



POLICY REPORT
DEVELOPMENT AND BUILDING

Report Date: March 14, 2014
Contact: Anita Molaro
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VanRIMS No.: 08-2000-20
Meeting Date: May 20, 2014

TO: Vancouver City Council

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

SUBJECT: 2975 Oak Street - The Van Arsdel - 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 protected heritage property the east and south facades, and portions of the north and west facades (the "heritage facades") of The Van Arsdel building (the "heritage building") at 2975 Oak Street (PID: 014-667-291; Lot 11, Block 435, District Lot 526, Plan 1276; PID: 014-667-312; Lot 12, Block 435, District Lot 526, Plan 1276 (the "site")), which is listed on the Vancouver Heritage Register in the 'B' evaluation category, as protected heritage property.
- 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 authorizing the City to enter into a Heritage Revitalization Agreement in respect of the heritage building to:
 - i. secure the rehabilitation and long-term preservation of the heritage facades; and
 - ii. vary the *Zoning and Development By-law* in respect of the site to permit the construction of an adjoining eleven storey tower, as proposed under Development Permit Application No. DE417330 and as more particularly described in this report.

- C. 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 Director of Planning.
- D. THAT Recommendations A to C 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 designate the heritage facades of the Van Arsdel building at 2975 Oak Street as protected heritage property, and to approve a Heritage Revitalization Agreement (HRA) for the site.

Under the current RM-3 zoning applicable to the subject site, the existing building could be demolished and the site redeveloped with a density of up to 1.9 floor space ratio (FSR) and a building height of 36.6 metres (120 feet) without Council approval, subject to replacement of the existing rental units and securing these units through a Housing Agreement. As incentive and compensation to the owner for the heritage designation, rehabilitation, and conservation of the heritage facades, an increase in permitted density, and other variances, as set forth in Development Permit Application Number DE417330 and as described in this report, are proposed. The heritage building currently contains fourteen market rental Dwelling Units. The proposal provides for fifty secured market rental Dwelling Units. The applicant has provided a Tenant Relocation Plan which meets the requirements under the *Rate of Change Guidelines for Certain RM, FM, and CD-1 Zoning Districts* ("Rate of Change Guidelines"). 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 593 of the *Vancouver Charter*, Council may, 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* and the *Subdivision 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 Van Arsdel facades require Council approval at a public hearing and by-law enactment pursuant to Sections 592, 593 and 594 of the *Vancouver Charter*.

The *Rental Housing Stock Official Development Plan* ("Rental Housing Stock ODP") and Rate of Change Guidelines were adopted by Council to manage the rate of change in the city's market-rental stock. These regulations require that the owner of a rental property in RM, FM or CD-1 zones, replace on a one-for-one basis existing rental housing where a Multiple Dwelling of six or more units is proposed. The Rate of Change Guidelines also requires mitigation measures to reduce impacts of redevelopment on existing tenants.

The following Council policies are relevant for this application:

- *Heritage Policies and Guidelines (April, 1991)*
- *Green Buildings Rezoning Policy (February, 2010)*
- *Housing and Homelessness Strategy 2012-2021 (June, 2011)*
- *Rental Housing Stock Official Development Plan ODP (May 2007)*
- *Rate of Change Guidelines for Certain RM, FM and CD-1 Zoning Districts (May 2007)*

The *Heritage Action Plan*, which was approved in December 2013, responds to citizen and Council desire to encourage and support heritage conservation in the City. A number of actions were approved including the use of available tools to conserve the City's heritage resources.

GENERAL MANAGER'S COMMENTS

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

STRATEGIC ANALYSIS

The project meets Council's objectives for achieving heritage retention and providing secured rental housing.

The proposed heritage designation and the HRA will secure the rehabilitation and protection of the heritage facades of the Van Arsdel at 2975 Oak Street. Without heritage protection, the heritage building could be demolished and the site developed with a ten storey tower with a density of up to 1.9 FSR without Council approval under the zoning applicable to the site, subject to replacement of the existing rental units and securing of these units through a Housing Agreement.

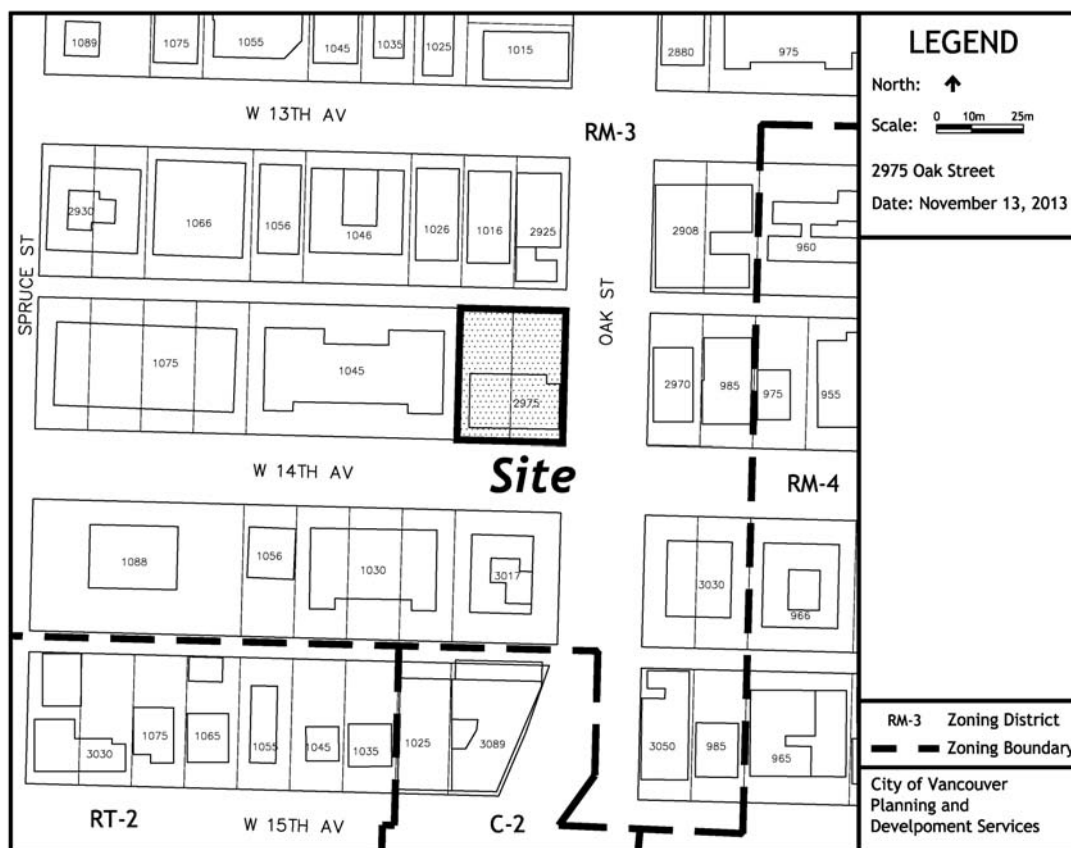
The fourteen existing rental units are protected under the Rental Housing Stock ODP and it is the unique provisions under the HRA which allow this site to redevelop at a higher density, creating an economically viable rental replacement project. It is not anticipated that this development application will be precedent setting for other properties in the RM-3 zone covered under the Rental Housing Stock ODP, as few properties in the area exist where development similar to that proposed for the Van Arsdel would be viable or possible under an HRA. The HRA will allow for an improvement to the existing building and an increase in the overall number of rental units on site.

In replacing the existing rental housing and securing all units through a Housing Agreement and /or a Section 219 Covenant, this application responds to the Rental Housing Stock ODP requirements. The application is consistent with goals of the *Housing and Homelessness Strategy 2012-2021*.

Site and Context

The site is located in the Fairview neighbourhood in an area zoned RM-3 (see Figure 1). The *RM-3 Zoning District Schedule of the Zoning and Development By-law* permits apartment buildings up to 36.6 metres (120 feet) in height. Retention of existing character and heritage buildings is not required. The total area of the subject site is 1,160 square metres (12,489 square feet). A 6.1 metre (20 foot) wide paved lane exists at the rear of the property.

Figure 1: Site and surrounding zoning



Heritage Value

The Van Arsdel was built in 1928 and was designed by the architectural firm of Townley and Matheson, who were also responsible for the design of the Stock Exchange Building and Vancouver City Hall (see Appendix A and Appendix B). The Van Arsdel was commissioned by Arthur Wellesley Davison, a sea captain with the Canadian Pacific Railway (CPR), and later the company's Marine Superintendent in Hong Kong. Mr. Davison and his family used the building

as a convenient “home base” during their frequent trips between Canada and Asia, and lived in several apartments in the building until the early 1940s. Mr. Davison named the building after his wife’s family name (Van Arsdel). The building has also been known as the Santa Fe since the 1940s.

The Van Arsdel is a good example of the Period Revival style popular in the 1920s and 1930s. The structure of the building is comprised of a heavy timber frame and a “board-poured” exterior concrete shell. Beams sit on concrete plinths formed into the exterior walls. The use of concrete became more common during this period and the building is a hybrid of heavy timber framing and concrete construction technologies.

The east façade (facing Oak Street) contains most of the building’s historic details including a tripartite composition with a horizontal base band, expressed vertical pilasters, vestigial parapet cornices, decorative garlanded shields, and eave brackets. The windows are set in deeply recessed, symmetrical openings, with projecting sills, diamond patterned spandrels, and scrolled details. The main entrance features a recessed front entryway with scrolled corners, a shadow-banded door surround surmounted by a central bay of windows, and original wrought-iron “Juliet” balconies, as well as an original terracotta tiled entry landing flanked by tapered light standards. The front door assembly, with side lights and transoms, is original. The side and rear facades are very simple and unadorned.

The decorative features of the exterior of the building are largely in their original condition other than the wood windows and light fixtures on the pillars at the front entrance which have been replaced. The interior has always been modest in terms of features. The unadorned main entrance lobby is little more than a small vestibule with a set of stairs leading up to the main floor level. No interior features have been documented as having heritage significance, and none are proposed to be retained.

The Van Arsdel is listed on the Vancouver Heritage Register in the ‘B’ evaluation category.

Development Application and Proposed Incentives

If approved, the incentives and compensation to be provided to the owner for the heritage designation, rehabilitation, and conservation of the heritage facades will be in the form of proposed variances to the *Zoning and Development By-law* as set forth in Development Permit Application Number DE417330 and as described below. The zoning applicable to the site is RM-3. The application proposes to retain and restore the heritage facades of the heritage building and construct a new tower behind the facades. Fourteen one-bedroom rental Dwelling Units currently exist in the building. The proposal would provide thirty-seven one -bedroom rental Dwelling Units and thirteen two-bedroom rental Dwelling Units, for a total of fifty secured market rental Dwelling Units.

A maximum density is not prescribed in the RM-3 zoning but typical tower development on corner sites of the same dimensions as the subject site may achieve up to a maximum of approximately 1.9 FSR without Council approval (see Appendix D). The total density proposed in this application is 2.8 FSR (see Figure 2). The proposal does not exceed the maximum permitted height of 36.6 metres (120 feet). An underground parking garage, accessed from the lane, will provide twenty-four off-street parking spaces.

Figure 2: Zoning and Parking Summary

Item	Existing	Permitted or Required	Proposed
Height	11.4 metres (37.5 feet)	36.6 metres (120.0 feet) maximum	34.2 metres (112.2 feet)
Overall Floor Space Ratio (FSR)	1.07 FSR 1,244 m ² (13,392 sq. ft.)	1.9 FSR maximum* 2,200 m ² (23,700 sq. ft.)	2.8 FSR 3,241 m ² (34,883 sq. ft.) 47% over the permitted density
Off Street Parking Spaces	10	26 + 4 visitor	22 + 2 visitor

* See Appendix D for a discussion on the maximum permitted FSR in RM-3.

As part of the application review, staff considered the potential impact of the proposed development, the results of notification (see the Results of Neighbourhood Notification and Staff Comments section), the compatibility of the development with the current zoning, the financial analysis required for the application (see the Proforma Evaluation section), and the Housing Policy conditions of the development permit application approval, and concluded that the application is supportable as an HRA. The General Manager of Planning and Development Services is prepared to approve the development permit application subject to Council approval of the recommendations of this report.

Existing Rental Accommodation and Tenant Relocation Plan

The City requires that tenant relocation plans be in accordance with the *Residential Tenancy Act* and meet the conditions outlined in the City's Rate of Change Guidelines (2007). The applicant has presented a comprehensive Tenant Relocation Plan which meets the minimum requirement under the Rate of Change Guidelines of two months free rent, reimbursement of receipted moving expenses, and first right of refusal to move back into a new unit upon completion.

The fourteen 1-bedroom units in the Van Arsdel currently rent between \$695/month to \$970/month and four of the tenants have lived in the building longer than ten years. In addition to the minimum requirements above, the applicant will provide tenants who have lived in the building longer than 10 years a total of three months free rent. The applicant will also provide assistance in finding alternative accommodation, and will have a dedicated tenant relocation manager to assist as needed in finding accommodation at comparable rents. The applicant has agreed to provide those tenants requesting assistance with three options in the Vancouver area, one of which must be in the same general area as their current home. Every effort will be made to find options that rent for no more than 10% above current rent levels, unless otherwise agreed to by the tenant.

Rents in the new building are anticipated to start at approximately \$1,380 for a 1-bedroom unit and \$2,050 for a 2-bedroom unit, but will be confirmed by a third party appraiser at the time of completion. Tenants wishing to return to the building will be offered a minimum 10% discount off initial rents for certain units, and moving expenses will be covered by the applicant. Discounted starting rents for returning tenants will not exceed \$1,250 for a 1-bedroom and \$1,850 for a 2-bedroom, should the market fluctuate. Tenants who have lived in

the building 10 years or more, will be entitled to a 15% discount off initial rents for certain units. Discounted rents for long-term tenants are not to exceed \$1,175 for a 1-bedroom and \$1,750 for a 2-bedroom unit. A copy of the draft Tenant Relocation Plan is included in Appendix F along with the Housing Policy conditions of the development permit application approval.

Housing Agreement/ Section 219 Covenant

The prior-to conditions outlined in Appendix F call for a Housing Agreement and/ or a Section 219 Covenant to secure all units as rental for the life of the building or 60 years, whichever is longer. In addition to the requirements of the Housing Agreement and/or a Section 219 Covenant, already part of the condition, staff are recommending that the option of a discounted rent for returning tenants (as outlined above) be included.

Compatibility with Existing Zoning and Land Use Regulations

The Intent of the *RM-3 Zoning District Schedule* is to:

"... permit medium density residential development, including high-rise apartment buildings, and to secure a higher quality of parking, open space and daylight access through floor area bonus incentives.."

The application proposes a high-rise apartment with secure parking, open space, and daylight access and is consistent with the intent of the *RM-3 Zoning District Schedule*.

Condition of the Heritage Building and Conservation Approach

The Van Arsdel is little changed from its original appearance but is in need of many repairs and maintenance. Staff explored the retention of the entire structure with the previous owners and the current developer and concluded that retention of the heavy timber structure is not possible to provide for development typically permitted on RM-3 zoned sites, and for the development as proposed. The application proposes to retain the east and south facades, where most of the building's details are concentrated, fifteen feet of the north facade and a few feet of the west facade (see Appendix C). The interior of the building is to be demolished and reconstructed to meet the current *Vancouver Building By-law* requirements. The Van Arsdel's original entrance will still function as an entrance, but the primary entrance to the residential lobby and elevators will be located at the bottom of the new tower portion. The original floor layout of the Van Arsdel will be partially replicated and the original fourteen one bedroom dwelling units replaced with thirteen two bedroom dwelling units. The rooms and floor levels will align with the existing window openings and floor levels. New wood windows replicating the original windows will be installed in the retained primary facades which will be painted in the building's original colours. Staff conclude that the rehabilitation scheme is consistent with the federally adopted *Standards and Guidelines for the Conservation of Historic Places in Canada* and is supported.

Results of Neighbourhood Notification and Staff Comments

On September 17, 2013 the developer held an open house which staff attended to listen to comments from members of the public and to explain City processes. A total of 1,726 properties in the surrounding area were notified of the open house. Twenty-four people

signed in at the open house and eight written comments were submitted, of which four expressed support, two expressed opposition, and two were neutral but noted concerns.

As part of the development permit application review, 603 surrounding properties were notified of the development permit application, and a site sign was installed. Six responses were received. One indicated support and five were neutral but expressed concerns.

The concerns expressed in the responses were mainly with respect to the height of the proposed tower addition, and the impacts on rental accommodation in the neighbourhood, as well as the displacement of tenants (see Appendix H for detailed neighbourhood responses and staff comments).

The height of the proposed tower is below the permitted height limit of 36.6 metres (120.0 feet). Staff considered the results of notification and concluded that this application, with conditions of development application approval which address the requirements of the Rental Housing Stock ODP, and Rate of Change Guidelines, including tenant relocation (see Appendix F), is supportable as an HRA. Other similar HRAs have been approved by Council in the past (see Appendix G).

Comments from the Vancouver Heritage Commission

On November 18, 2013, the Vancouver Heritage Commission reviewed the application and supported the proposal (see Appendix E).

Comments from the Urban Design Panel

On December 3, 2013 the Urban Design Panel reviewed the application and did not support it (See Appendix E). In review of the Panel's comments, staff concluded the concerns identified were of a detail nature and can be addressed through the development application review process and concluded another presentation to the Panel was not necessary.

Financial Implications

The value of the onsite density bonus, which will facilitate the conservation of the heritage facades, is approximately \$2.2 million. The site is within the City-wide Development Cost Levies (DCL) District and it is anticipated that the applicant will pay approximately \$273,000 in DCLs. Although the project provides for secured market rental Dwelling Units, an exemption of DCLs, or a variance of the DCL rate, is not proposed (see Appendix I).

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 proposed density of 2.8 FSR and other by-law variances proposed to offset heritage rehabilitation costs, and to compensate an owner for any reduction in market value resulting from the heritage designation, will not result in any undue profit.

Environmental

The City's *Green Buildings Policy for Rezonings* 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.

Legal

The by-law variations proposed will provide an improved development potential on the site. The owner's proposal to rehabilitate and conserve the heritage facades in exchange for obtaining the by-law variations needed to get that improved development potential should be appropriately secured as legal obligations contained in the HRA 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 the HRA 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, if sought, Council must 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 Van Arsdel's heritage facades and the obligations to rehabilitate and conserve them. The HRA will be executed by the City and registered on title to the site following Council's 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 heritage designation and the proposed HRA for the Van Arsdel at 2975 Oak Street will ensure that the heritage facades of the heritage building are conserved and protected from exterior alterations which affect their heritage value, and from demolition. The owner has agreed to accept the proposed variances as compensation for the designation of the heritage facades and their rehabilitation and conservation. The application complies with the Rental Housing Stock ODP and Rate of Change Guidelines and is consistent with the City's current Housing Policy. 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 heritage designation of the Van Arsdel heritage facades at 2975 Oak Street, and the proposed HRA.

* * * * *

2975 Oak Street
PHOTOGRAPHS



Photo 1: 2975 Oak Street in 1931 (looking west from Oak Street)



Photo 2: 2975 Oak Street today. The windows have been replaced and the lanterns on the front pillars at the entrance are not original, but the building otherwise has changed little since it was constructed in 1928. The building was originally painted in muted warm tones. Today it is white with details highlighted in pale blue.



Collage 1: The entrance in 1931 (left) and 2013 (right). Note the change in lettering from “Van Arsdel” to “Santa Fe” which took place in the 1940s. The door and side lites are original.



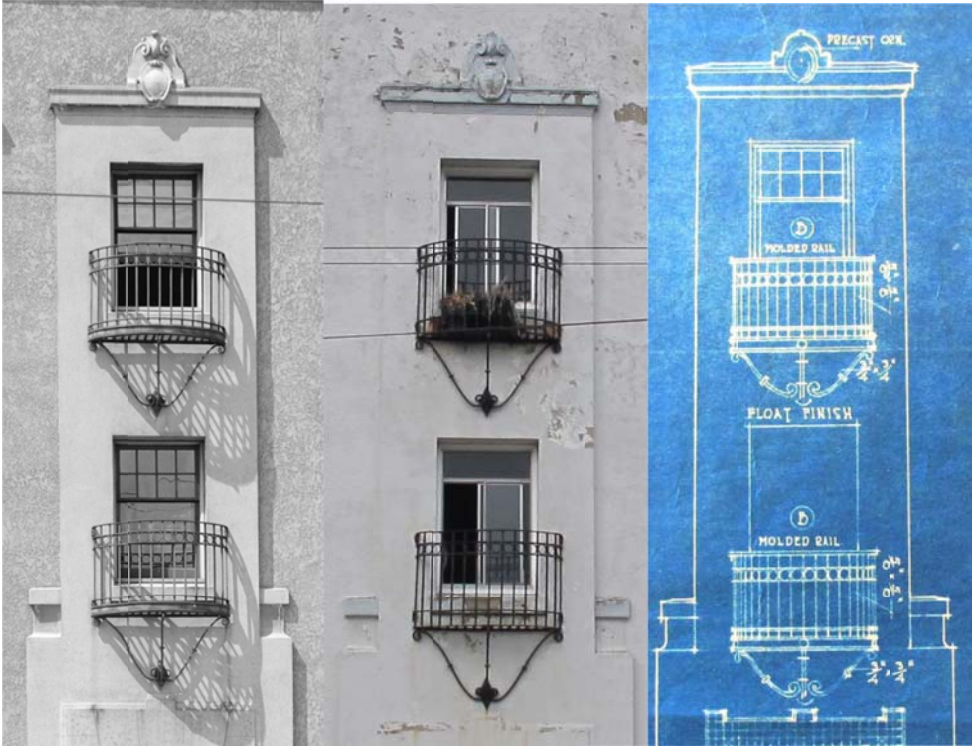
Photo 3: The Van Arsdel in 1929, as indicated by the arrow, looking south from Oak Street and East 17th Avenue. The apartment building on the far right between the telephone poles still exists (see Map 2 in Appendix A).



1931



2013



1931

2013

1927 drawing

Collage 2: Details of 2975 Oak Street with dates note.



1929



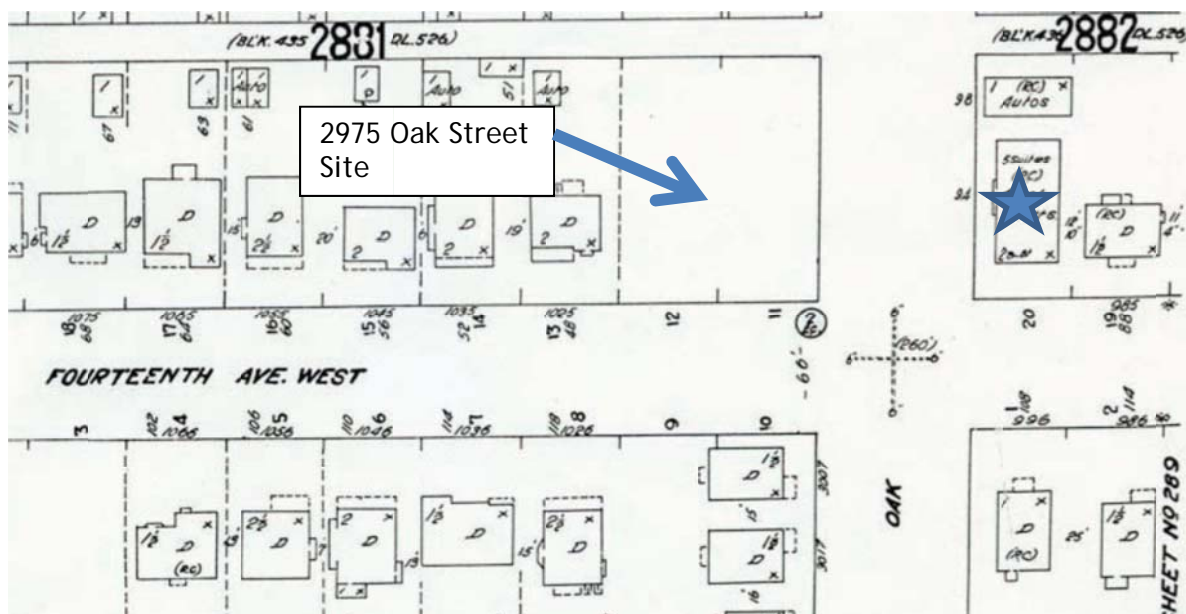
Fred Laughton Townley



Robert Michael Matheson

Photos 6, 7, and 8: 2975 Oak Street in 1929 (top) and the architects Fred Townley (left) and Robert Matheson (right). The apartment building behind the Van Arsdel still exists.

2975 Oak Street MAPS AND BACKGROUND HISTORICAL INFORMATION



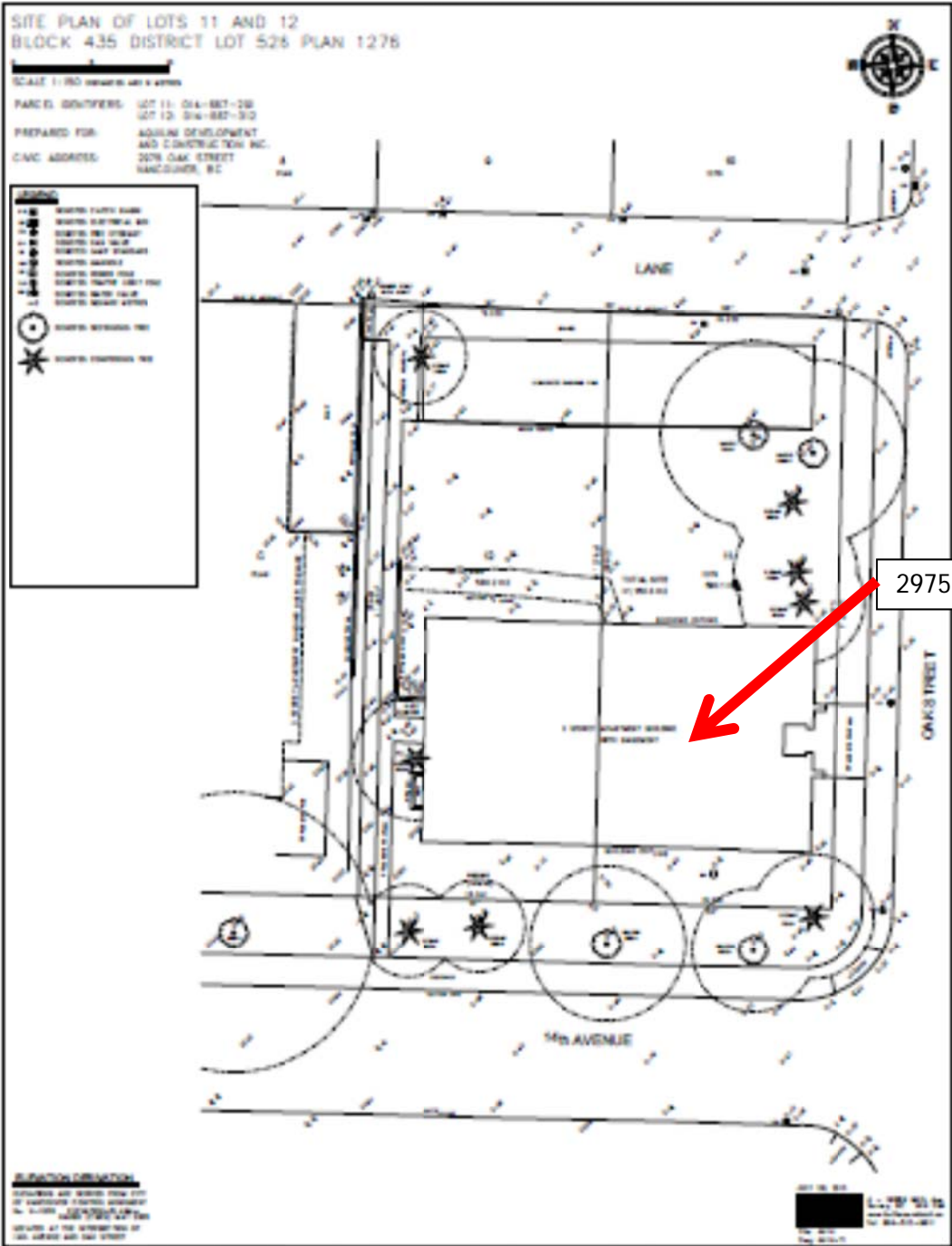
(1923)



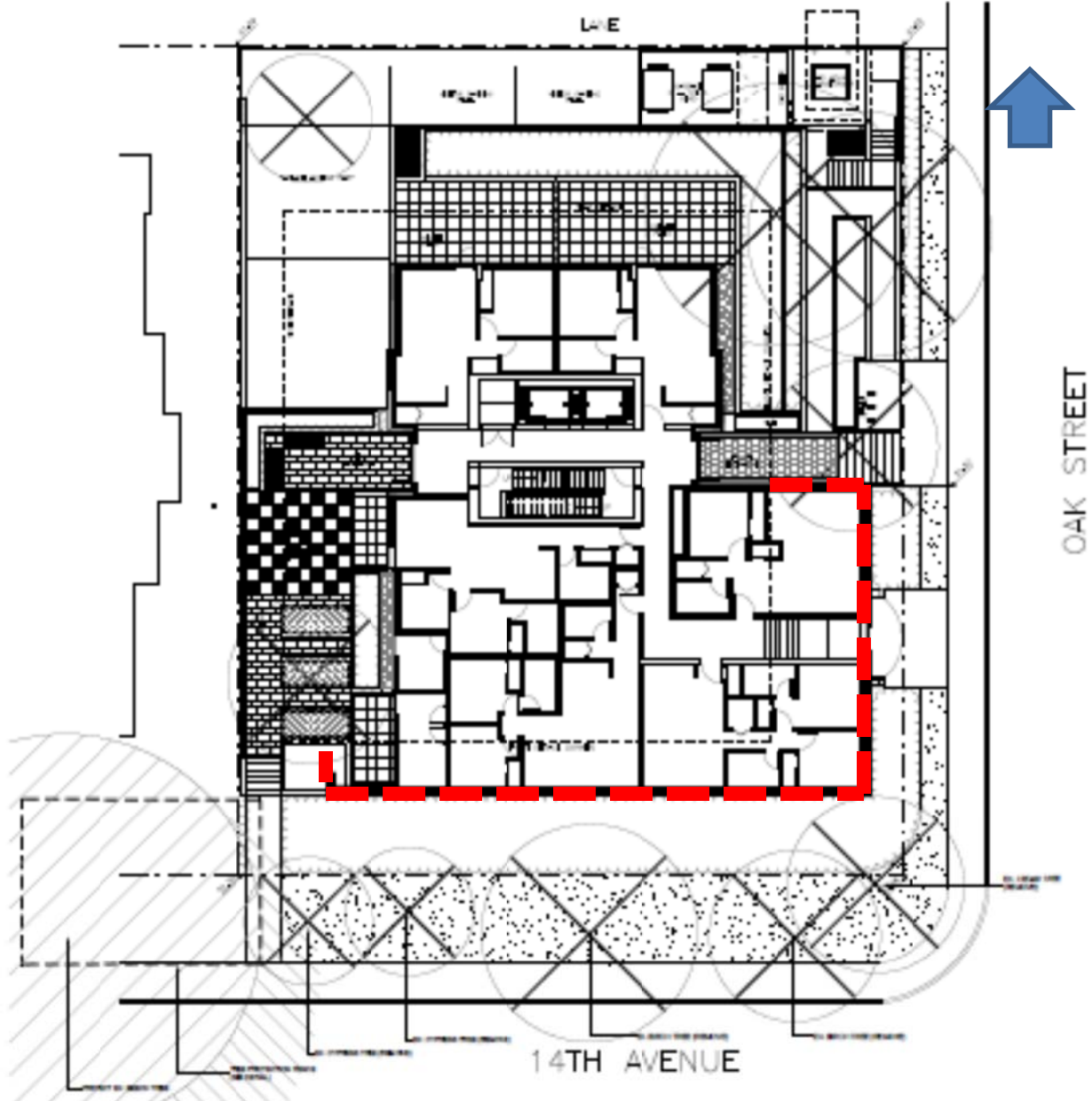
(1954)

Maps 1 and 2: the top map shows the site in 1923, and the bottom map shows the site in 1954. The original wide garage at the lane existed until recently. The buildings indicated by stars still exist. The 2900 block of Oak Street has changed little in eighty years.


2975 Oak Street
DRAWINGS

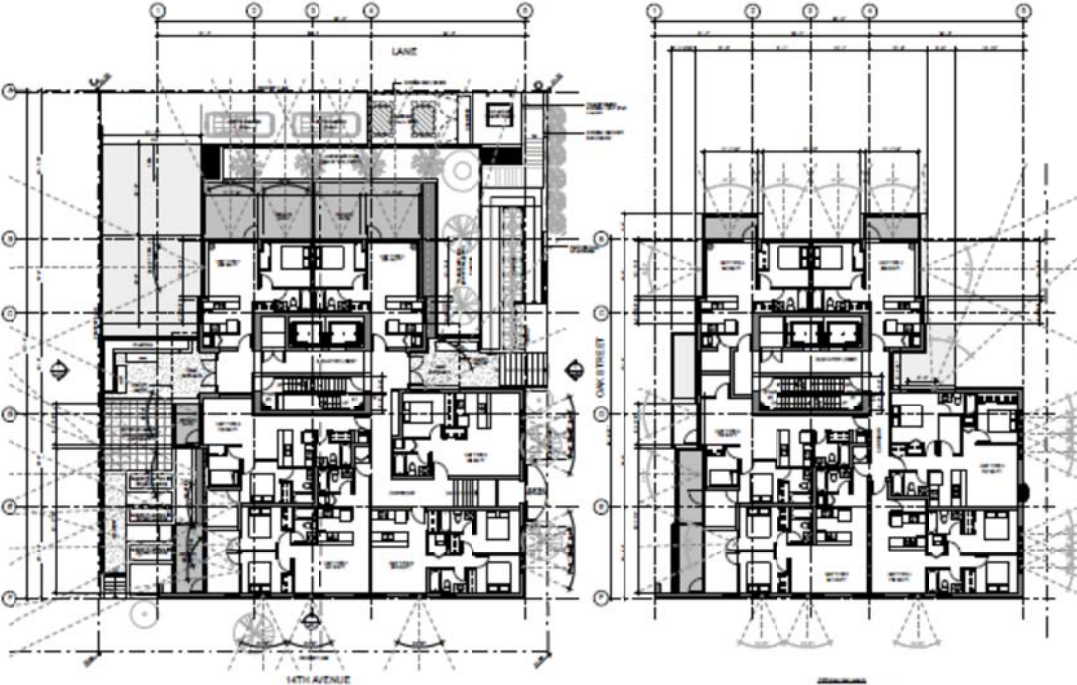


Survey (existing condition): Note that the original garage at the lane still existed when this survey was prepared a few years ago.

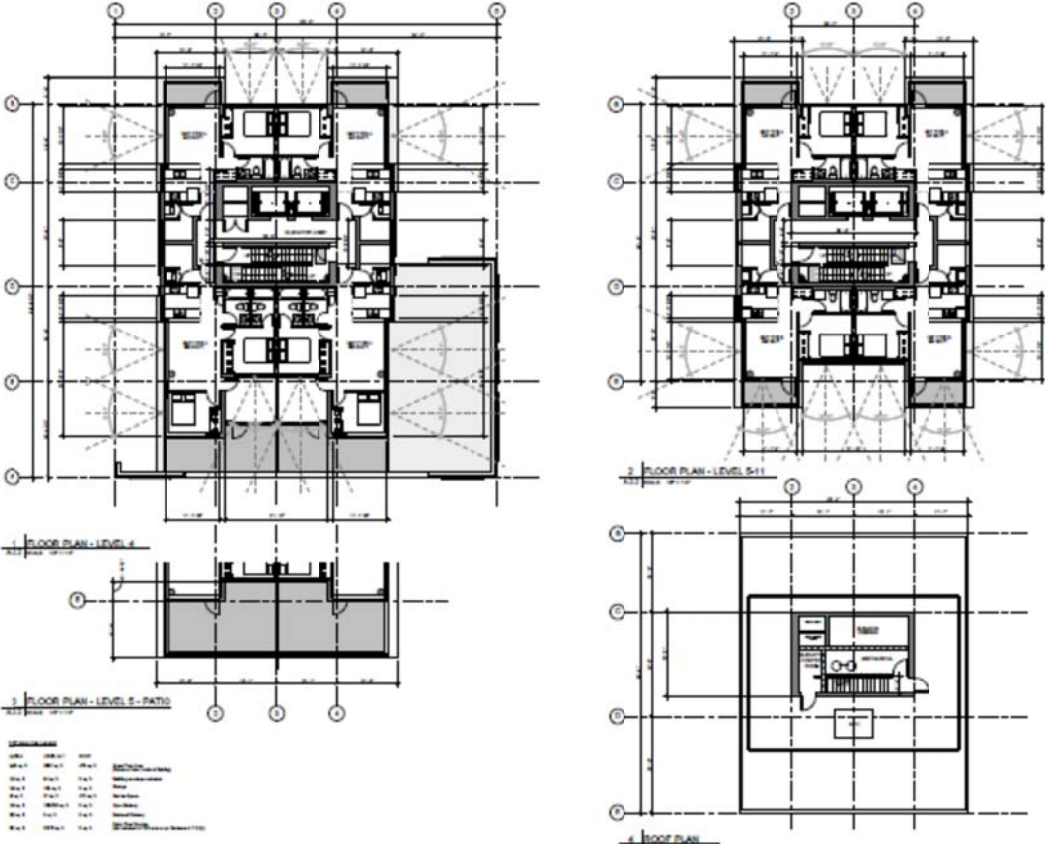


Site and Landscape Plan

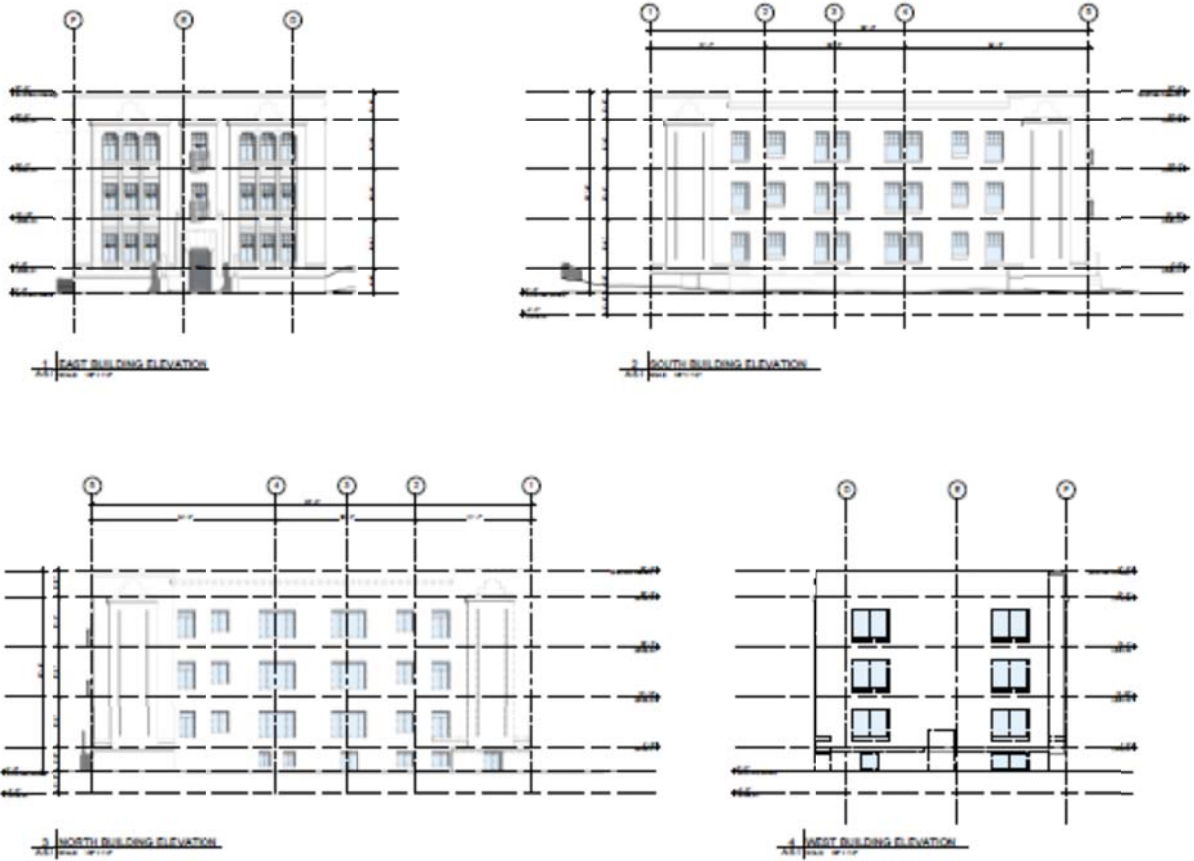
Retained facades: 



Plans: Main Floor (left) and Second Floor (right)



Plans: Typical Tower Floors and Penthouse Level



Elevations of Existing Building



1. EAST BUILDING ELEVATION

East Elevation



1. NORTH BUILDING ELEVATION

North Elevation (lane)

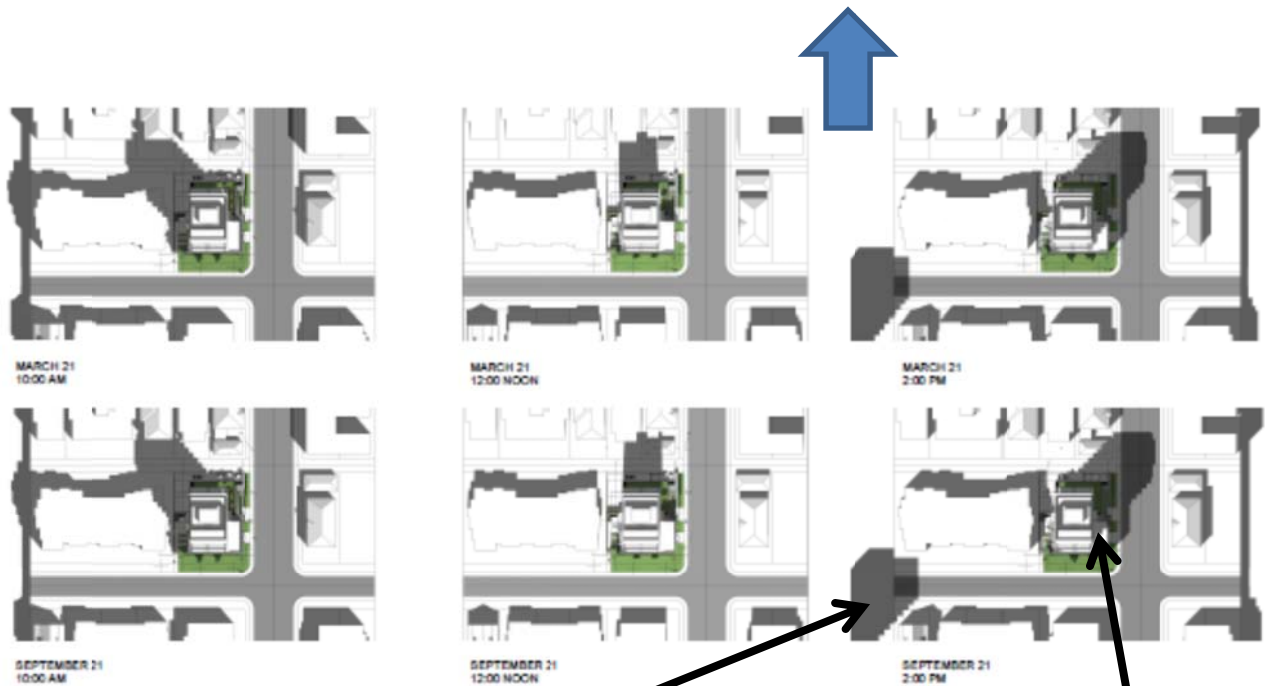
Plans



View looking North-West from West 14th Avenue



View looking North-East from West 14th Avenue



1088 W 14th Av approved outright under the RM-3 zoning in 2006 (120 feet high)

2975 Oak St

Shadow Study



View looking East from West 14th Avenue: the view shows the building at 1088 West 14th Avenue which was approved under the current RM-3 zoning in 2006 and which is 36.6 metres (120 feet) high.

2975 Oak Street
TECHNICAL ZONING AND PARKING SUMMARY

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

Item	Existing	Permitted or Required	Proposed
Use	Multiple Dwelling (14 units)	Multiple Dwelling	Multiple Dwelling (50 units)
Height	11.4 metres (37.5 feet)	36.6 metres (120.0 feet) maximum	34.2 metres (112.2 feet)
Front Yard Setback	12 feet	12 feet minimum	12 feet
Overall Floor Space Ratio (FSR)	1.07 FSR 1,244 m ² (13,392 sq. ft.)	1.9 FSR maximum* 2,200 m ² (23,700 sq. ft.)	2.8 FSR 3,241 m ² (34,883 sq. ft.) 47% over the permitted density
Off Street Parking Spaces	10	26 + 4 visitor spaces minimum	22 + 2 visitor spaces
Disability Parking Spaces	0	2 minimum	3
Bicycle Storage	Unknown	70 total minimum	70

* The maximum density in the RM-3 zoning is not prescribed but is based on a number of limiting factors, including site coverage and containing angles, and a maximum height of 36.6 metres (120 feet). On sites 30.5 metres (100 feet) in width or wider, densities of up to 1.9 FSR may be achieved on corner sites and 1.8 on interior sites. On smaller sites, the maximum density ranges from approximately 1.4 to 1.6 FSR. The site at 2975 Oak Street is 30.5 metres (100 feet) wide and located on a corner and therefore has been assigned a maximum permitted density of 1.9 FSR.

2975 Oak Street
RESOLUTIONS OF THE VANCOUVER HERITAGE COMMISSION AND THE URBAN DESIGN PANEL
AND STAFF COMMENTS

Vancouver Heritage Commission

On November 18, 2013 the Vancouver Heritage Commission reviewed the application and resolved the following:

THAT the Vancouver Heritage Commission supports the SoS and Conservation Plan for 2975 Oak Street (The Van Arsdel) as presented at its meeting November 18, 2013;

FURTHER THAT the Vancouver Heritage Commission recommends further design development to the new structure that maintains its subordinate nature to the heritage building.

CARRIED

THAT the Vancouver Heritage Commission supports the overall density proposed for 2975 Oak Street (The Van Arsdel) as presented at its meeting November 18, 2013.

CARRIED

Staff Comments:

The design of the new structure will be addressed as part of the development application review to maintain its subordinate nature to the heritage building.

Urban Design Panel:

On December 4, 2013, the Urban Design Panel reviewed the development permit application for 2975 Oak Street and did not support the project (2 for and 3 against). The Panel's consensus on key aspects needing improvement include the following:

- Consider having the entry at sidewalk level.
- Improve the integration between the heritage building and the new structure.
- Consider adding some heritage elements in the tower.
- Consider aligning the building with other buildings along the street.
- Consider retaining the heritage planting on site.
- Consider improving the programming in the outdoor amenity space.
- Consider a different colour palette.
- Include passive design elements.

Staff considered these comments and concluded that they are of a detailed nature which can be addressed through design development. The items noted above have been incorporated into conditions of the development permit application approval and will be addressed.

2975 Oak Street
HOUSING POLICY AND HOUSING POLICY CONDITIONS OF THE DEVELOPMENT PERMIT
APPLICATION APPROVAL

The *Housing and Homelessness Strategy 2012-2021* emphasizes efforts to increase the number of affordable housing units in the City by optimizing the use of zoning and development tools, amongst other priority actions. The *Housing and Homelessness Strategy Three-Year Plan 2012-2014* supports efforts to secure rental accommodation, with an emphasis on assisting smaller scale projects.

The application for 2975 Oak Street is consistent with both strategies by providing an additional thirty-six secured market rental Dwelling Units on the site, in addition to the fourteen which already exist, for a total of fifty secured rental residential units (thirteen of them two-bedroom units).

The site is subject to the *Rental Housing Stock Official Development Plan and the Rate of Change Guidelines For Certain RM, FM, and CD-1 Zoning Districts*. The development permit application for the project complies with the *Rate of Change Guidelines* and the following conditions are required to be met or completed prior to the issuance of the development permit application approval for 2975 Oak Street:

1. Provision of a list outlining the name of each tenant, the number of the tenant's unit and their rent as per Section 2 of the Rate of Change Guidelines.
2. Provision of a Tenant Relocation Plan which includes providing two months free rent; reimbursement for receipted moving expenses; and right of first refusal to move back into the development upon completion as per Section 2 of the Rate of Change Guidelines.

Note to Applicant: This Plan should also outline ways in which you can provide assistance to tenants in finding alternate accommodation.

3. Provision of a letter stating the property address and legal description of the site, and providing the names and mailing addresses of all tenants
4. Provision of a notarized declaration which demonstrates that each tenant has been given written notice of the intent to redevelop the property; that indicates the number of units occupied on the date of the notice; and includes information on posting of notice regarding the intent to redevelop as per the Section 3 of the Rate of Change Guidelines.
5. Provision of a final Tenant Relocation Report which outlines the names of tenants; indicates the outcome of their search for alternate accommodation; summarizes the total monetary value given to each tenant (moving costs, rent); and includes a summary of all communication provided to the tenants.
6. Make arrangements to the satisfaction of the Managing Director of Social Development and the Director of Legal Services to enter into a Housing Agreement and/or Section 219 Covenant securing all 50 residential units as rental housing for 60 years or the life of the building, whichever is greater and subject to the following additional conditions in respect of those units:

- i. that such units may not be subdivided by deposit of a strata plan;
- ii. that none of such units may be separately sold;
- iii. that none of such units will be rented for less than one month at a time;
- iv. that such units, except for those held for returning tenants, will be rented at full market value to be confirmed by a third party appraiser at the time of completion (now approximately \$1,380/month for a 1-bedroom and \$2,050/month for a 2-bedroom);
- v. that certain units will be made available for returning tenants at discounted initial rents as follows:
 - a. for tenants who have resided in the building for 10 years or less, initial rents will be the lesser of 10% below the full market value and \$1,250 for a 1-bedroom or \$1,850 for a 2-bedroom, and thereafter will be subject to the provisions of the Residential Tenancy Act regarding rent increases;
 - b. for tenants who have resided in the building for more than 10 years, initial rents will be the lesser of 15% below the full market value and \$1,175 for a 1-bedroom or \$1,750 for a 2-bedroom, and thereafter will be subject to the provisions of the Residential Tenancy Act regarding rent increases; and
- vi. on such other terms and conditions as the Managing Director of Social Development and the Director of Legal Services may in their sole discretion require;

Note to Applicant: this condition will be secured by a Housing Agreement to be entered into by the City by by-law enactment pursuant to section 565.2 of the Vancouver Charter and/or a Section 219 Covenant.



2975 Oak Street: Tenant Relocation Plan





Summary

Aquilini Development and Construction Inc., on behalf of the owner of 2975 Oak Street, 2975 Oak Street Limited Partnership, has been coordinating a development permit application for the property that would require the relocation of 12 tenants of the existing RM3 rental building on the site. Tenant relocation is required to rehabilitate the existing heritage building and to construct an adjoining 11 story purpose-built rental building. Aquilini Development and Construction Inc. is aware that this application, if approved, would cause a degree of inconvenience and financial burden on the existing residents. Our goal is to provide support to the current tenants in order to make the transition out of the Santa Fe building smooth with as little financial pressure as possible. Furthermore, if desired by the tenants, we hope they will feel welcome to return to the building upon its completion. Tenant’s residing in the Santa Fe Building at the time of the issuance of DE417330 will be eligible for the Tenant Relocation Plan. Tenants under fixed term contracts with prior understanding of the potential redevelopment of the site will not be eligible for the relocation program. Below is a variety of information and assistance measures we are putting in place for the current tenants in order to fulfill requirements of the City of Vancouver’s Rate of Change Guidelines and to fulfill our corporate belief of upholding a positive tenant-landlord relationship.

Property Address, Legal Description, & Tenants

Property Address: 2975 Oak Street, Vancouver BC V6H 2K7
 Legal Address: Parcel Identifier: 014-667-291
 Legal Description: LOT 11 BLOCK 435 DISTRICT LOT 526 PLAN 1276
 Parcel Identifier: 014-667-312
 Legal Description: LOT 12 BLOCK 435 DISTRICT LOT 526 PLAN 1276

Tenant	Mailing Address
	Unit 1-2975 Oak Street
	Unit 2-2975 Oak Street
	Unit 3-2975 Oak Street
	Unit 4-2975 Oak Street
	Unit 5-2975 Oak Street
	Unit 6-2975 Oak Street
	Unit 7-2975 Oak Street
	Unit 8-2975 Oak Street
	Unit 9-2975 Oak Street
	Unit 10-2975 Oak Street
	Unit 11-2975 Oak Street
	Unit 12-2975 Oak Street
	Unit A-2975 Oak Street
	Unit B-2975 Oak Street

-  Tenant on a recent fixed term lease with understanding of redevelopment of the site
-  Existing resident manager at acquisition of property – reduced rent for services

Current Rent Role (as of March 1, 2014)

Apartment #	Tenant	Rent Amount	Parking Amount	Total	Start of Tenancy
		\$770.00	\$30.00	\$800.00	October 01, 2009
		\$970.00	\$30.00	\$1,000.00	May 01, 2001
		-	-	-	-
		\$770.00		\$770.00	December 01, 2009
		\$500.00		\$500.00	September 03, 2013
		\$765.00	\$30.00	\$795.00	September 01, 2005
		\$745.00		\$745.00	October 01, 2009
		\$300.00		\$300.00	October 01, 1986
		\$790.00		\$790.00	March 01, 1990
		\$790.00		\$790.00	December 01, 2007
		-	-	-	-
		\$790.00	\$30.00	\$820.00	September 01, 2005
		\$730.00		\$730.00	September 01, 2008
		\$695.00	\$30.00	\$725.00	May 15, 1993

- Tenant on a recent fixed term lease with understanding of redevelopment of the site
- Existing resident manager at acquisition of property – reduced rent for services

Units in Relocation Plan	
Total Units	14
Vacant Units	2
Fixed Term Units	1
Units in Relocation Plan	11

Relocation Plan

Tenant Notice/2-Months Rent

As the owner and landlord of 2975 Oak Street, we will go above British Columbia’s Residential Tenancy Act requirements for ending a tenancy due to the landlord’s use of the property for major construction. We commit to providing two-month notice and the equivalent to two month’s rent on or before the move-out date to each tenant that falls under this plan. Tenants residing in the Santa Fe Building for longer than 10 years at the time of formal notice will be provided with an additional month’s rent in compensation. The resident manager, who receives reduced rent for services, will be provided with a payout rate equal to the rent of a comparable unit on their floor. In addition, through constant communication, we will provide tenants with project updates that will help give them unofficial notice in advance of the two month requirement.

Moving Expenses

We will designate a professional moving company to assist tenants with the moving process, given they are moving within the Metro Vancouver area. For tenants moving beyond Metro Vancouver, we will provide the necessary assistance in coordinating the moving process and the financial equivalent as those moving within the Metro Vancouver area. Invoicing for moving services is planned to be completed directly between the moving company and the landlord, which will provide more ease and less financial pressure for the tenants. If the tenant wishes to return to the Santa Fe building upon the completion of construction, we will again pay for moving expenses. In addition, we will provide an appropriate amount of moving supplies for a one bedroom unit to help organize each tenant in advance of their moving day and which will ease incidental costs that arrive from the moving process.

First Right of Refusal

Tenants will be offered the first right of refusal, based on their length of tenancy, to the new units if they desire to return to the Santa Fe building once construction is completed. The rehabilitated building and adjoining tower will offer a better living environment at rates comparable to the market in the area. To make this option more realistic for tenants, the landlord will pay for moving expenses in the same manner that is being offered when tenants move out of the Santa Fe building. In addition, rental rates for the new rental units for returning tenants will start at market rent with a 10% discount, which can then increase as per British Columbia's Residential Tenancy Act. We will provide an additional 5% discount (total of 15% off starting market rent) for those returning tenants that have been at the Santa Fe building for longer than 10 years as of the point of formal notice. Any maximum rents in association with these discounts that are specified in a Housing Agreement will not apply to all 1 or 2 bedroom units. Specified maximum rents will be assigned to specific units in the new building.

Alternate Accommodation Assistance

Aquilini Development and Construction Inc. will use its internal resources and industry connections in the residential property management field to assist tenants in locating alternative comparable living accommodation in Metro Vancouver. The tenants, if requested, will be assisted in finding three comparable units in Vancouver that fit as closely to their current accommodation as possible; at least one of the comparable units will be in the same neighbourhood as the Santa Fe building. For existing tenants requesting assistance in finding alternate accommodation, we will make an effort to provide a comparable option that rents for no more than 10% above current rent levels, unless otherwise agreed to by the tenant. All current tenants that fall under the Tenant Relocation Plan will be provided with the contact information for the designated tenant relocation manager/coordinator. If desired, tenants can provide their accommodation specifications and the designated tenant relocation manager/coordinator will actively search out vacant units that match the requirements. In addition, as an owner of other residential rental properties in our portfolio and under development, we will provide the Santa Fe tenants with priority to rent at our other rental buildings and the future Rogers Arena residential rental development pending vacancies and timelines.

Tenant Notices

Proof of written tenant notice and communication with the residents of the Santa Fe building will be provided when requested by City of Vancouver staff.

Final Tenant Relocation Report

A final Tenant Relocation Report which outlines the names of tenants; indicates the outcome of their search for alternate accommodation; summarizes the total monetary value given to each tenant (moving costs, rent); and includes a summary of all communication provided to the tenants will be provided upon the plans completion.

Conclusion

Aquilini Development and Construction Inc., on behalf of the owner, 2975 Oak Street Limited Partnership, is committed to ensuring that the Santa Fe tenant relocation process is smooth with little burden on the existing residents. We feel like the measures described above in our Tenant Relocation Plan successfully addresses the City of Vancouver Rate of Change Guidelines. We look forward to working with the residents of the Santa Fe building over the coming months and years to successful relocate them to alternative accommodation that suits their need and providing them with the opportunity, if they desire, to return to the Santa Fe Building after construction.

For further information regarding this Tenant Relocation Plan please contact:

Mark Mazzone
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200-510 West Hastings Street
Vancouver, BC V6B 1L8
T 604.687.8813 Ext. 137
D 604.687.6695
F 604.682.6183



**2975 Oak Street
HERITAGE SITES IN THE FAIRVIEW NEIGHBOURHOOD**

Within the area zoned RM-3 bounded by West 10th Avenue to the north and West 15th Avenue to the south, and Oak Street to the east and Granville Street to the west, there are approximately 300 residential sites. Within this area there are seventeen buildings, including the Van Arsdel, listed on the Vancouver Heritage Register, representing approximately 5% of the total number of sites (four are 'C' listed, eight are 'B' listed, and five are 'A' listed). Of these, ten are protected by heritage designation by-laws (including three of the 'A' listed building). Excluding the Van Arsdel site, six sites containing unprotected heritage buildings exist which could see heritage applications, including HRAs, brought forward in the future, which represents approximately 2% of the total number of sites in the area.

While additional sites could be added to the Register over time (and some heritage buildings on the Register now could also be demolished), the rate at which applications similar to that for 2975 Oak Street might be applied for is likely to be modest. However, staff will monitor enquiries and applications over time in the area in this regard.

Since 2000, only two HRAs have been approved in the Fairview area on sites of a similar size as 2975 Oak Street. An HRA at 2965 Fir Street was approved in 2002 and granted 2.57 FSR (1.9 FSR permitted) for the site in exchange for preserving two heritage duplexes. In 2005 an HRA at 1350 West 13th Avenue granted 2.14 FSR (1.8 FSR permitted) in exchange for the retention and restoration of a large house on the site. The costs to preserve the Van Arsdel facades reflect the premium costs to retain, brace, and restore the three storey concrete walls, and Real Estate Services staff determined that the FSR proposed as compensation for these costs is supportable in this case.

2975 Oak Street
DETAILED NEIGHBOURHOOD NOTIFICATION RESPONSES AND STAFF COMMENTS

As part of the neighbourhood notification conducted for the project, a total of thirteen responses were received. Five expressed support for the project, two expressed opposition, and six responses were neutral but expressed concerns. Concerns include the following:

- The tower is too high and will create shadowing impacts;
- The lack of full structural retention is not good heritage conservation;
- There will be a displacement of long-term tenants;
- The proposal bypasses the *Rate of Change* requirements. Rezoning applications are not supported in *Rate of Change* areas so why is this application being considered?
- Inadequate off street parking spaces are proposed;
- The project may impact the rents in other market rental buildings in the area;
- There should be no bonus density for heritage protection. Protection should simply be required; and
- The tower will block views.

The proposed tower does not exceed the permitted height limit of 36.6 metres (120.0 feet). Similar tower heights have been approved outright under the RM-3 zoning (see Appendix C). Conditions of the development permit application approval require that opportunities to minimize shadowing, view, and privacy overlook be incorporated into the design. The proposal provides 80% of the required parking spaces and all of the required bicycle storage. Additional parking spaces cannot be provided due to the foundation structural requirements necessary to retain the principal heritage facades. Planning staff support the parking relaxation as proposed (see Figure 2), noting that the building is located along a major public transit route.

In early reviews staff and the applicant concluded that full retention of the existing wood framed interior structure would not be possible with the development as proposed. The conservation scheme is supported by the Vancouver Heritage Commission (see the Comments from the Vancouver Heritage Commission section). The *Vancouver Charter* requires that an owner be compensated for heritage protection (see the Council Authority and Legal Sections).

Rezoning applications are generally not considered in *Rate of Change* areas. The application is not a rezoning and complies with the *Rate of Change* guidelines, which permits redevelopment under a development permit, subject to a number of requirements. The Managing Director of Social Development advises that the project, which will provide fifty secured residential rental Dwelling Units, is supportable with conditions of the development application approval which address the requirements of the guidelines, including tenant relocation (see Appendix F). Other similar HRAs have been approved by Council in the past (see Appendix G).

Rents in any building in the area which are not subject to a Housing Agreement may be increased, and tenants possibly dislocated, as provided for under the Rental Tenancy Act. The proposal for the Van Arsdel does not change these requirements, nor does it set a precedent for other properties in the area in terms of redevelopment.

Within the RM-3 zoned area bounded by Broadway, West 16th Avenue, Oak Street, and Granville Street, approximately 2% of the properties contain heritage resources for which

HRAs could be brought forward in the future (see Appendix G). Staff concluded that the rate at which HRA applications might be received in the future in the area is modest relative to the overall number of properties in the neighbourhood. However, staff will monitor enquiries and applications involving HRAs in respect of this.

Staff notified those who left written comments at the open house, and those who responded as part of the neighbourhood notification conducted for the application, of the public hearing required for the project for the proposed HRA and heritage by-laws.

Staff considered the results of notification and concluded that the application is supportable as an HRA.

2975 Oak Street
PUBLIC BENEFITS SUMMARY

Project Summary:

Rehabilitation and conservation of a heritage building and construction of an 120 foot tall residential rental tower.

Public Benefit Summary:

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

	Current Zoning	Proposed
Zoning District	RM-3	HRA
FSR (site area = 1,160 m ² (12,489 sq. ft.))	1.9	2.8
Buildable Floor Area	2,200 m ² (23,700 sq. ft.)	3,241 m ² (34,883 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)	301,000	273,000
	DCL (Area Specific)		
	Public Art		
	20% Social Housing		
Offered (Community Amenity Contribution)	Childcare Facilities		
	Cultural Facilities		
	Green Transportation/Public Realm		
	Heritage		2,200,000
	Housing (e.g. supportive, seniors)		
	Parks and Public Spaces		
	Social/Community Facilities		
	Unallocated		
	Other		
TOTAL VALUE OF PUBLIC BENEFITS		\$301,000	\$2,473,000

Other Benefits (non-market and/or STIR): components):

None

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 1,244 m² (13,392 sq. ft.) in the heritage building. For the value of DCLs under the Current Zoning column, the maximum permitted density of 23,700 sq. ft. is used (i.e. for a new structure). For the value of DCLs under the Proposed HRA column, the difference between the floor area proposed and existing is used, which is 21,491 sq. ft.