



ADMINISTRATIVE REPORT

Report Date: February 6, 2014
Contact: Brenda
Prosken/Brian
Jackson
Contact No.: 8-6858/8-7034
RTS No.: 10428
VanRIMS No.: 08-2000-20
Meeting Date: February 18, 2014

TO: Vancouver City Council

FROM: The General Manager of Community Services and the General Manager of Planning and Development Services

SUBJECT: Housing Agreement and Endorsement of Development Permit Board's Conditional Approval of Floor Space Ratio for 1099 Richards Street

RECOMMENDATION

- A. THAT Council approve entering into a Housing Agreement pursuant to section 565.2 of the Vancouver Charter with the owner of 1099 Richards Street to ensure the inclusion of low cost housing within the building to be constructed thereon, to be registered on title prior to the issuance of an occupancy permit for that building, on the terms and conditions more particularly described in this report.
- B. THAT the Director of Legal Services be instructed to bring forward for enactment the by-law required to authorize the City to enter into the Housing Agreement prior to issuance of an occupancy permit for the subject building.
- C. THAT Council endorse the Development Permit Board's conditional approval of an increase in floor space ratio (FSR) to 7.04 FSR for the development at 1099 Richards Street (DE416775) containing low cost housing, which was duly considered under section 3.13 of the Downtown District Official Development Plan.

REPORT SUMMARY

This report seeks Council approval to enter into a Housing Agreement with the owner of the site, to ensure the inclusion of low cost housing for 60 years or the life of the building, whichever is greater. Staff are also seeking Council endorsement of the additional floor space

that has been conditionally approved by the Development Permit Board on August 12, 2013 based on the inclusion of low cost housing.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

- Downtown District Official Development Plan(DD ODP), Section 3.13 allows for an increase in floor space ratio in certain areas of the DD ODP for a development which includes low cost housing, subject to Council approval and the securing of a Housing Agreement
- Housing and Homelessness Strategy 2012-2021
- Following a Public Hearing held on July 16, 2013, Council approved in principle the rezoning of 508 Helmcken Street, subject to a number of conditions, one of which was the delivery of a stand-alone development containing 162 units of social housing (which will include low cost housing) on a site located at 1099 Richards Street.
- At its meeting of August 12, 2013 the Development Permit Board granted conditional approval to a development containing 162 units of social housing (which will include low cost housing) in a building having a floor space ratio of 7.04 FSR, such approval being subject to the fulfilment of a number of conditions (development permit application DE416775).

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The General Manager RECOMMENDS approval of the foregoing.

REPORT

Background/Context

In July 2013, Council approved the rezoning application by the owner of 1099 Richards Street for a mixed-use development at 508 Helmcken Street. One of the conditions of the approval in-principle was a requirement for that applicant to build a stand-alone 162 unit social housing building at 1099 Richards Street. This requirement is associated with the applicant's obligations with regards to its Community Amenity Contribution, arising from the rezoning of 508 Helmcken Street.

The proposed development at 1099 Richards Street was conditionally approved by the Development Permit Board (DPB) on August 12, 2013. The development permit (DE416775) will be issued only after all conditions of approval have been satisfactorily addressed. Of the many conditions that must be fulfilled by the applicant prior to issuance of the development permit, two seek Council's approval. These are the legal arrangements to secure the low cost housing through a Housing Agreement, and the increased floor space ratio that would be granted under the Development Permit Board's conditional approval of the development at 1099 Richards Street.

To legally secure the low cost housing, a Housing Agreement is required. The Housing Agreement will secure all units as rental housing for 60 years or the life of the building, whichever is greater, all of which will qualify as social housing and more than half of which will meet the definition of low cost housing as defined in the DD ODP. Low cost housing shall mean sleeping, housekeeping or dwelling units designed for persons receiving War Veterans Allowance, Canadian Pension Commission Disability Pension, Guaranteed Income Supplement, Spouses Allowance or income from Guaranteed Annual Income for Need.

To fulfil the second condition of the Development Permit Board's approval for the site at 1099 Richards Street, Council is required to endorse the increase in floor space ratio (FSR) to 7.04 FSR for this site at 1099 Richards Street. In granting conditional approval to DE416775, the Development Permit Board duly considered the provisions of section 3.13 of the Downtown District Official Development Plan which allows for increased floor space above 5.0 FSR for developments containing low cost housing.

Strategic Analysis

The Housing and Homelessness Strategy identifies a need for 5,000 additional social housing units by 2021. The development proposal at 1099 Richards Street will replace the 87 units currently at Jubilee House (at 508 Helmcken Street) and add 75 new non-market units for a total of 162 units of social housing. This social housing project will be operated by 127 Society for Housing (the "Society"), the non-profit organization currently operating Jubilee House. The proposed tenant mix would ensure preservation of housing for the existing 87 Jubilee residents who have fixed incomes, and meet the definition of low cost housing. The 75 new units will serve individuals at low-end of market (LEM) rates to achieve overall operational viability and financial sustainability. Based on the agreed upon tenant mix and operating model, this project meets the definition of social housing in the DCL By-law. The proposed tenant mix and average rents are shown in Table 1 below.

Table 1: Proposed Tenant Mix and Average Rents for 1099 Richards Street

	Shelter & Old Age Security Rate	Low-End of Market	Total
Studio	82	34	116
1-BR	5	41	46
Total Unit Count	87	75	162
Average Rent/Month	\$436	\$1,142	\$763
(%)	53%	47%	100%

This project will provide a significant increase to the number and quality of the City's social housing stock as outlined in Table 2.

Table 2: Non-Market Housing Targets and Project Status (as of January 20, 2014)

	TARGETS¹		CURRENT PROJECTS²	GAP
	Long Term (2021)	Near Term (2014)	Committed, Under Construction and Completed	(2014 Target)
Supportive Housing Units	2,900	2,150	1,846	304
All Other Non-Market Housing Units	5,000	1,500	961	539
Total Non-Market Housing Units	7,900	3,650	2,807	843

(1) Targets are established in the 2011 City of Vancouver Housing and Homeless Strategy.

(2) Current Projects include the subject project at 1099 Richards St.

Section 565.2 of the Vancouver Charter provides that Council may, by by-law enter into a Housing Agreement that will provide for the use of dwelling units as social housing. The Housing Agreement will:

- Secure all 162 units as social housing for 60 years or life of the building, whichever is greater.
- Ensure the inclusion of dwelling units which meet the definition of low cost housing as defined in the Downtown Official Development Plan.
- Require all units to be used only as rental housing.
- Be on such other terms and conditions as the Director of Legal Services and the Managing Director of Social Development may require.
- After the authorizing Housing Agreement By-law has been enacted and the Housing Agreement executed by all parties, be registered on title to 1099 Richards Street prior to issuance of an occupancy permit for the building.

Implications/Related Issues/Risk (if applicable)

Financial

Consistent with Council policies on most non-market housing projects, the project is expected to be self-sustaining and does not require further operating subsidies, property tax exemptions, and/or financial guarantees from the City. The proposed tenant mix will optimize long-term operational viability and financial sustainability of the project and support a pre-paid rent from the Society. Any future operating surplus will be shared between the Society and the City, which could be used to further Council's housing objectives in Vancouver.

Legal

The Director of Legal Services will bring forward for enactment a by-law to authorize the City to enter into a Housing Agreement.

CONCLUSION

Staff recommend that Council approve the recommendations to enter into a Housing Agreement with the owner of 1099 Richards Street, and instruct the Director of Legal Services to bring forward an appropriate Housing Agreement By-law. Further, staff recommend that Council endorse the Development Permit Board's conditional approval of an increase in floor space ratio (FSR) to 7.04 FSR for the proposed development at 1099 Richards Street (DE416775) containing low cost housing, which has been duly considered under section 3.13 of the Downtown District Official Development Plan.

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