



POLICY REPORT
DEVELOPMENT AND BUILDING

Report Date: April 8, 2015
Contact: Brian Jackson
Contact No.: 604.873.7034
RTS No.: 10948
VanRIMS No.: 08-2000-20
Meeting Date: April 15, 2015

TO: Standing Committee on City Finance and Services

FROM: General Manager of Planning and Development Services and Chief Housing Officer

SUBJECT: Referral to Council for Approval: Development Permit Board's Conditional Approval of Floor Space Ratio increase for Social Housing for 1099 Richards Street (DE418881) and Related Housing Agreement

RECOMMENDATION

- A. THAT Council approve an increase in floor space ratio (FSR) of 2.04 FSR on a base of 5.0 FSR for a total of 7.04 FSR for the 100 percent social housing development at 1099 Richards Street (DE418881), which was duly considered under section 3.13 of the Downtown Official Development Plan, subject to the conditions set by the Development Permit Board as set out in Appendix B.
- B. THAT, if Council approves Recommendation A, the Director of Legal Services be instructed to prepare the Housing Agreement By-law required for the City to enter into a Housing Agreement pursuant to section 565.2 of the Vancouver Charter with the non-profit operator and lessee of 1099 Richards Street to ensure the continuation of 100 percent social housing within the building to be constructed thereon, for 60 years or the life of the building, whichever is greater, for enactment prior to issuance of an occupancy permit for the subject building.

REPORT SUMMARY

As part of Council's strong commitment to enabling the development of new social housing in the City, the Downtown Official Development Plan (DODP) permits the allocation of incremental density in some circumstances to achieve this goal. Under section 3.13 of the DODP, prior to the issuance of the development permit, Council approval is required for any bonus density beyond a floor space ratio (FSR) of 5.0 FSR for a development that includes

social housing in sub-area L1 of the DODP. Staff are seeking Council approval of the additional floor space (2.04 FSR on the base of 5.0 FSR) that was conditionally approved by the Development Permit Board on April 7, 2015 for 1099 Richards Street, which is a comprehensive 162 unit housing development 100 percent committed to social housing.

In addition, this report seeks Council approval to enter into a Housing Agreement with the non-profit operator and lessee of the site, to ensure the retention of social housing and the affordability of that housing for 60 years or the life of the building, whichever is greater.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

- Housing and Homelessness Strategy 2012-2021 (2011)
- Downtown Official Development Plan (1975; last amended 2015)

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

On January 27, 2015, the Supreme Court of B.C. quashed the development permit (DE416775) for the 100 percent social housing development at 1099 Richards Street. Elements of the court ruling raise a number of very significant issues at law which will have far reaching consequences for the City and other local governments in the area of land use regulation; thus the decision is under appeal. Staff are bringing forward this report, without prejudice to the appeal, because there is a critical need to achieve clarity regarding the status of the social housing under construction at 1099 Richards Street. The construction is under a stop work order issued by the City due to the decision of the court which quashed amendments to the Downtown Official Development Plan (DODP) passed by Council in 2014 as well as the development permit.

After the court decision, staff recommenced the process of bringing forward amendments to the DODP – careful attention was paid to ensuring that the public notification processes were robust and addressed the issues raised by the Court in the recent ruling. Council has recently approved these amendments to the DODP. The developer has also resubmitted the application to the Development Permit Board for approval of the development permit for the social housing development; public notification was undertaken by City staff, and on April 7, 2015 the Board completed its full review, received public input and made decisions on a conditional development permit. This report is the final step in the process for approval – the request under the DODP to have Council review and consider whether to approve the proposed incremental 2.04 FSR of density for this much needed social housing facility.

The General Manager of Planning and Development Services and the Chief Housing Officer RECOMMEND approval of the foregoing.

REPORT

1. Background

On August 12, 2013, the Development Permit Board approved the original development permit application (DE416775) for 1099 Richards Street, subject to conditions to allow for a 13-storey multiple dwelling 100 percent social housing development. The development proposal

consisted of a total of 162 housing units, all dedicated to social housing, more than half of which were to be occupied by individuals who met the definition of "low cost housing" as defined by the DODP at that time ("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"). The remaining 75 non-market units were to serve individuals at low-end of market (LEM) rates to achieve overall operational viability and sustainability.

On February 19, 2014, Council approved the Development Permit Board's conditional approval of 7.04 FSR for 1099 Richards Street. A development permit (DE 416775) was issued on May 28, 2014.

On January 27, 2015, the Supreme Court of B.C., in response to an appeal by a resident's group, quashed a number of amendments to the DODP, quashed the development permit for 1099 Richards Street and quashed the CD-1 rezoning of 508 Helmcken Street. As a result of this decision, a stop work order was issued for the social housing development which was under construction at 1099 Richards Street.

This social housing development constitutes a major initiative under the City's *Housing and Homelessness Strategy* and, since the Court ruling, staff have undertaken a review of the decision and restarted the various processes in a manner that addresses and reflects the Court ruling.

The Court's ruling requires that the development permit application be considered again by the Development Permit Board. Further, under the DODP, the increase in density of 2.04 FSR to achieve the social housing beyond the base 5.0 FSR, which is the subject of this report, must be approved again by Council prior to issuance of the development permit which is required for construction to resume at 1099 Richards Street.

On February 27, 2015, the current development permit application (DE418881) was submitted by the owner of 1099 Richards Street (Brenhill Developments Limited). This application generally included the same form of development as the 2013 application, except that it incorporated the design development conditions of the Development Permit Board's 2013 conditions of approval. Public notification of the application was undertaken by staff as required under the Development Permit Board By-law.

On March 26, 2015, Council considered and approved certain amendments to the Downtown Official Development Plan (DODP). The amendments to the DODP included deletion of the old definition of social housing and substitution with a new definition, and replaced the term "low cost housing" with "social housing" in Section 3.13 of the DODP (see Appendix A for the definition of "social housing" and the amended Section 3.13 of the DODP).

In the current development permit application (DE418881), as provided for under the DODP, the applicant (Brenhill) is seeking an increase in density in exchange for the provision of social housing. "Social housing" is defined in the DODP, as amended by By-law No. 11188 enacted by Council on March 26, 2015. The full text of the definition of "social housing" is set out in Appendix A. The definition of "social housing" applicable to this application, located within the Downtown South area of the DODP, is as follows:

- in which at least 30% of the dwelling units are occupied by households with incomes below housing income limits, as set out in the current "Housing Income Limits" table published by the British Columbia Housing Management Commission, or equivalent publication, which may include households such as those that receive Income Assistance or rent supplements or basic Old Age Security pension and Guaranteed Income Supplement or disability assistance or War Veterans Allowance;
- which is owned by a non-profit corporation, by a non-profit co-operative association, or by or on behalf of the City, the Province of British Columbia, or Canada; and
- in respect of which the registered owner or ground lessee of the freehold or leasehold title to the land on which the housing is situate has granted to the city a section 219 covenant, housing agreement, or other security for the housing commitments required by the city, registered against the freehold or leasehold title, with such priority of registration as the city may require, provided that such housing commitments must meet subsection (a) and, if financially viable, may exceed subsection (a) in order to address local needs.

On April 7, 2015, the Development Permit Board, following public notification under the Development Permit Board By-law, reviewed the development permit application (DE418881) for 1099 Richards Street. The Board received and considered input from 376 members of the public, generally as follows:

- 319 responses were in favour of the development (311 through written submissions up to the start of the meeting and 8 through verbal presentations at the Development Permit Board), indicating support for more social housing and increased affordability.
- 57 responses were not in favour of the development (52 through written submissions up to the start of the meeting and 5 through verbal presentations at the Development Permit Board), citing concerns with the height and density of the building, and with the related development at 508 Helmcken Street.

The Development Permit Board approved the application subject to conditions, including the requirement, prior to development permit issuance, of Council approval of the proposed 2.04 FSR density for social housing beyond 5.0 FSR. A condition of approval of the development permit requires that arrangements be made to the satisfaction of the Chief Housing Officer, the Director of Real Estate Services and the Director of Legal Services for The 127 Society for Housing (the "127 Society"), British Columbia Housing Management Commission and the City to enter into a housing agreement, an operating agreement and a lease registered on title, all of which will restrict the use of and on 1099 Richards Street to social housing. These agreements will set out the proposed rent structure to ensure a minimum level of affordability will be achieved in the project. The Development Permit Board conditions are included in Appendix B.

This application provides for replacement of the 87 aging social housing units for residents residing at Jubilee House (508 Helmcken Street), and is part of a land exchange agreement between the City of Vancouver and Brenhill Developments Ltd. (Brenhill), involving the site at 1099 Richards Street (owned by Brenhill) and 508 Helmcken Street (owned by the City of Vancouver). The details and terms which constitute the overall framework of the land

exchange proposal are contained in several documents which can be viewed on the City website for 508 Helmcken Street: www.vancouver.ca/508helmcken.

2. Site Context

This site is situated at the corner of Richards and Helmcken Streets, with a frontage of 100 ft. along Richards Street and 120 ft. along Helmcken Street. The site is within the New Yaletown area of Downtown South (sub-area L1). Within the immediate neighbourhood, there is a wide variety of uses including residential, hotel, office, social service, retail and entertainment uses. Significant adjacent development is shown in Figure 1 and listed below:

- (a) 508 Helmcken Street - Current rezoning application proposing a 36-storey mixed-use building
- (b) 540 Helmcken Street - "Brooklyn Court", a six-storey social housing building
- (c) 1111 Seymour Street - a nine-storey residential building
- (d) 1107 Seymour Street - a 15-storey social housing/institutional building
- (e) 1082 Seymour Street - "The Freesia", a 19-storey mixed use building
- (f) 1022 Seymour Street - "Level", an 18-storey mixed-use building
- (g) 1055 Richards Street - "Donovan", an 18-storey residential building
- (h) 1088 Richards Street - "Richards", an 18-storey residential building
- (i) 488 Helmcken Street - "Robinson Tower", a 16-storey mixed-use building)

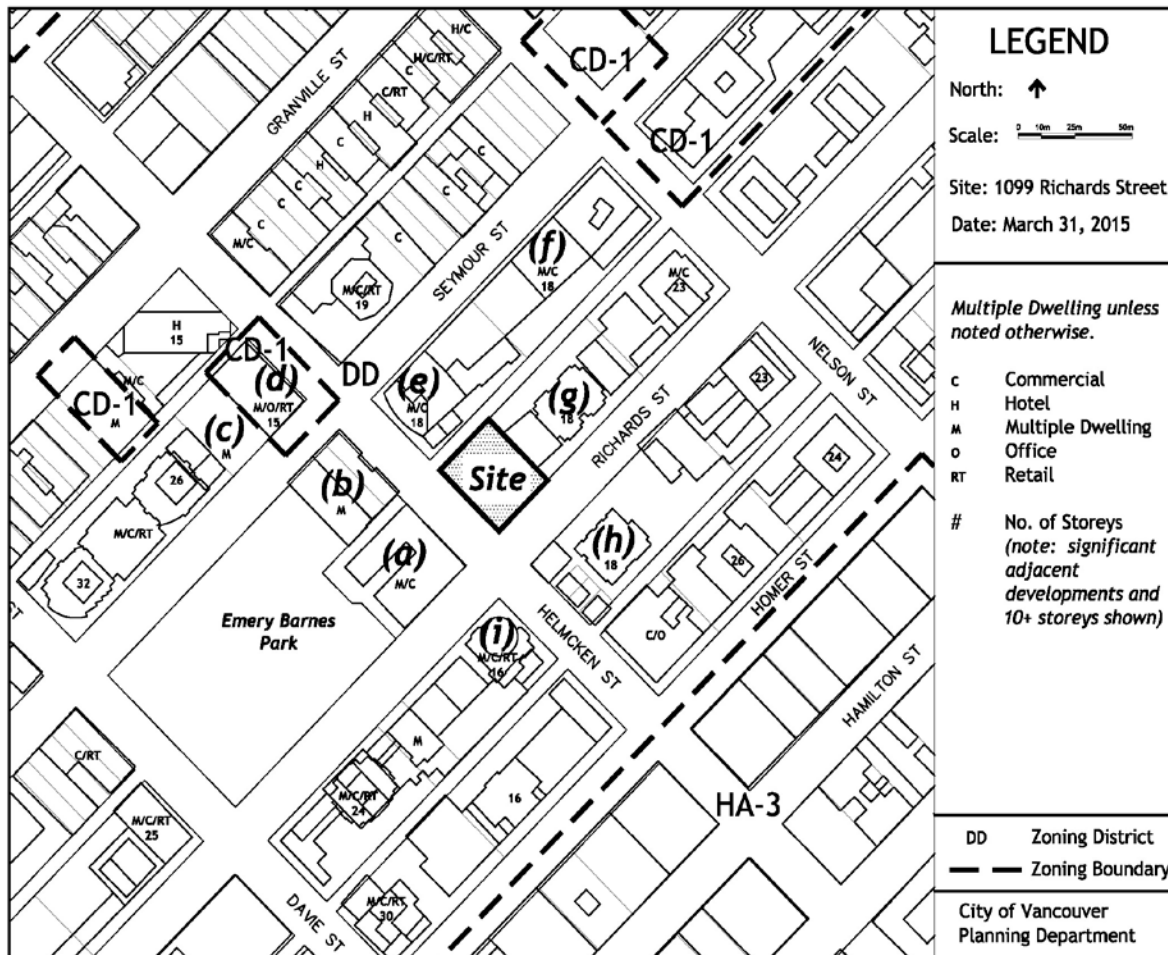


Figure 1: Site Context

3. Policy Context

Housing Policy: The City has a goal of ending street homelessness and a current target of 500 new social housing units and 500 new secured market rental units per year. On July 29, 2011, Council approved the *Housing and Homelessness Strategy 2012-2021*, which includes strategic directions to increase the supply of affordable housing across the housing continuum and to encourage a housing mix across all neighbourhoods in the city. Vancouver's downtown has seen a recent rise in the number of street homeless and is experiencing a higher demand for affordable units for low income singles.

Social Housing in Downtown South: Prior to the redevelopment of Downtown South, the Downtown South community was home to a significant number of low-income households, largely living in Single Room Occupancy (SRO) Hotels. One of the goals during the planning of Downtown South was to encourage a neighbourhood with social diversity where existing residents, many of whom were low income, could remain. In response to this context, the 1992 *Downtown South Public Benefits Strategy* ("the 1992 Strategy") for this area had a policy of maintaining a similar number of units for low income households and looked to find

ways to replace the SROs as they were recognized to be an outdated housing type, composed of single rooms without bathrooms or cooking facilities. The plan also identified zoning tools as a way to replace the SROs with new contemporary self-contained social housing.

Since the 1992 Strategy was adopted, subsequent policy changes have allowed rezonings in the area to increase the number of strata units, but the amount of social housing has remained unchanged from the original Plan. The result is that the mix of social and market housing in the Downtown South is now more heavily weighted towards market strata units than was envisioned in the 1992 Strategy. More recently, new policy directions have begun to rebalance this, with a goal to end street homelessness by 2015 and the goal to renew and replace thousands of DTES SROs with new social housing stock across the downtown core.

Strategic Analysis

1. Development Permit Board's Conditional Approval of Floor Space Ratio (FSR) increase for social housing for 1099 Richards Street

This development permit application proposes a 13-storey multiple dwelling containing 162 units, all of which are social housing units, with associated amenity space, two and a half levels of storage space and underground parking having vehicular access from the rear lane. The application is seeking approval for an increase of 2.04 from the base density of 5.0 FSR for a total FSR of 7.04.

The DODP (sub area L1) allows a maximum of 5.0 FSR and an increased height of up to 36 m (120 ft.) for a building containing social housing, provided that social housing comprises more than two-thirds of the FSR. Section 3.13 of the DODP permits a further increase in FSR to allow for additional social housing under specific conditions as outlined below.

On April 7, 2015, the Development Permit Board considered the 2.04 increase in FSR and conditionally approved the application, subject to Council approval prior to the issuance of the development permit, and the provision of a Housing Agreement to secure the social housing. The Development Permit Board Conditions of Approval are contained in Appendix B.

In determining the amount of an increase in FSR that may be permitted, the Development Permit Board may conditionally approve an increase to the permitted floor area under the provisions of Section 3.13 of the DODP, except that:

- a. the Development Permit Board shall consider:
 - i. the advice of city staff and city officials responsible for housing and real estate,
 - ii. the cost to the Developer of providing the social housing,
 - iii. the value of the increased floor area,
 - iv. the value of any relaxation of other regulations,
 - v. the impact on neighbourhood livability and environmental quality, and
 - vi. all applicable Council policies and guidelines;
- b. any increase in floor space ratio must be subject to a Housing Agreement that secures the social housing; and

- c. Council approval is required prior to the issuance of the development permit.

The General Manager of Real Estate and Facilities Management has reviewed the cost to the developer (Brenhill) and the values of the additional floor area under consideration, and is satisfied that such costs and values are acceptable. Specifically, the City's contribution for the development of this project is capped at \$30.6 million; however, early indicators from the Quantity Surveyor are that the cost to the developer (Brenhill) has already increased beyond this cap. At an overall cost of \$189,000 per unit to the City, inclusive of amenity space (based on the increased density), this project is very competitive compared to other similar projects.

The value of the increased floor area provides significant benefits for this social housing project. If the City had to procure additional space in the vicinity of this project for the units being accommodated by the additional 24,494 sq. ft. (representing the bonus density of 2.04 FSR), the market price for same could be in the range of \$5 million, which would significantly undermine the level of affordability being achieved in the overall project.

The value of the relaxations related to parking has significant value as this will help reduce the construction costs for this social housing project. Specifically, the relaxation with respect to the parking stall requirements (from 27 to 16) should reduce the construction cost of this project by approximately \$400,000. There is a low rate of car ownership by social housing residents, and in particular this central downtown location justifies the relaxation in parking requirements and this relaxation is reasonable.

The value of the height relaxation to allow for the elevator overrun and guardrails is that it provides increased livability by providing additional amenity space.

In addition, the increase in FSR allows for not only the continued operation of 87 new units of social housing for current tenants in Jubilee House (53 percent of the units), who are low income, but also for the leveraging of an additional 75 units of social housing at below current average rents for new market rental delivered in the last 10 years (as per CMHC published data). Over time it is anticipated that an increasing number of units for individuals on a fixed income will be made possible through operating subsidies.

Staff have assessed the application, and have reviewed the applicable policies and guidelines, and have concluded that the impact on livability and environmental quality are acceptable for this proposal. Further urban design analysis is provided in Appendix C.

2. Housing Agreement for 1099 Richards Street

The definition of social housing requires that a minimum of 30 percent of the dwelling units are occupied by households with incomes below housing income limits (HILS). The proposed tenant and rent mix for 1099 Richards Street, which will be incorporated in the Housing Agreement, will exceed this required threshold and ensures that the minimum affordability in the project will be:

- 87 units for those with incomes below the housing income limits, as set out in the current "Housing Income Limits" table published by the British Columbia Housing Management Commission, or equivalent publication, all of whom receive Income Assistance or rent supplements or basic Old Age Security pension and Guaranteed

Income Supplement or disability assistance or War Veterans Allowance, which initial rents will average \$436.

- The remaining 75 units will be below current average rents for new market rental delivered in the last 10 years (as per CMHC published data at the time of approval). These units will be provided for residents who pay at a minimum 30% of their income as rent.

Staff will work with The 127 Society for Housing, the non-profit operator of the complex to exceed this level of affordability if financially viable. The proposed tenant mix and average rents are shown in Table 1.

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

	Shelter & Old Age Security Rate	Below Market Average Rents	Total
Studio	82	34	116
1-BR	5	41	46
Total Unit Count	87	75	162
Average Rent/Month	\$436	\$1,164	NA
(%)	53%	47%	100%

The definition of social housing further requires that the social housing be owned by a non-profit corporation, by a non-profit co-operative association, or by or on behalf of the City, the Province of British Columbia, or Canada. In the case of this application, if approved, once the development is completed, the land and building will be transferred to the City. The City will in turn lease it to The 127 Society for Housing, the non-profit organization currently operating Jubilee House. The Housing Agreement will be between the City, The 127 Society for Housing and BC Housing Management Commission.

Finally, the definition of social housing requires that the social housing be secured through a Housing Agreement. Section 565.2 of the Vancouver Charter provides that Council may, by by-law, approve a Housing Agreement that will provide for the use of dwelling units as social housing. One of the terms of the housing agreement will be that the dwelling units be operated as social housing for 60 years or life of the building, whichever is greater. Subject to Council approval of the 2.04 FSR density beyond 5.0 FSR for the social housing and of the Housing Agreement, the Director of Legal Services will bring forward for enactment a by-law to authorize the City to enter into a Housing Agreement.

Housing Policy staff support this application for social housing which responds directly to the *Housing and Homelessness Strategy*, providing an increase in supply of social housing and a contribution to a greater mix of housing types in the Downtown South area. This application provides for replacement of the 87 aging social housing units at Jubilee House and leverages a further 75 new social housing units, providing a significant increase in the number and quality of the City’s social housing stock as outlined in Table 2.

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

	TARGETS ¹		CURRENT PROJECTS ²	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/Social Housing Units	5,000	1,500	1,544	44
Total Non-Market/Social Housing Units	7,900	3,650	3,390	260

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

(2) Totals do not include the proposed social housing units at 1099 Richards Street.

Implications/Related Issues/Risk (if applicable)

Financial

Consistent with Council policies on most non-market housing projects, the 1099 Richards Street 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 allow long-term operational viability and financial sustainability of the project and support a pre-paid rent from The 127 Society for Housing. Any future operating surplus will be shared between The 127 Society of Housing and the City, which could be used to further Council's housing objectives in Vancouver.

CONCLUSION

Staff recommend that Council approve Recommendation A to allow for the 2.04 FSR increase in floor space ratio to 7.04 FSR for the proposed development at 1099 Richards Street (DE418881) containing 162 units, all of which are social housing, and which has been duly considered under section 3.13 of the Downtown District Official Development Plan. Staff further recommend that Council approve Recommendation B to enter into a Housing Agreement with the non-profit operator and lessee, and instruct the Director of Legal Services to bring forward an appropriate Housing Agreement By-law.

* * * * *

DEFINITIONS

Social Housing

“Social Housing” means rental housing:

- (a) in which at least 30% of the dwelling units are occupied by households with incomes below housing income limits, as set out in the current “Housing Income Limits” table published by the British Columbia Housing Management Commission, or equivalent publication, which may include households such as those that receive Income Assistance or rent supplements or basic Old Age Security pension and Guaranteed Income Supplement or disability assistance or War Veterans Allowance;
- (b) which is owned by a non-profit corporation, by a non-profit co-operative association, or by or on behalf of the City, the Province of British Columbia, or Canada; and
- (c) in respect of which the registered owner or ground lessee of the freehold or leasehold title to the land on which the housing is situate has granted to the city a section 219 covenant, housing agreement, or other security for the housing commitments required by the city, registered against the freehold or leasehold title, with such priority of registration as the city may require, provided that such housing commitments must meet subsection (a) and, if financially viable, may exceed subsection (a) in order to address local needs;

except that in the HA-2 district; in the area of the FC-1 district located north of National Avenue; in the area of the M-1, I-2, RT-3 and RM-3A districts located north of Venables Street, Malkin Avenue and Prior Street, south of Hastings Street, east of Gore Avenue and west of Clark Drive; in the Downtown-Eastside Oppenheimer district; and in the area of the Downtown district denoted as C2 on Map 1 of the Downtown Official Development Plan; social housing means rental housing:

- (d) in which at least one third of the dwelling units are occupied by persons eligible for either Income Assistance or a combination of basic Old Age Security pension and Guaranteed Income Supplement and are rented at rates no higher than the shelter component of Income Assistance;
- (e) which is owned by a non-profit corporation, by a non-profit co-operative association, or by or on behalf of the city, the Province of British Columbia, or Canada; and
- (f) in respect of which the registered owner or ground lessee of the freehold or leasehold title to the land on which the housing is situate has granted to the city a section 219 covenant, housing agreement, or other security for the housing commitments required by the city, registered against the freehold or leasehold title, with such priority of registration as the city may require.

Section 3.13 of the Downtown Official Development Plan

13. Despite subsection 1 of this Section 3, for any development that includes social housing, other than in the areas marked "K1", "K2", and "K3" on Map 1, the Development Permit Board may increase the permitted floor area, except that:

- a. the Development Permit Board shall consider:
 - i. the advice of city staff and city officials responsible for housing and real estate,
 - ii. the cost to the developer of providing the social housing,
 - iii. the value of the increased floor area,
 - iv. the value of any relaxation of other regulations,
 - v. the impact on neighbourhood livability and environmental quality, and
 - vi. all applicable Council policies and guidelines;
- b. any increase in floor space ratio must be subject to a Housing Agreement that secures the social housing; and
- c. Council approval is required prior to issuance of the development permit.

* * * * *

DEVELOPMENT PERMIT BOARD CONDITIONS OF APPROVAL
(April 7, 2015)

DEVELOPMENT PERMIT STAFF COMMITTEE RECOMMENDATION: APPROVE

THAT the Board APPROVE Development Application No. DE418881 and the plans and information forming a part thereof, thereby permitting the development of a 13-storey multiple dwelling containing 162 social housing units, with two and a half levels of storage space and underground parking having vehicular access from the rear lane, subject to the following conditions:

- 1.1 Approval by City Council, prior to the issuance of the development permit, of any bonus density beyond 5.0 FSR related to the provision of social housing in sub-area L1 of the DODP, pursuant to Section 3.13 of the Downtown Official Development Plan (the "DODP")(the full text of Section 3.13 of the DODP is set out in Appendix D.).
- 1.2 Arrangements to be made to the satisfaction of the Chief Housing Officer, the Director of Real Estate Services and the Director of Legal Services for The 127 Society for Housing (the "127 Society"), British Columbia Housing Management Commission and the City to enter into a lease registered on title, an operating agreement and a housing agreement, all of which will restrict the use to Social Housing.

This will set out the proposed rent structure to ensure that the minimum affordability in the project will be:

- 87 units for those with incomes below the housing income limits, as set out in the current "Housing Income Limits" table published by the British Columbia Housing Management Commission, or equivalent publication, all of whom receive Income Assistance or rent supplements or basic Old Age Security pension and Guaranteed Income Supplement or disability assistance or War Veterans Allowance, which initial rents will average \$436.
- The remaining 75 units will be below current average rents for new market rental delivered in the last 10 years (as per CMHC published data at the time of approval). These units will be provided for residents who pay at a minimum 30% of their income as rent.

Staff will work with The 127 Society to, if financially viable, exceed this level of affordability.

Note to applicant: "Social housing" is defined in the Definitions section of the Downtown Official Development Plan, as amended by By-law No. 11188 enacted by Council on March 26, 2015. The full text of the definition of "social housing" is set out in Appendix D.

- 2.0 That the conditions set out in Appendix A be met prior to the issuance of the Development Permit.

3.0 That the Notes to Applicant and Conditions of the Development Permit set out in Appendix B be approved by the Board.

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EXCERPT OF DEVELOPMENT PERMIT BOARD REPORT

Response to Applicable By-laws and Guidelines (Pages 11-14)

1. Downtown Official Development Plan

Density and Use: The application seeks an increase of 2.04 from the base density of 5.0 FSR for a total FSR of 7.04. In determining the amount of an increase in floor space ratio that may be permitted, the Development Permit Board may increase the permitted floor area under the provisions of Section 3.13 of the DODP, except that:

- a. the Development Permit Board shall consider:
 - i. the advice of city staff and city officials responsible for housing and real estate,
 - ii. the cost to the Developer of providing the social housing,
 - iii. the value of the increased floor area,
 - iv. the value of any relaxation of other regulations,
 - v. the impact on neighbourhood livability and environmental quality, and
 - vi. all applicable Council policies and guidelines.
- b. Any increase in floor space ratio must be subject to a Housing Agreement that secures the social housing; and
- c. Council approval is required prior to the issuance of the development permit.

The General Manager of Real Estate and Facilities Management has reviewed the cost and values of the additional floor area under consideration, and are satisfied that these costs and values are acceptable. Specifically, the City's contribution for the development of this project is capped at \$30.6M; however, early indicators from the Quantity Surveyor are that the cost to the developer has already increased beyond this cap. At an overall cost of \$189,000 per unit, inclusive of amenity space (based on the increased density), this project is very competitive compared to other projects built in the past by the City.

The value of the increased floor area provides significant benefits for the project. If the City had to procure additional space in the vicinity of this project for the units being accommodated by the additional 24,494 sq. ft. (representing the bonus density of 2.04 FSR), the market price for same could be in the range of \$5M, which would significantly undermine the level of affordability being achieved in the overall project.

The value of the relaxations related to parking has significant value as this will help reduce the construction costs for this project. Specifically, the relaxation with respect to the parking stall requirements (from 27 to 16) should reduce the construction cost of this project by approximately \$400,000. The value of the height relaxation to allow for the elevator overrun and guardrails is that it provides increased livability by providing additional amenity space.

In addition, the increase in FSR allows for not only the continued operation of 87 units of social housing for tenants in Jubilee House (53% of units), but also allows for the leveraging of an additional 75 units of social housing at below current average rents for new market rental

delivered in the last 10 years (as per CMHC published data). Over time it is anticipated that an increasing number of units for individuals on a fixed income will be made possible through operating subsidies.

Staff have assessed the application, and have reviewed the applicable policies and guidelines, and have concluded that the impact on livability and environmental quality are acceptable for this proposal. Further urban design analysis is provided under Section 2, "Downtown South Guidelines" under "Built Form" beginning on page 12.

Staff recommended support of the requested increase in density, subject to Council approval, in exchange for the provision of social housing.

2. Downtown South Guidelines (excluding Granville Street)

Built Form: The proposed development on this corner site, consists of a 13-storey building with amenity uses at grade, facing both Helmcken and Richards streets. Outdoor amenity spaces are provided on levels 8 and the roof. The guidelines do not require interior side yard setbacks for buildings up to 70 ft. in height, but for portions of buildings over 70 ft. a minimum setback of 40 ft. is recommended. When combined with adjacent developments this achieves the desired 80 ft. tower separation (above 70 ft.) between buildings. The intent of this guideline is to provide adequate separation between buildings to ensure access to light and air and to accommodate middle and distant views. The interior side yard setbacks proposed are substantially less than what the guidelines envisioned for tower separation, but this is not atypical for small sites containing social housing buildings within Downtown South. Staff have assessed the impact of the adjacent setbacks with these reduced side yard setback conditions.

Interior side yard setbacks of 5 ft. and 8 ft. are proposed along the northerly interior property line (above 70 ft.) located at level 9. The resultant separation between the proposed building and the adjacent residential tower (Donovan at 1055 Richards Street) ranges between 56 and 60 ft. (see Figure 2). Staff are prepared to support this relationship as the primary orientation for the units in the Donovan (levels 7-18) are towards Richards Street and the lane, minimizing the direct privacy impacts.

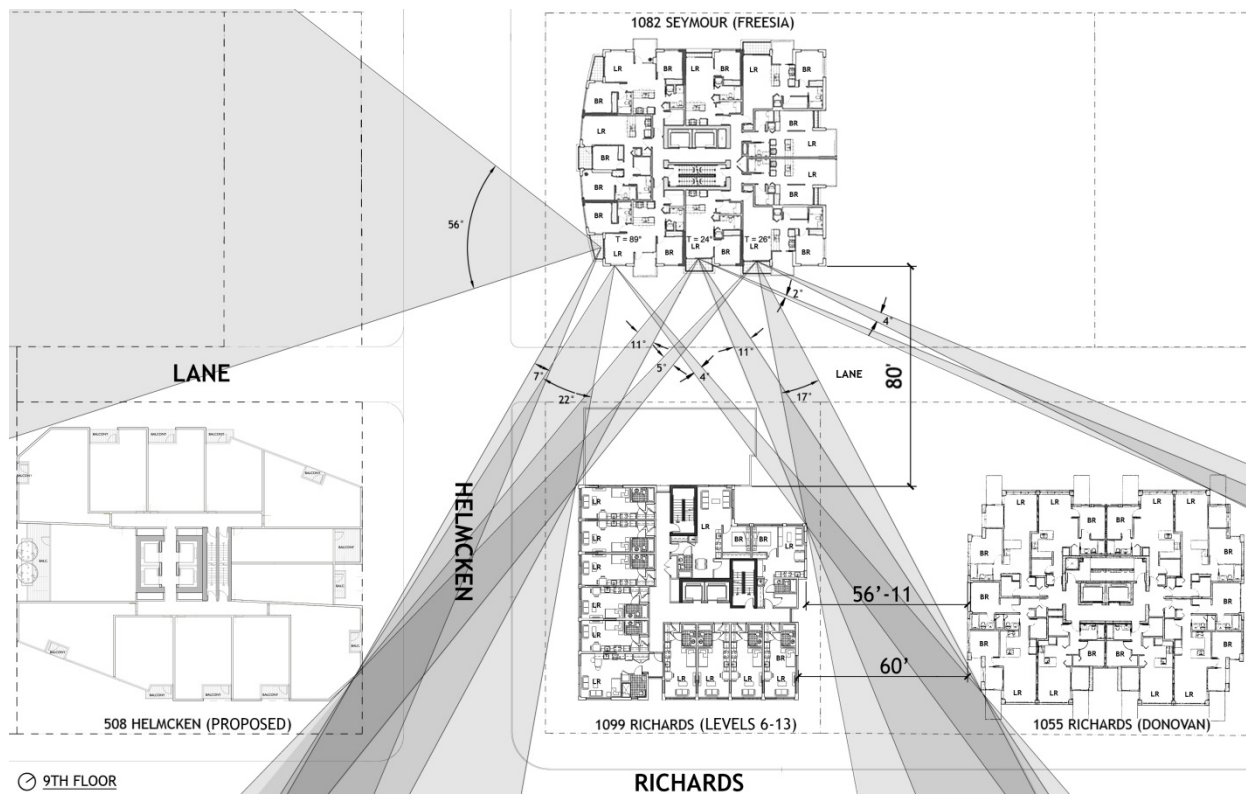


Figure 2: Views and tower separation

With respect to the relationship of the proposed building with the existing tower located to the west (“the Freesia” at 1082 Seymour Street), some existing east-facing dwelling units will experience a partial blockage of existing long-distance views from their respective living room windows. This situation is also partially due to a development proposed for 508 Helmcken Street. Nevertheless, a minimum separation of 80 ft. between the two tower elements is maintained, which also conforms with the Horizontal Angle of Daylight guidelines in the Downtown South Guidelines.

The primary windows of the adjacent tower (“Donovan” at 1055 Richards Street) face toward the lane and the street, and away from the subject site. The resulting impact for dwelling units in neighbouring buildings is considered to be an acceptable standard of livability.

Staff have also considered the effect of the proposed tower on the environmental quality of the neighbourhood. In the Downtown South, the most significant environmental effect of taller towers is shadowing. The Downtown South Guidelines note the most important criteria for evaluation of increased height is shadow impact on public spaces and shopping streets (Granville and Davie Streets) during the noon to 2:00 pm period. Shadow diagrams provided with the application indicate that there are no shadows on the relevant spaces through this period. Staff support the proposed tower in terms of environmental quality.

Public Realm Interface: Residential housing is the principal use encouraged along this street frontage. In conformance to the Downtown South Guidelines, the proposal provides a 12 ft. building setback from the Richards Street frontage. Within this setback, a double row of trees

and display gardens has been located, thus establishing a high degree of visual amenity in the form of nature and greenery. The application also proposes a reduction in the setback along Helmcken Street, generally to 9 ft. 8 in. The application also proposes an extra planted setback extending 8 ft. beyond the recommended 12 ft. for a part of the Helmcken frontage at grade. Staff support the reduced setback for the other parts of the building on the Helmcken side.

Architecture: The proposal provides a rich palette of durable cladding materials for the building, including metal panels, double-glazed window wall system, brick and insulated glass spandrel panels. Further, a visually-rich set of facades is provided with major physical elements of building articulation which helps to break down the overall visual scale of the building.

3. Zoning and Development By-law: Dwelling unit size and Height

Livability (Dwelling Unit Size) and Open Space: The proposal providing housing for low income singles and families (refer to Housing Policy and Projects commentary, page 16) consists of 162 units, of which 103 units seek permission for a reduced dwelling unit size as permitted under Section 10.21.2 of the Zoning and Development By-law.

In consideration of the reduced dwelling unit size provision, staff have assessed the dwelling units proposed, of which each will have its own washroom, kitchen, sleeping, and living area. To enhance the livability within these small units, as no private outdoor space is provided, there are several on-site amenity areas provided, including lounges, meeting rooms, and semi-private open spaces that are located on the 8th level podium (1,695 sq. ft.) and the roof (4,413 sq. ft.), to enhance the livability for the residents.

Height: This application has a height 120.0 ft. to the parapet, which is the typical measuring point of vertical height. The application also proposes a guard rail height of 123.5 ft. with a height to the top of the stair/elevator core of 137.5 ft. These elements are proposed to accommodate access to the green roof, and may be excluded from the calculation of height under the Zoning and Development By-law. The outdoor amenity of the roof is an important component of livability for the proposal, and there is also a strong policy intent to attain a higher level of sustainability through the greening of roofs. The treatment of the roof is proposed to provide a large amount of extensive and intensive green roof.

Staff consider that there are no significant impacts, with respect to neighbourliness, livability or views associated with this increase in height, and recommend support of the additional height requested.

4. Housing and Homelessness Strategy 2012-2021

This project will contribute to an increase in the supply of affordable housing, contributing to a City-wide goal of 5,000 social housing units, with all of the units meeting the definition of social housing. In addition, over half of the units will assist those individuals on low or fixed incomes, which may include households such as those that receive Income Assistance or rent supplements or basic Old Age Security pension and Guaranteed Income Supplement or disability assistance or War Veterans Allowance.

● **Conclusion:** Staff recommend approval, including the increase in density and height, for this social housing project. The building design and landscape has responded well to a number of demanding objectives. Staff recommend approval, subject to the conditions contained within this report.

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