

Kennett, Bonnie

From: Correspondence Group, City Clerk's Office
Sent: Tuesday, March 24, 2015 4:25 PM
To: Public Hearing
Subject: FW: 5037-5087 Main Street - CAC's

From: Robert Fung § 22(1) Personal and Confidential
Sent: Tuesday, March 24, 2015 10:20 AM
To: Correspondence Group, City Clerk's Office
Cc: Jackson, Brian (PDS); Winterbottom, Graham; Haid, Susan; Robert Fung; Grace Severson
Subject: 5037-5087 Main Street - CAC's

Dear Mayor and Council, and staff

Further to the September 25, 2013 Council approved amendments to the Transfer of Density Policy and Procedure, which allow for the transfer of heritage amenity density to be considered in rezonings on a city-wide basis, we request that the CAC resulting from the rezoning of **5037-5087 Main Street** also contribute towards this objective.

Though the heritage density bank in Vancouver had been stable for many years, in 2002 Council approved the Heritage Building Rehabilitation Program which granted "transferable" density as an incentive to encourage heritage rehabilitation in the economically challenged districts of Gastown and Chinatown. The program was subsequently extended to include Victory Square and Hastings Street. The incentive of transferable density was granted so that, when the rehabilitation of the historic building was completed, the "transferable" density could then be sold to other property owners/developers in order to pay for the heritage project.

The success of this incentive was seen in the number of subsequent projects that moved forward through the process, resulting in the city granting 1,300,000 (1.3-million) square feet of transferable density to property owners for a record 13-projects gaining approval in 2006 alone. This program incited projects that have resulted in the economic rebirth of Gastown as a successful heritage based creative district, and enabled the creation of heritage award winning mixed use residential space for ownership as well as rental housing, retail, and high quality job-space. The projects under the HBRP program are responsible for creating Gastown and the eastside as the heart of Vancouver's burgeoning entrepreneurial independent restaurant scene. Council and staff have acknowledged that the completed heritage projects, and the resulting economic development within the historic zones, are a city-wide amenity.

However, for many of the heritage property owners/developers, selling the incentive "transferable" density has been a tremendous challenge. A prospective purchaser of the density requires City of Vancouver approval to be able to buy the density. Though heritage rehabilitation and economic revitalization was the priority that catalyzed the creation of the Heritage Building Rehabilitation Program in 2002, and that led to the initial creation of 1.3-million square feet of transferable density, since 2006 the City has not encouraged, or even enabled the purchase the heritage density in volumes anywhere close to the amount created.

Now, further to the September 25, 2013 Council policy in which all rezonings in Vancouver are eligible to purchase transferable density, paying for the completed heritage projects continues to take a back seat to new, future commitments. To add insult to injury, while the heritage projects were financed and completed many years ago, saddling those property owners with the project debts, Council practice has been to accept cash contributions to funds for other new priorities.

In the case of the rezoning of 5037-5087 Main Street, 100% of the cash component of the CAC of **\$565,000** is being paid in cash to the City for the Affordable Housing Reserve, with no acknowledgment that the people who completed the

incented heritage rehabilitation projects are still holding the bag for the work that they did in completing their projects. I note that there is also a DCL contribution by this project of **\$532,213**. According to the policy report, DCL's are also intended to provide for, among other things, social/non-profit housing.

Consistent with the September 25, 2013 Council direction, we request the following:

1. that Council prioritize the absorption of Transferable heritage density created under the Heritage Building Rehabilitation Program, including from 126-168 East 35th Ave;
2. That, in recognition of Council's affirmation of its support for the City pursuing its request to the Province to amend the Vancouver Charter to permit the DP Board to increase the permitted floor space of an eligible site by up to 20% upon the transfer of heritage density to such site, as a minimum Council authorize the developer to purchase 20% of the total approved CAC in the form of transferable density created under the HBRP.
3. That Council reaffirm this practice until all transferable density created under the HBRP, and held by entities that wish to sell, is absorbed.

Thank you for your consideration.

Yours truly

Robert Fung

President

The Salient Group

Robert Fung

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