

July 21, 2015
Mayor Robertson and Councillors
City of Vancouver
453 West 12 Avenue, Vancouver, B.C. V5Y 1V4

Dear Mayor Robertson and Councillors,

Re: Rezoning - First Shaughnessy Heritage Conservation Area

<http://former.vancouver.ca/ctyclerk/cclerk/20150721/phea20150721ag.htm>

Thank you for this initiative. I strongly support First Shaughnessy being approved as a Heritage Conservation Area and encourage council to approve this proposal.

I appreciate that time is of the essence to implement the rezoning so there is little opportunity to make any changes at this time. However, I would like to point out a few issues that if they cannot be dealt with today, it would be wise to consider amendments in the near future after the rezoning is approved.

The issues that need to be dealt with are as follows:

1. **Improve benefits for retention options compared to demolition** - Although all pre-1940's houses in Heritage Conservation Areas (HCAs) are protected as designated heritage property, the economics need to work to be successful in the long run. This is particularly important for the impact it will have in approving other HCAs and proposed changes in RS zones. If owners of pre-1940's houses look at their neighbours with new houses and see them getting more than they would be allowed and that being reflected in the property values, there will be increasing pressure to try to get around the regulations or to lobby future administrations to reverse the HCA. This should be addressed up front or shortly after approval to avoid backlash.
2. **Reduce overall size of new house development by including basements in FSR** - The maximum new-build is proposed at 9800 sq. ft. excluding basement. In staff's example for a large site, this would come to 13,720 sq. ft. including the basement. The overall size of new house development continues to be far too large for a green and progressive city. This does not provide enough difference in favour of character and heritage retention, especially on small lots.

The updated economic analysis confirms my initial concern that the incentives for retention involving additional units in multi-family conversion dwellings (MCD's) and infill may be of little interest to those who purchase in First Shaughnessy wanting a large mansion estate. So size of the house matters in order to balance out the economics, regardless of regulations under the HCA.

Therefore, the basements should be included in the FSR calculations for new houses and only exempted for retention options. Further, all houses should require basements to be the full floor plate in size to minimize overall above grade bulk.

3. **Request the federal government to allow capital gains tax exemptions for principle residences with multi-family conversion dwellings (MCDs) and infill** - Many people who buy these mansions are not interested in multiple units or strata conversions. They mainly want one big single family house, perhaps a small unit for staff or family, but mainly an estate. Part of the reason is the capital gains tax exemption on principle residence, which will not apply to the whole property once it is converted to multiple rental units or stratified.

In order to make MCDs and infill more attractive for heritage and character buildings, the city could request senior governments to make multiple units on one site of up to 3 or 4 units be allowed to qualify for the capital gains tax exemption for principle residence as long as the owner lives in one of the units and the units remain non-strata.

This would help heritage and character building retention in other areas of the city as well as Shaughnessy, and help increase the number of rental units city-wide.

4. **Increase penalties for illegal demolition of character or heritage houses** - Some builders have bragged publically that they would demolish a heritage or character house and just pay the fine as a cost of doing business. The current penalties are too low and hard to enforce.

The Vancouver Charter states that if an individual committed an offence they could be fined \$50,000 and/or imprisoned up to 2 years, and if a corporation committed an offence they could be fined up to \$1M. However, these fines would be just considered a cost of doing business while imprisonment would be hard to enforce.

Proposed changes in the draft bylaws will help. However, penalties should be enforced through large reductions in FSR that are tied to the future land development so penalties cannot be avoided or mitigated through flipping the property for a change in ownership.

Please approve the First Shaughnessy Heritage Conservation Area. And also please consider the above suggestions either as part of this rezoning or at a future date after the rezoning is approved.

Sincerely,

Elizabeth Murphy

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