



POLICY REPORT
URBAN STRUCTURE

Report Date: November 26, 2013
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RTS No.: 10148
VanRIMS No.: 08-2000-20
Meeting Date: December 4, 2013

TO: Standing Committee on Planning, Transportation and Environment
FROM: General Manager of Planning and Development Services
SUBJECT: Heritage Action Plan to Update Vancouver's Heritage Conservation Program

RECOMMENDATION

- A. THAT Council approve the Heritage Action Plan to update the City's existing Heritage Conservation Program as outlined in this report;

FURTHER THAT staff proceed immediately with the "Quick Start Actions"; and

FURTHER THAT Council approve a budget of up to \$450,000 to cover staff and consultant costs to complete the "Medium- to Longer-term" components of the Heritage Action Plan. \$285,000 will be funded from the 2014 operating budget, and \$165,000 will be brought forward as part of the 2015 operating budget.

- B. THAT the Heritage Building Rehabilitation Program (HBRP) for the Downtown Eastside be extended until the end of 2015.

REPORT SUMMARY

This report responds to City Council's request for information on the Heritage Conservation Program and recommends approval of a number of immediate as well as medium- to longer-term actions to update the overall program to further encourage and support heritage conservation across the City.

The proposed Heritage Action Plan consists of several "Quick Start Actions" including regulatory changes, process improvements, proactive outreach to senior levels of government and updates to the City's Heritage Register. Additionally, staff have outlined other actions such as amendments to existing district schedules and changes to conservation tools that, given demands on resources and needs for prioritization, will require a medium- to longer-term schedule to complete. The overall goal of this comprehensive update to Vancouver's Heritage Conservation Program is to strengthen the policies and tools available to staff and to Council in order to protect key heritage resources throughout the City.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

Heritage Policies and Guidelines
Heritage Register

On May 15, 2013, Council passed a motion requesting that staff report back on a review the City's Heritage Conservation Program and that improvements to the Program be considered. The motion reads as follows:

WHEREAS

1. Heritage buildings are highly valued by Vancouver residents, and are an important component of neighbourhood character;
2. There are many pressures on retention of both commercial & residential buildings in Vancouver;
3. The City of Vancouver is required to compensate building owners for heritage designations by the Province under the provisions of the Vancouver Charter;
4. The City has tools in place, such as Heritage Revitalization Agreements and Heritage Density Transfers, to protect heritage buildings;
5. The Vancouver Heritage Register has not been updated since it was adopted in 1986.

THEREFORE BE IT RESOLVED THAT staff report back to Council on:

- The role of the City in retaining or protecting privately-owned heritage buildings;
- Existing heritage retention programs and information on how they are performing;
- The use of deconstruction, both to preserve heritage features and divert waste from the landfill;
- How heritage is defined for the purposes of these programs;
- Potential improvements to these programs, based on best practices in other cities.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The General Manager of Planning and Development Services RECOMMENDS approval of the foregoing.

REPORT

Background/Context

Maintaining and protecting heritage resources can be challenging. The high cost of retention compared to new construction, uncertainty in the underlying condition of a heritage building, Building By-law upgrade requirements, expectations of developers and buyers, land costs, and processing times of applications involving building retention are all factors which can result in

heritage resources being threatened. In areas of low density residential zoning with outright permitted development (such as RS-1 areas), these factors can compound on one another resulting in situations where new development “out competes” for retention or redevelopment of existing heritage resources. For example, permits for new houses may be issued within in a few weeks of submission whereas a Heritage Revitalization Agreement may take as much as six months or more to process, and a rezoning to integrate new development with a heritage building can take 8-9 months.

In some cases, changing social and economic factors can result in pressure to redevelop sites with historic buildings on them. For example, the economic viability of theatres and performance venues is diminishing rapidly as people turn to other options for entertainment, and, as a consequence, such heritage and cultural resources are under considerable pressure to be re-developed. Similarly, industrial and office buildings may not meet current industry needs, and, in a very expensive housing market where most of the purchase price relates to the cost of land, old houses may not be adequate for a buyer’s needs or may be seen as expendable with little market value.

Managing community expectations may also be a challenge. Many look to the City to intervene monetarily to “save” older buildings or historic operations, or have strong expectations regarding limiting development in a community. Given the number of potential heritage resources across the City, the implications of expecting that the City intervene has significant financial implications for the City and its taxpayers. For some, any change to the City’s heritage fabric is an unacceptable loss of character. As well, initiatives such as completion of a Heritage Register Update may be seen as the “silver bullet” which will address the concerns regarding the loss of character and heritage resources in a community by adding a large number of properties to the Register. However, adding heritage resources in the Register identifies those sites as having value but it does not automatically result in protection of those resources. Furthermore, it is likely that the definition of heritage value will be expanded in any Register Update to include less tangible heritage elements such as places of spiritual, scenic or cultural value, thus potentially increasing community expectations in regard to the management, retention and protection of such features.

Intensification of land uses in a City with a limited land base, the demand for more social and affordable housing along with other public policy objectives, and the evolving and essential green building and energy requirements all play into the increasing challenges for the viability of retention options for the owner of a heritage property. Vancouver is not unique in facing these issues - the conservation of heritage resources continues to be a challenge for most cities.

Despite these challenges and competing interests, there has been a steady increase in the number of buildings listed on the Vancouver Heritage Register - over the past six years 58 buildings have been added. This is largely due to owners and applicants seeking to add their buildings to the Register in order to take advantage of available City incentives. Furthermore, in the most recent three-year period (2011-2013), an average of 16 buildings have been protected per year through heritage designation and heritage revitalization agreements, bringing the total number of protected heritage sites to 525 (equivalent to almost 25% of all building listed on the Heritage Register).

Strategic Analysis

City of Vancouver Heritage Conservation Program

It is well recognized that a number of benefits flow from Vancouver's efforts in the area of heritage conservation, both at the local level and beyond. A key benefit is the retention of examples of the City's built form which tells the story of how Vancouver has developed over its history. The physical benefits are heritage focal points that are the settings for important community events and celebrations that enhance urban life and education around past traditions such as Chinese New Year Celebrations in Chinatown, and the Powell Street Festival in and around Oppenheimer park. The social, cultural and historical benefits include the fostering of a strong sense of community identity and sense of place. The economic benefits include creation of jobs in the skilled labour force to restore and maintain heritage resources, tourism which generates spending and reinvestment in the local economy, and, in many cases, physical environments that enhance property values. Furthermore, heritage conservation is also intrinsically tied to principles of environmental sustainability. The environmental benefits include the re-use of buildings and materials that may otherwise be sent to landfills while also reducing the amount of new and often more energy-intensive materials.

A public survey completed in 2012 by the Vancouver Heritage Foundation demonstrates the public's strong support for heritage conservation. Some key findings are:

- 96.6% of Vancouverites believe we need to preserve heritage buildings;
- 88% want less demolition of heritage buildings in their neighbourhoods;
- 96% believe that heritage buildings contribute to our sense of place;
- 95% think that heritage buildings maintain the historic character of neighbourhoods, and;
- 72% agree that heritage buildings contribute to an environmentally sustainable city.

(Source: "Conserving Heritage Buildings in a Green and Growing City", Vancouver Heritage Foundation, 2012)

The City's Heritage Conservation Program was formally established in Vancouver's Centennial year in 1986. The program set a goal of protecting, restoring and rehabilitating as many sites of historic or heritage value as possible. The three key components of the program are the Heritage Register, Public Education and Awareness, and Management tools.



The Heritage Register is an inventory that identifies approximately 2,200 sites and resources in Vancouver that have historical, cultural, aesthetic, scientific, or educational value. The second component is a set of management tools that includes the policies, guidelines and incentives to encourage the conservation of valued heritage resources. The third component of the Conservation Program is public education and awareness initiatives such as the heritage plaque program and heritage awards that help to increase citizens' understanding of and promote the visibility of Vancouver's significant historic resources and history.

Heritage Conservation activities and tools are enabled by the Vancouver Charter. The most recent comprehensive amendments to the heritage provisions in the Charter occurred in 1994. A full listing of the main types of heritage tools available to the City is in Appendix A.

Best Practices

City staff continually monitor municipal best practices in heritage conservation in Canada and US. Tools and incentives used in Victoria, Toronto, Calgary, Winnipeg, Seattle, Portland and other cities have been analysed and compared. It was found that, generally, local governments utilize a similar suite of tools, with a major difference being the availability of state and federal rehabilitation (income) tax credits in municipal jurisdictions in the United States. In a Canadian context, the province of Nova Scotia is the only Canadian jurisdiction that has access to a similar tool.

The City of Portland offers a simplified approval process whereas Victoria applies a directed incentive model where property tax incentives are provided to projects that include housing in vacant upper storeys of heritage buildings. Tax relief systems are used in several Canadian municipalities with four main approaches currently in use: property tax abatements, property tax credits, property tax relief and sales tax grants and rebates.

Recommended Heritage Action Plan

In response to Council's May 15, 2013 motion, staff are recommending a number of actions to update and strengthen the City's Heritage Conservation Program in a strategic and comprehensive manner. The approach is a balanced plan which aims to further enable the protection of City's heritage but strives for a focused and pragmatic approach that is feasible in the context of the high cost of heritage protection as well as its impacts on development.

This update will include a number of “quick starts” as well as several medium- to longer-term actions which will be brought back to Council over time. Each action item is discussed below and the timing, resource and budget implications of each are presented.

Actions - Immediate (“Quick Starts”)

Action #1 - Clarify Direction on Conditional and Discretionary Zoning

Current Council policy provides direction to the Director of Planning and the Development Permit Board to give special attention to resources identified in the Vancouver Heritage Register, when approving any conditional use or in an area zoned as Comprehensive Development (CD). The objective has been to preserve, whenever possible, resources on the Heritage Register.

While the discretionary authorities of the Director of Planning have been successfully applied over the years, there have been certain cases where conditional zoning provisions have been granted through the development permit process, where the outcome is the degradation or loss of a resource on the Heritage Register.

The first action proposed is that there be a more explicit direction to the Director of Planning in terms of the principle of preservation of heritage. Effective immediately, staff are recommending that applicants and the community be made aware that the Director of Planning and/or the Development Permit Board is under no obligation to approve any application that seeks development approval under the conditional provisions of the applicable zoning regulations. This principle will be more stringently adhered to for any application or proposal that seeks to demolish or significantly degrade a resource that is identified in the Heritage Register or for applications or proposals that involve heritage resources that are reasonably eligible for inclusion on the Heritage Register. In other words, unless preservation of a heritage resource is proposed, staff will consider the outright provisions of the applicable zoning in the review of applications and proposals.

As noted, should Council endorse the recommendations of this report, this action will be implemented immediately.

Action #2 - Simplify/streamline rezoning, development permit and Heritage Revitalization Agreement approval processes for heritage retention applications

Review processes can be complex and time-consuming. For example, on smaller scale retention projects (e.g. typically proposing an increase in floor area of less than ten percent over the permitted maximum), current policy requires the submission of a development pro forma. In almost all instances the pro formas in these small-scale projects are supported after review by Real Estate Services.

Staff are presently reviewing the requirement for development pro formas with a view to potentially removing this requirement for applications under a certain size. In addition, a review will be conducted of all existing approval procedures with a view to streamlining approvals for heritage retention projects. Among the issues to be addressed will be review of the existing policies, guidelines and administrative procedures. Specific attention will be paid to submission requirements which can result in additional costs and time, particularly on smaller scale projects.

Additional areas for review will include a consideration of when alternative protection tools can be used.

It is recommended that work on this action item and that conclusions about process streamlining be reported back to Council by April 2014.

Action #3 - Increase demolition fees for pre-1940 houses

While the principal approach to encourage conservation of heritage and older character buildings is through incentives, there may be occasions where disincentives would be more effective. One such area for consideration is to increase the cost of demolishing character and heritage buildings. Character buildings can be defined by a number of criteria; for example, recently approved zoning and guidelines (i.e. RT-10, RM-1, and RT-11) use a "date" threshold as an initial criterion. Any building constructed before 1940 is considered to be a character building if it also has a number of surviving, prescribed character features such as the authentic or period massing, roof form, front porch, exterior wall materials, window openings and frames, and detailing. This date was established during planning studies related to new zoning in 2005 and was based on community consultation in the Cedar-Cottage and Norquay neighbourhoods. The loss of character buildings built before the Second World War, regardless of type or style, was found to be a primary concern for many residents, and a "cut-off" construction date of 1940 was chosen by staff to reflect this concern.

The feasibility of such an approach will be examined, including consideration of significant increases to fees for permits, or the fees for waste disposal in circumstances where an older building is not deconstructed, as well as future restrictions on the deposition of construction material in landfills. This may require seeking amendments to the Vancouver Charter. It is recommended that the work on this initiative be reported back to Council by April 2014.

Action #4 - Solicit senior government support for rehabilitation tax incentives

When reviewing best practices in North America, one of the key support tools for heritage conservation, particularly in the United States, is the availability of tax credits from senior levels of government. At present there is little direct financial support for heritage conservation from senior levels of government in Canada.

In the province of Nova Scotia, grants and rebates provide relief from provincial sales tax on materials and labour used for heritage conservation projects. Nova Scotia offers two programs: a sales tax grant program for non-income-generating heritage properties, and a sales tax rebate program for income-generating properties. The amount of the grant and rebate is limited to the value of the provincial sales tax (currently eight percent).

In the United States, the Federal Historic Preservation Tax Incentives program encourages private sector investment in the rehabilitation and re-use of historic buildings. A 20% income tax credit is available for the rehabilitation of historic, income-producing buildings that are determined by the Secretary of the Interior, through the National Park Service, to be "certified historic structures".

Should Council endorse the recommendations of this report, staff will immediately draft correspondence to the appropriate senior government officials to be sent by the Mayor on behalf of the City.

Action #5 - Update the Vancouver Heritage Register

The Heritage Register is an inventory of buildings and structures, streetscapes, landscape resources (parks and landscapes, trees, monuments, public works) and archaeological sites which have architectural or historical and heritage value. The Register is a planning tool which includes examples of buildings styles and types that are representative of Vancouver's various periods of development. It is not a listing of every "old" building in the City.

When the Heritage Register was completed in 1986, it utilized a materials-based approach to identify heritage resources focusing largely on architectural styles from various periods of the City's development. The approach to identifying heritage resources changed significantly in the early 2000s through a national effort known as the Historic Places Initiative which also created a National Heritage Register. This work recognized international best practices by adopting a community values based approach encompassing historical, cultural, aesthetic, scientific, and educational values. In addition, the initiative noted that many community values have intangible qualities and significance, such as community traditions or spiritual values, and it asserted that those also need to be identified and evaluated. These values manifest themselves into themes which help to describe a society's collective cultural history and assist in identifying key heritage features. For example, the recently approved West End Plan identified the following themes: Coastal Salish People's Presence; Development of the Desirable Suburb; Apartment and Tower Living; Diverse Cultures; the Three Villages; and Iconic Features of the City.

In accordance with these emerging best practices, staff are recommending that the Heritage Register Update work include the following components:

- developing an overarching Vancouver Historic Context Statement
- creating a Heritage Thematic Framework for groupings of heritage values/resources (which could include, for example, industrial/working buildings, cultural/ethnic resources, places of worship, etc., landscape resources as well as the more familiar themes of a variety of residential and commercial buildings)
- gap analysis which is the identification of resources that, to date, have not been represented or have been under-represented
- review evaluation categories to determine prioritization of heritage resources
- prioritizing of new additions and subtractions from the Heritage Register.

The Register Update will focus attention on the identification of resources on themes presently under-represented on the Register such as First Nations sites and places with social and cultural meaning to communities (for example, in the Downtown Eastside the labour movement and the low-income community). This will assist in managing the number of resources that could be added to the Register. And while some new resources will be added to the Register it does not mean they are protected. However, it will encourage the community and land owners to be more creative and innovative in preserving key heritage resources without the City having to take prime responsibility for heritage protection. As with any other resource on the Register, consideration of other City objectives such as the provision of services and amenities always has to be balanced with heritage objectives. In developing the Terms of Reference for the Register Update, staff will ensure that the balancing of City objectives is part of the overall work program.

The Register Update will build on work that has been done in various community planning initiatives such as those in Japantown/Powell Street, Mount Pleasant, West End, Downtown Eastside, Marpole and Grandview Woodland.

It is estimated that the work to update the Heritage Register will take 18 months to complete; accordingly, if endorsed by Council, the results of this action item will be reported to Council in mid-2015.

Actions - Medium- to Long-term

Action #6 - Amend RS District Schedules (zoning regulations) using RT 3/6/8 district schedules as a model to encourage heritage retention

Some of the City's RT District Schedules have been effective in maintaining character buildings in areas such as Kitsilano (RT-7 and RT-8), Mount Pleasant (RT-6) and Strathcona (RT-3), as have newer zoning districts such as RT-10 in the Kensington-Cedar Cottage community. Achievements in heritage retention while allowing for building upgrades and restoration in these areas have come about because the district schedules include regulations and guidelines which favour character, building, and landscape retention. In RS zones, improvements in heritage or character retention, while allowing for building improvements and upgrades, could be achieved by including retention incentives such as relaxation of regulations when a character building is retained and rehabilitated as is currently done in the RT zones mentioned above.

Completion of an update of the Heritage Register (see Action #5) could identify precincts or areas where heritage resources (and likely as a consequence, older character buildings and landscaping) are concentrated. Where such concentrations occur in RS zoned neighbourhoods, and in other residentially zoned areas with fewer retention provisions such as RT-4 and RT-5, existing zoning can be amended or new zoning adopted to address the potential loss of character.

It is recommended that this work be initiated as soon as the Heritage Register update work has advanced (estimated to be late 2014 or early 2015) and that outcomes be reported back to Council by the end of 2015.

Action #7 - Review and update the First Shaughnessy Official Development Plan (FSODP)

The First Shaughnessy District was originally laid out by the Canadian Pacific Railway in 1907 and was marketed as Vancouver's premier neighbourhood at the time. It has been identified as a highly valued historic area since Council approved the First Shaughnessy Official Development Plan and Design Guidelines in May 1982. Since that time, the Official Development Plan was used as the tool to inform and regulate development in the area. Two formal inventories of heritage resources support the ODP: the First Shaughnessy Heritage Inventory which lists all pre-1940 houses, and the Vancouver Heritage Register.

In the past few years there have been increasing concerns in First Shaughnessy including the number of demolition proposals for houses, the use of double height interior spaces which result in large-scaled or bulky houses, and the loss of some of the area's landscape features. A comprehensive review of the FSODP has not been undertaken since it was approved in 1982, even though periodic reviews and updates of the adopted document were intended.

Staff are recommending a review of the First Shaughnessy ODP and this review will consider the establishment of a Heritage Conservation Area (HCA) for this unique and historic neighbourhood in Vancouver. Introduced as a heritage conservation tool in British Columbia in 1994 and in Vancouver in 2002, an HCA is a planning and protection tool that is used to identify, manage, protect, and allow development in an identified historic area. The geographic scope of an HCA can vary from as few as two properties to an entire neighbourhood and the regulations or restrictions can be applied consistently across the area or be tailored in any number of ways to address different characteristics of properties. Heritage Conservation Areas (HCA) are now used in a number of jurisdictions across British Columbia; the City of Victoria has 13 HCA's.

It is anticipated the work to update the FSODP or to replace it with an HCA will take approximately one year to complete and staff will report back to Council in April 2015. This work will be undertaken by a consultant.

Action #8 - Extend existing incentive programs in the Downtown Eastside

There are a number of current incentives available for the conservation of heritage resources City-wide. Some or all of the following may be utilized: relaxations to by-laws (e.g. Zoning and Development, Parking) and bonus density. Very often these incentives are negotiated through a Heritage Revitalization Agreement. In the Downtown Eastside (DTES), because of the concentration of heritage resources and the existence of the two designated heritage areas of Gastown and Chinatown, additional incentives in the form of façade grants and property tax exemption are also available. The two incentive programs available in the DTES, are the Heritage Building Rehabilitation Program (HBRP) and the Heritage Façade Rehabilitation Program (HFRP). The HBRP incentives consist of façade grants, property tax exemption, and transferable bonus density. The program was introduced to achieve heritage conservation and economic revitalization goals in the DTES. Based on Council's direction, the transferable density component has not been available since 2009, to allow time for the Heritage Amenity Density Bank balance to stabilize and reach equilibrium. The HBRP's term expires at the end of 2013. Given the success of the program to date and the strong community support for its continuation, expressed through the current planning work in the DTES, staff are recommending a two-year program extension to the end of 2015 noting that creation of any new bonus density for transfer will not be part of an incentive package until the heritage amenity density bank reaches equilibrium which is anticipated to take several years.

A review of the HBRP and HFRP programs will be undertaken and a report brought back to Council by the end of 2014 to make sure these programs still meet the needs of the community and reflect current and emerging directions. The review will confirm the program mandate and take a critical look at program requirements, the incentive packages offered, the approval process and the directions emerging from the forthcoming DTES planning program.

Action #9 - Examine Incentive Program for Applicability Elsewhere

A review of the applicability of heritage incentives, presently limited to the DTES, to achieve other city objectives such as cultural facilities or social housing in heritage buildings will be undertaken. Staff will also review revitalization tax incentives which are enabled by the Vancouver Charter and tax increment financing. The review will consider existing incentives, those enabled by the Vancouver Charter and complete a more comprehensive examination of incentives and tools used elsewhere. The review will also

consider any financial implications. This work will be reported to Council by the end of 2014.

Action #10 - Develop an Enhanced Deconstruction Strategy

In 2011, Council approved the “advancing deconstruction” strategy, which introduced an incentive to one- and two-family homes, for those applicants who commit to diverting more than 75% of building materials from landfill. The staff report to Council noted that “Deconstruction is a strategy that can achieve multiple benefits including, waste diversion, green job creation, improved site cleanliness and safety, and can actually aid in the preservation of heritage structures by making appropriate period materials more available.”

Staff in the Sustainability Group are presently developing a demolition waste diversion strategy looking at opportunities to increase salvageable materials from demolition and supporting market development for used materials (including heritage features and fixtures) for Council consideration by April 2014.

Action #11 - Improve Public Awareness of Vancouver Building By-law Amendments to Facilitate Heritage Conservation

The Vancouver Building By-law (VBBL) contains provisions related to heritage conservation for existing buildings. In the most recent round of amendments to the VBBL, additional work to deal specifically with heritage building components was completed. The intent is to ensure flexibility to retain heritage elements while still achieving energy and life safety upgrades. Staff are presently working on ways to convey information on these changes to affected parties through public education and awareness.

Action #12 - Develop an Energy Retrofit Program for Existing Buildings

The City’s work on green buildings supports the retention of homes by providing a strategy for the retrofit of existing homes. Heritage homes may be eligible for energy performance improvements through the program helping to achieve multiple objectives. The Sustainability Group and the Vancouver Heritage Foundation have discussed a building retrofit incentive program and its effect on heritage conservation goals. A Building Retrofit Strategy is currently being prepared and will be brought to Council in January 2014.

Action #13 - Identify Cultural Facilities in Heritage Buildings

Cultural Services staff are preparing a Cultural Spaces Strategy for Council consideration in the first quarter of 2014. The strategy will propose a number of actions including integrating heritage considerations with the cultural mapping project which is identifying existing cultural spaces in the City as well as reviewing best practices for the preservation and creation of cultural spaces.

Action #14 - Trees and Landscapes

The Urban Forest Strategy, to be completed in Spring 2014, will discuss celebrating landmark trees and protecting healthy, mature trees.

Financial Implications

The action items in this report are proposed to be completed with a combination of existing staff resources and consultant services. The "Quick Start" Actions will be initiated immediately. Except for the update of the Heritage Register which will take a larger time commitment, all of the "Quick Start" Actions will be completed and/or reported back to Council by April 2014. Initiatives such as the Heritage Register Update, the First Shaughnessy ODP review and the Incentive Program and Conservation Tools Review will be completed throughout 2014 and 2015.

The total budget to undertake the Heritage Action Plan as outlined is \$450,000 to be funded in 2104 and 2015. The actions items requiring financial resources are outlined in the table below:

Action #	Description	2014 Budget (\$)	2015 Budget (\$)
2	Simplify/streamline approval processes for retention projects	15,000	
3	Increase demolition fees for pre-1940 houses	15,000	
5	Update the Vancouver Heritage Register	175,000	50,000
6	Amend RS district schedules using RT 3/6/8 district schedules as a model to encourage heritage retention		90,000
7	Review and update First Shaughnessy ODP	50,000	25,000
9	Examine incentive programs for applicability	30,000	
Total		285,000	165,000

Financial implications related to changes in policy or procedures recommended as part of the action items will be included as part of the report back to Council. The 2014 operating budget recommends an increase of \$200,000 toward the plan, with the balance of \$85,000 from reprioritization of the existing budget. \$165,000 will be brought forward as part of the 2015 operating budget.

Comments from the Vancouver Heritage Commission

The proposed directions in the action plan were presented to the Vancouver Heritage Commission (VHC). The following motion was approved by the VHC:

THAT the Vancouver Heritage Commission supports the Heritage Conservation Program report going to Council, as presented by staff at its meeting on November 18, 2013;

FURTHER THAT the Vancouver Heritage Commission ask that the Vancouver Heritage Register Update Sub-committee work with staff once the report is made public.

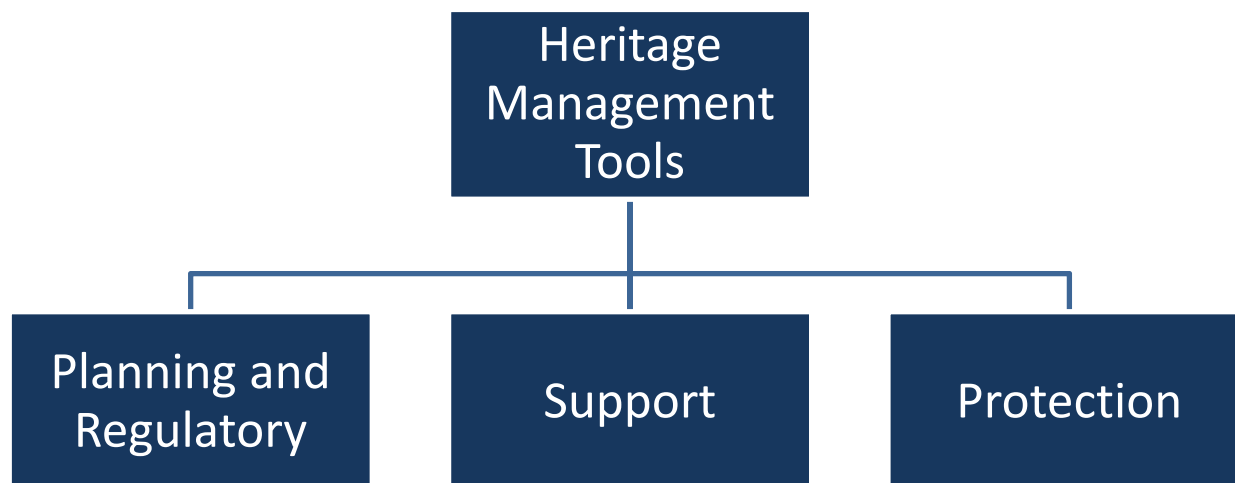
CONCLUSION

This report sets out a number of immediate, medium- and long-term actions to update the Vancouver's Heritage Conservation Program. The scope of the proposed actions includes regulatory changes, process improvements, proactive outreach to senior levels of government and updates to the City's Heritage Register. Additional actions such as amendments to existing zoning district schedules, updates to incentive programs and changes to conservation tools are also proposed. Approval of the recommendations will direct staff to undertake a comprehensive work program, supported by consulting services, beginning immediately and continuing into 2014 and 2015. Together, these actions will strengthen the policies and tools available to staff, the Director of Planning, the Development Permit Board and to Council to protect key heritage resources across the City.

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Heritage Management Tools

The Vancouver Charter provides the enabling authority for heritage conservation tools in Vancouver. The following lists some of the key tools available.



Planning and Regulatory tools

- **Community Plans**
Sets out the overall community goals, objectives and policies to guide decisions on various issues including heritage conservation.
- **Zoning & Development and other By-laws (Subdivision, Parking)**
Regulate components such as land use, density, siting, height, shape and size of parcels, and parking provisions.
- **Heritage Policies & Guidelines**
Council has adopted numerous policies and guidelines to support heritage conservation. The intent of these policies is to outline strategies and directions pertaining to heritage designation, treatment of A-listed buildings, landscaping, and relaxations of regulations and incentives tied to development permit applications.
- **Heritage Register**
The Heritage Register (adopted in 1986 as the Heritage Inventory) is a listing of buildings and structures, streetscapes, landscape resources (parks and landscapes, trees, monuments, public works) and archaeological sites which have architectural or historical heritage value. The Register is a planning tool which includes representative examples of buildings styles and types from the city various periods of development. There are currently 2200 heritage resources listed on the Register as illustrated in the figure below:



Over the past six years the total number of resources on the Register has increased by a net total of 43 (58 resources have been added and 15 have been deleted). This is largely due to owners and applicants seeking to add their buildings to the Register in order to take advantage of available incentives. These statistics also demonstrate that being on the Register does not prevent a building from being demolished as in some cases conservation is not viable. The Register has not been reviewed comprehensively since it was adopted.

- **Heritage Commission/Committees**

The advisory groups directly tied to heritage matters are the Vancouver Heritage Commission, the Chinatown Historic Area Planning Committee and the Gastown Historic Area Planning Committee. The Commission advises Council on heritage matters, and makes recommendations to Council about heritage buildings, structures and lands in Vancouver. The Chinatown and Gastown Committees work to preserve the historic character of their respective areas by providing advice to the Director of Planning.

- **Vancouver Building By-law**

This By-law regulates the construction of new buildings and alterations to existing buildings including alternative solutions that encourage building upgrades that are sensitive to, and minimize the impact on, heritage buildings.

Support Tools

- **Zoning & Development by-law**
Relaxations, bonus density, heritage areas (Gastown, Chinatown, Yaletown, First Shaughnessy), specific District Schedules that express intent to retain and restore, associated design guidelines for those zones
- **Transfer of Density**
A means to provide financial compensation, in part, to an owner who has made a substantial commitment to rehabilitate their heritage building, whereby Council approves additional density that the owner can sell off-site to new developments located in certain inner areas of the city. Presently a moratorium on the creation of additional density until the amount in the density exchange (the “bank”) is reduced substantially.
- **Property tax exemption (limited areas)**
Property taxes can be exempted for rehabilitation projects in DTES historic areas - Gastown, Chinatown, Victory Square, Hastings Street -in whole or in part, to either the existing tax rate or the incremental tax increase brought on by the improvements and must not be greater than 10 years, and requires a 2/3 majority approval vote by Council.
- **Grants (limited areas)**
Financial assistance to owners of heritage buildings in DTES historic areas - Gastown, Chinatown, Victory Square, Hastings Street - as cost sharing for rehabilitation of facades.
- **Dedicated staff**
Facilitation of projects, providing technical advice.

Protection Tools

Over the most recent three-year period (2011-2013) an average of 16 buildings have been protected /year through heritage designation and heritage revitalization agreements, bringing the total number of protected heritage sites to 525 (equivalent to almost 25% of all building listed on the Heritage Register.

- **Heritage Designation**
Provides long-term protection by by-law; requires compensation to owners or incentives negotiated in lieu of compensation.
- **Heritage Revitalization Agreement**
Provides long-term protection through a legal agreement tied to a by-law: incentives negotiated and agreed to by both parties, can vary other by-laws including zoning, subdivision, development cost charges, and can include other provisions including phasing of development, standards of maintenance, replication if building is destroyed.

- **Temporary Protection**
Council can approve protection for a heritage property up to 120 days to provide time to work out conservation objectives and identify possible solutions.
- **Heritage Conservation Covenants**
Provides long-term protection of a property through a contract with owner, can be for a specified time or indefinitely and can outline certain terms and obligations.
- **Heritage Alteration Permits**
Authorizes changes to the protected elements of a heritage building - one that is either protected by heritage designation, a Heritage Revitalization Agreement, or is in a Heritage Conservation Area.
- **Heritage Conservation Areas**
Provides long-term protection to a distinct heritage area as part of an area plan (an Official Development Plan) and can apply to all property.