street (then called Grove Avenue) at some point. The portion of False Creek visible in this map was filled in during the early 1920s. The bank of the old shoreline is still visible in places as seen in the photo below from 1968 showing the 700 block of Prior Street. The photo was taken from Malkin Avenue, which follows a portion of the old Grove Crescent road.

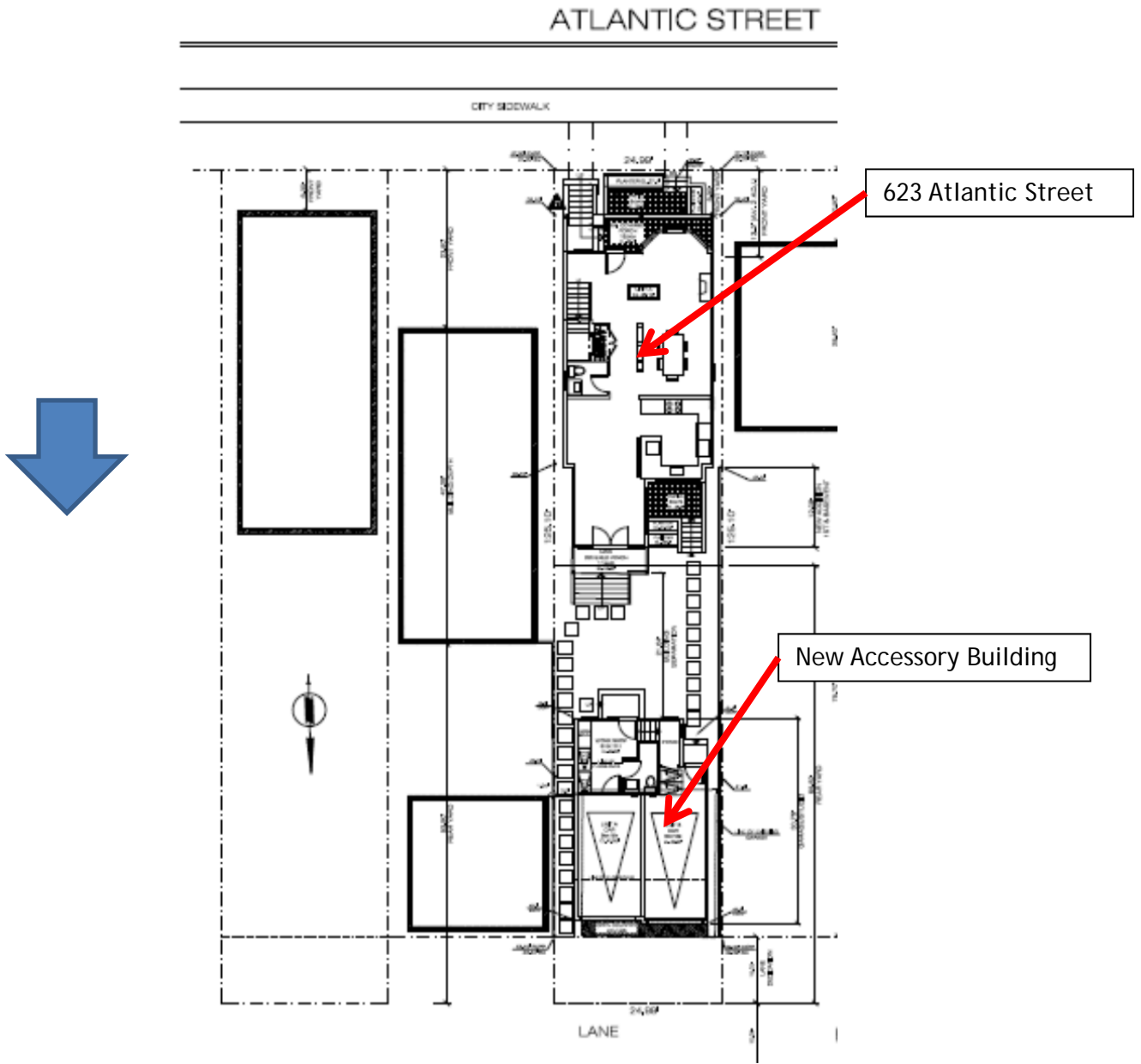




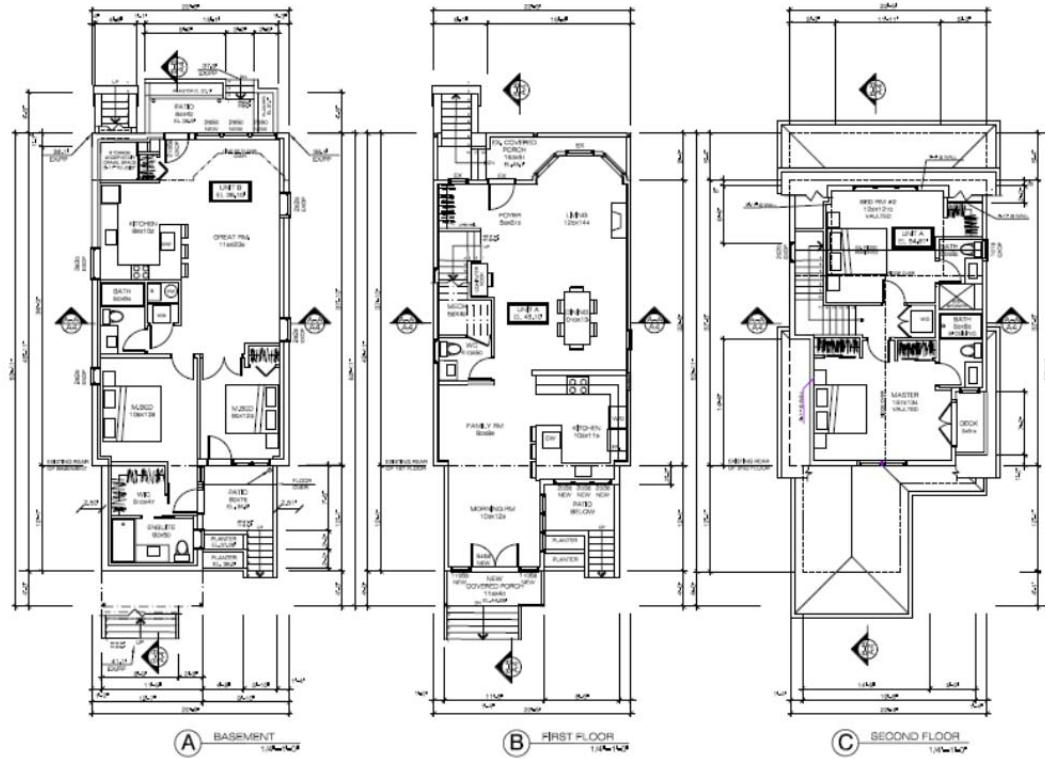
1927 Fire Insurance Map showing the location of the Peneway Residence at 623 Atlantic Street; note the presence of the one and one-half storey shed along the laneway.

Map 3: 623 Atlantic Street in 1927. Note the small accessory building at the rear of the property (see photographs on page 3 of Appendix A for examples of what this building might have looked like).

623 Atlantic Street
DRAWINGS



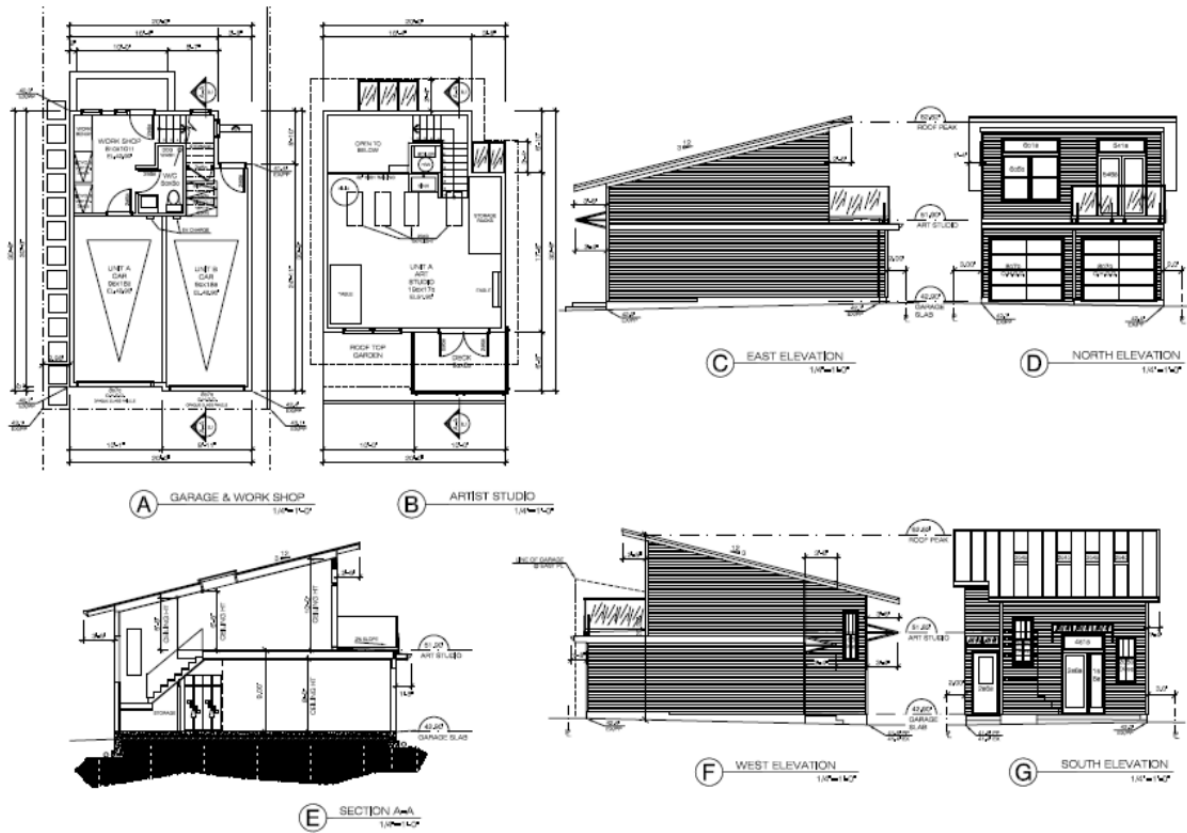
Site Plan



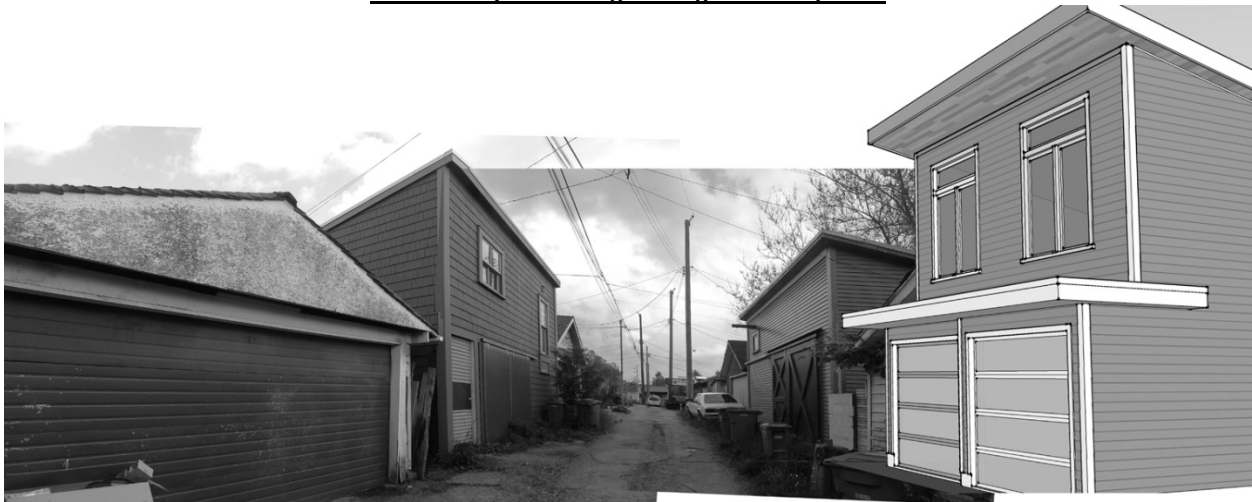
Plans



Elevations

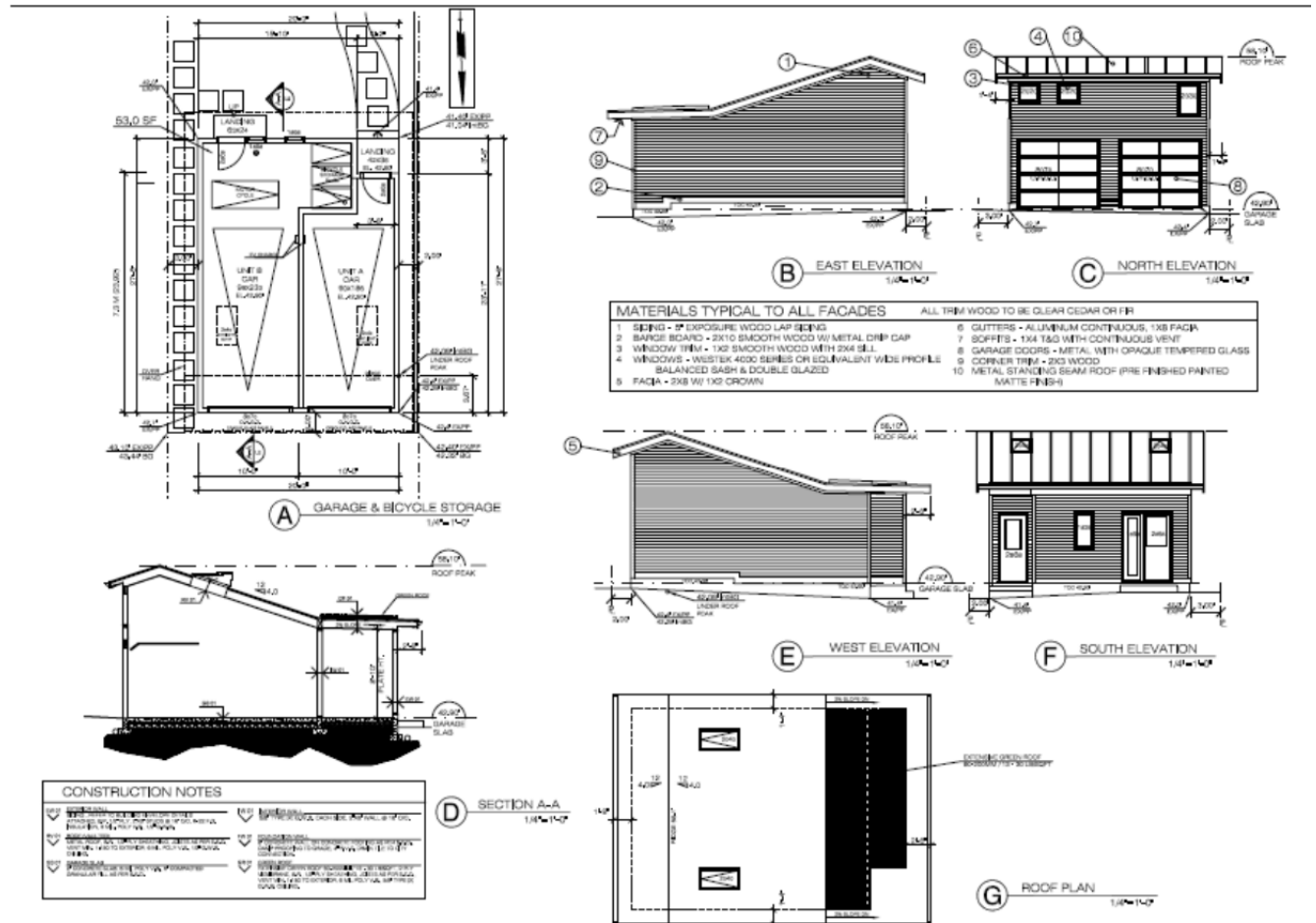


Accessory Building - Original Proposal



Collage 1: view of the proposed accessory building as originally proposed and the lane, looking east. The design of the proposed building, which includes additional area for accessory uses, is meant to complement the older shed roof structures which still exist in the area (see photos 5 and 6 in Appendix A). The design of the accessory building was revised

during the development permit application review process to address concerns raised by the neighbourhood as well as comments received from staff (see drawings and comments below).



Revised Accessory Building Proposal

The design of the accessory building was revised to reduce massing and shadowing. The height has been lowered and the depth of the building reduced as compared to the original proposal. The highest part of the building is oriented to the north near the lane.

623 Atlantic Street
APPENDIX D - TECHNICAL ZONING AND PARKING SUMMARY

Table 1: RT-3 Zoning District Schedule and Parking Summary

	Existing	Required or Permitted	Proposed
Overall Floor Space Ratio (FSR)	0.69 FSR 200m ² (2,158 sq. ft.)	0.75 FSR maximum 218m ² (2,344 sq. ft.)	0.86 FSR 250m ² (2,693 sq. ft.)
Height of the Heritage House	8.2 metres (26.8 feet) and two storeys	10.7 metres (35.1 feet) and 2 ^{1/2} storeys maximum	8.9 metres (29.3 feet) and two storeys
Dwelling Unit Density	1	2 maximum	2
Parking	2	1 per unit (2 in total)	2

Table 2: New Accessory Building Summary

	Required or Permitted	Original Proposal	Revised Proposal
Height	4.5 metres (15 feet) maximum	5.5 metres (18 feet)	4.5 metres (15 feet)
Mean Height	3.7 metres (12 feet) maximum	4.2 metres (14 feet)	4.1 metres (13.5 feet)
Depth	Not regulated	9.1 metres (30 feet)	7.3 metres (24 feet)

**623 Atlantic Street
RESOLUTIONS OF THE VANCOUVER HERITAGE COMMISSION AND STAFF COMMENTS**

At its meeting on December 10th, 2012, the Vancouver Heritage Commission reviewed the Statement of Significance for the 623 Atlantic Street and resolved the following:

THAT the Vancouver Heritage Commission recommends the addition of the following two buildings to the Vancouver Heritage Register, each as a "C" listing:

- Peneway House, 623 Atlantic Street;
- Bernie House, 3182 West 3rd Avenue; and

FURTHER THAT the heritage evaluation for 623 Atlantic Street and the Statements of Significance for 1451 Angus Drive, 623 Atlantic Street and 3182 West 3rd Avenue be referred back to the consultants, all for minor revisions.

CARRIED UNANIMOUSLY

At its meeting on June 17th, 2013, the Vancouver Heritage Commission reviewed the development permit application for 623 Atlantic Street and resolved the following:

THAT the Vancouver Heritage Commission supports the heritage rehabilitation of 623 Atlantic Street as presented at its meeting on June 17th, 2013.

LOST

THAT the Vancouver Heritage Commission supports the heritage rehabilitation of 623 Atlantic Street, as presented at its meeting on June 17th, 2013, with the following recommendations:

- i. size and number of basement windows should be reduced on the front elevation;
- ii. glass awning should be eliminated or replaced by a small shed roof over the front basement door;
- iii. rear elevation needs to relate to the heritage character of the other three sides; and
- iv. the architect should follow the heritage consultant's guidelines in regard to the heritage details such window and door details and paint selection.

CARRIED

Staff Comments:

The recommendations noted will be addressed in design and heritage conditions of the Development Permit Application approval.

623 Atlantic Street
PUBLIC BENEFITS SUMMARY

Project Summary:

Rehabilitation and conservation of a heritage building.

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 = 272 m ² (2,930 sq. ft.))	0.75	0.86
Buildable Floor Area	218 m ² (2,344 sq. ft.)	250 m ² (2,693 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)	540	1,600
	DCL (Area Specific)		
	Public Art		
	20% Social Housing		
Offered (Community Amenity Contribution)	Childcare Facilities		
	Cultural Facilities		
	Green Transportation/Public Realm		
	Heritage		164,600
	Housing (e.g. supportive, seniors)		
	Parks and Public Spaces		
	Social/Community Facilities		
	Unallocated		
	Other		
TOTAL VALUE OF PUBLIC BENEFITS		\$540	\$166,200

Other Benefits (non-market and/or STIR)

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 2,158 sq. ft. in the heritage building.

