



POLICY REPORT  
DEVELOPMENT AND BUILDING

Report Date: October 6, 2015  
Contact: Anita Molaro  
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RTS No.: 11133  
VanRIMS No.: 08-2000-20  
Meeting Date: October 20, 2015

TO: Vancouver City Council

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

SUBJECT: Heritage Designation: 523 Union Street (Paddon Residence)

**RECOMMENDATION**

- A. THAT Council add the existing building at 523 Union Street (PID: 015-564-975; Lot 28, Block 90, District Lot 196, Plan 196 (the "site")), known as the Paddon Residence (the "heritage building") to the Vancouver Heritage Register in the 'C' evaluation category.
- B. 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 the exterior of the heritage building as protected heritage property.
- C. THAT Recommendations A to B 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 add the existing building at 523 Union Street, known as the Paddon Residence, to the Vancouver Heritage Register in the 'C' evaluation category and to designate its exterior as protected heritage property. As incentive

and compensation to the owner for the heritage designation, rehabilitation, and conservation of the heritage building, the owner is seeking approval of the Director of Planning for certain discretionary zoning relaxations as set forth in Development Permit Application Number DE418735 (the "DP Application") and as described in this report. The General Manager of Planning and Development Services is prepared to approve the DP Application should Council approve the recommendations of this report.

### ***COUNCIL AUTHORITY***

Pursuant to Section 582 of the *Vancouver Charter*, Council may establish, by resolution, a heritage register identifying real property that Council considers to be heritage property and, by resolution, to add such properties to the register from time to time.

Pursuant to Sections 593 and 594 of the *Vancouver Charter*, Council may, by by-law, designate real property, in whole or in part, within the City of Vancouver as protected heritage property.

Pursuant to section 595 of the *Vancouver Charter*, if sought, Council must compensate an owner of property being designated as protected heritage property for any reduction in the market value of the property caused by the designation. Often this is achieved by way of by-law variations so as to permit an otherwise impermissible development.

The proposed heritage designation for the heritage building and its exterior requires Council approval at public hearing and by-law enactment pursuant to Sections 593 and 594 of the *Vancouver Charter*.

The following Council policies are relevant for this application:

- *Heritage Policies and Guidelines (April, 1991)*
- *Green Buildings Policy for Rezonings (2009, lasted amended 2014)*
- *Heritage Proforma Review - Interim Policy Planning By-law Administration Bulletin (June, 2014)*

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 to tools to conserve the City's heritage resources.

### ***GENERAL MANAGER'S COMMENTS***

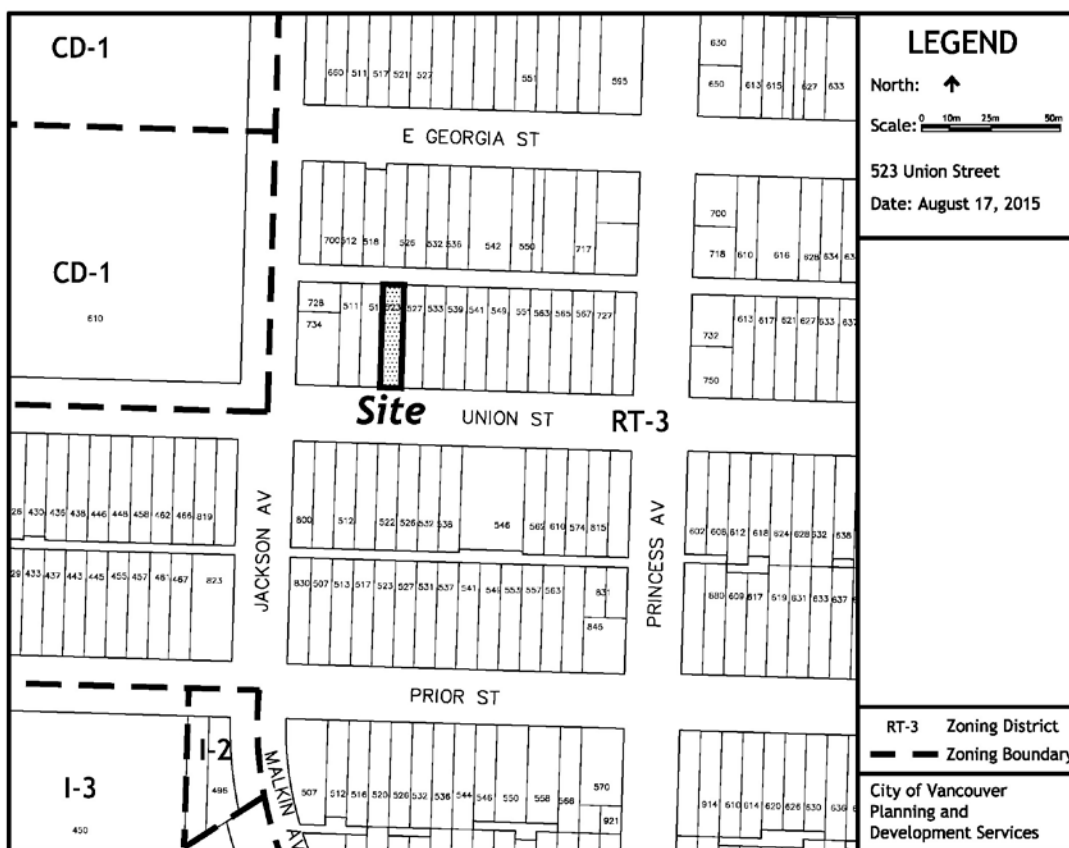
The General Manager of Planning and Development Services RECOMMENDS approval of A, B, and C.

## STRATEGIC ANALYSIS

### Site and Context

The site is located in the Strathcona neighbourhood in an area zoned RT-3 (see Figure 1 below). The *RT-3 Zoning District Schedule of the Zoning and Development By-law* permits One- and Two-Family Dwellings, the conversion of existing buildings into suites, and in some cases apartment buildings, townhouses, and infill development. Retention of older, existing character buildings is generally required in order to obtain discretionary density allowances under the zoning, which is permitted to be a maximum of 0.75 floor space ratio (FSR), and in some cases up to 0.95 FSR, without Council approval. The total area of the site is 284 square metres (3,058 square feet). A six metre (twenty foot) wide paved lane exists at the rear of the site.

Figure 1: Site and surrounding zoning



### Heritage Value

The heritage building at 523 Union Street was built in 1893, for William Paddon, an engineer and blacksmith, not long after the Great Fire of 1886, and is one of the oldest surviving structures in the City (see Appendix B). While it has seen unsympathetic alterations (see Appendix A) the essential form and structure of the house have changed little in 122 years.

The heritage building is considered to have heritage value because it is one of the oldest surviving houses in the City, having been built in 1893, only seven years after the Great Fire, which destroyed most of the City. Beginning in the 1920s, the building was inhabited by a long succession of Italian families, reflecting the large influx of Italian immigrants into the Strathcona neighbourhood. It is proposed that the house be added to the Vancouver Heritage Register in the 'C' evaluation category.

### ***Development Application and Proposed Incentives***

The incentives and compensation to be provided to the owner for the heritage designation of the heritage building's exterior and its rehabilitation and conservation are proposed to be in the form of discretionary relaxations to the *Zoning and Development By-law* to be approved by the Director of Planning as set forth in the DP Application and as described below.

The zoning applicable to the site is RT-3. The DP Application proposes to restore the heritage building, convert it to a One-Family Dwelling or a One-Family Dwelling with a Secondary Suite, and to construct a new One-Family Dwelling at the rear of the site (see the drawings in Appendix C). A one storey portion at the rear of the heritage building is to be removed as part of the work to allow for the development of the proposed infill building.

The maximum permitted density under the RT-3 zoning for the site is 0.75 FSR and the total density for the proposed development is 0.83 FSR (see Table 1 and the Technical Zoning and Parking Summary in Appendix D) which, together with the increase in the number of Dwelling Units, may be approved by the Director of Planning in accordance with the *Heritage Proforma Review - Interim Policy Planning By-law Administration Bulletin*.

**Table 1: Zoning and Parking Summary**

	Existing	Required or Permitted	Proposed
Overall Floor Space Ratio (FSR)	0.65 FSR 186m <sup>2</sup> (2,000 sq. ft.)	0.75 FSR maximum 213m <sup>2</sup> (2,294 sq. ft.)	0.83 FSR 236m <sup>2</sup> (2,538 sq. ft.) 10% over permitted
Dwelling Unit Density	1	2 maximum	3 (with Secondary Suite)
Parking	2	2 minimum	2

As part of the application review, staff considered the probable impact of the proposed development, including the results of notification (see the Results of Neighbourhood Notification and Staff Comments section), as well as the compatibility of the development with the zoning, and concluded that the proposal is supportable as an HRA.

### ***Compatibility with Existing Zoning and Land Use Regulations***

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

*"...encourage the retention of neighbourhood and streetscape character, particularly through the retention, renovation and restoration of existing character buildings. Redevelopment is encouraged on sites with existing buildings of style and form which are inconsistent with the area's pre-1920 architecture. Emphasis is placed on the external design of additions to*

*existing buildings and new buildings to encourage the preservation of the historic architectural character of the area. Floor area incentives are included to achieve the creation of affordable housing and the rehabilitation of original buildings which are important to the neighbourhood's character."*

The project is consistent with the intent of the *RT-3 District Schedule*. The application proposes the retention, rehabilitation and conservation of a heritage building.

#### ***Condition of the Heritage Building and Conservation Approach***

The Paddon Residence is in fair condition, despite the previous alterations of the exterior. The DP Application proposes to restore the original character of the building based on on-site analysis and photographic records, including re-introduction of windows and window openings which have been removed, as well as re-instituting porch and roof details, and re-cladding the building with clapboard wood siding (or reusing existing siding if it exists under the stucco and is salvageable). The unusual bay window at the front porch was originally thought to be a much later addition but the bay appears on a map from 1930 and therefore may be original or added very early on in the building's history.

Despite the structural challenges, and the alterations which have taken place in the past, staff support the conservation plan proposed for the Paddon Residence and conclude that the rehabilitation scheme is consistent with the federally adopted Standards and Guidelines for the Conservation of Historic Places in Canada.

#### ***Results of Neighbourhood Notification***

Seventy-one properties were notified of the application and a site sign was installed. One response was received which expressed concerns regarding traffic and parking impacts the project might create, and the heights of the buildings.

The increase in traffic and parking impacts will be commensurate with development which will occur from time to time in the neighbourhood under the current zoning. A Secondary Suite located in an existing building does not require an off-parking space (i.e. the parking as proposed complies with the Parking By-law requirements). The heights of the buildings are in compliance with the RT-3 zoning provisions (see Appendix D).

Staff considered the response to notification and concluded that the proposal is supportable in this respect.

#### ***Comments from the Vancouver Heritage Commission***

On July 6, 2015, the Vancouver Heritage Commission reviewed the DP Application and unanimously supported the proposal (see Appendix E).

#### ***Public Benefits***

**Development Cost Levies (DCLs):** DCLs collected from development help pay for facilities made necessary by growth, including parks, childcare facilities, replacement housing (social/non-profit housing) and various engineering infrastructure. The City-wide DCL rate of \$33.26/m<sup>2</sup> (\$3.09/square foot) is applicable to the project. On this basis, a DCL of

approximately \$1,662 is anticipated because the development includes an alteration or extension that includes an addition of 46.5 square metres or more of floor area.

DCLs are payable at building permit issuance and are subject to an annual inflationary adjustment which takes place on September 30 of each year. When a DCL By-law with higher rates is introduced, a number of rezoning, development permit and building permit applications may be at various stages of the approval process. An application may qualify as an in-stream application and therefore may be exempt from DCL rate increases for a period of 12-months from the date of DCL bylaw rate amendment provided that it has been submitted prior to the adoption of annual DCL By-law rate adjustments.

If a related building permit application is not issued within the 12-month period, the rate protection expires and the new DCL rate will apply.

**Heritage:** The owner has offered to conserve and rehabilitate the heritage building and to accept its designation of its exterior as protected heritage property, which is a highly valued community feature. The cost to the applicant of the proposed on-site heritage conservation is estimated to be approximately \$160,000.

See Appendix F for a summary of the public benefits that would be achieved should this application be approved.

### ***Financial Implications***

As noted in the section on Public Benefits, the applicant has offered the on-site conservation and rehabilitation of the Paddon Residence valued at \$160,000. The site is within the City-wide DCL District and it is anticipated that the applicant will pay approximately \$1,662 in DCLs should the applications be approved and the project proceed.

### ***Proforma Evaluation***

The *Heritage Proforma Review - Interim Policy Planning By-law Administration Bulletin* allows for an exemption of a financial proforma review for projects which propose no more than 10% bonus density beyond the maximum permitted density in the zoning applicable to a site. The proposal complies with the provisions of the bulletin and a proforma review is not required.

### ***Environmental***

The City's Green Buildings Policy for Rezoning does not apply to the application as a Heritage Revitalization Agreement is not required. However, the project will comply with the *Vancouver Building By-law* with respect to energy and environmental provisions contained therein.

### ***Legal***

The owner's proposal to rehabilitate and conserve the heritage building in exchange for the proposed discretionary zoning relaxations needed to get that improved development potential will be appropriately secured as legal obligations contained in a heritage restoration covenant to be registered on title to the site as a covenant pursuant to Section 219 of the *Land Title*

Act 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 the covenant, 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 compensate an owner for any reduction in the market value caused by a heritage designation. By entering into the covenant noted above, the owner explicitly accepts the zoning relaxations to be provided, and the resulting development advantages to be gained thereby, as full compensation for the heritage designation of the heritage building's exterior and the obligations to rehabilitate and conserve the heritage building. The covenant will be executed by the City and registered on title to the site before a development permit for the project is issued.

### **CONCLUSION**

The approval of the proposed addition to the Vancouver Heritage Register of the Paddon Residence at 523 Union Street in the 'C' evaluation category and the heritage designation of its exterior will ensure that the heritage building is rehabilitated, conserved, and protected from exterior alterations which affect its heritage value, and from demolition. The owner has agreed to accept the proposed increase in density as compensation for the designation of the heritage building's exterior and for its rehabilitation and conservation. The General Manager of Planning and Development Services is prepared to approve the DP Application should Council approve the recommendations of this report. Therefore, it is recommended that Council approve the addition of the Paddon Residence to the Vancouver Heritage Register in the 'C' evaluation category and the proposed heritage designation.

\* \* \* \* \*

523 Union Street  
PHOTOGRAPHS



Photos 1 and 2: South (Front) at Top and North (Rear) at Bottom

Despite the unsympathetic alterations to the building which have occurred over the years, it is valued as one of the oldest surviving houses in the City, having been built in 1893, only seven years after the Great Fire, which destroyed most of the City.

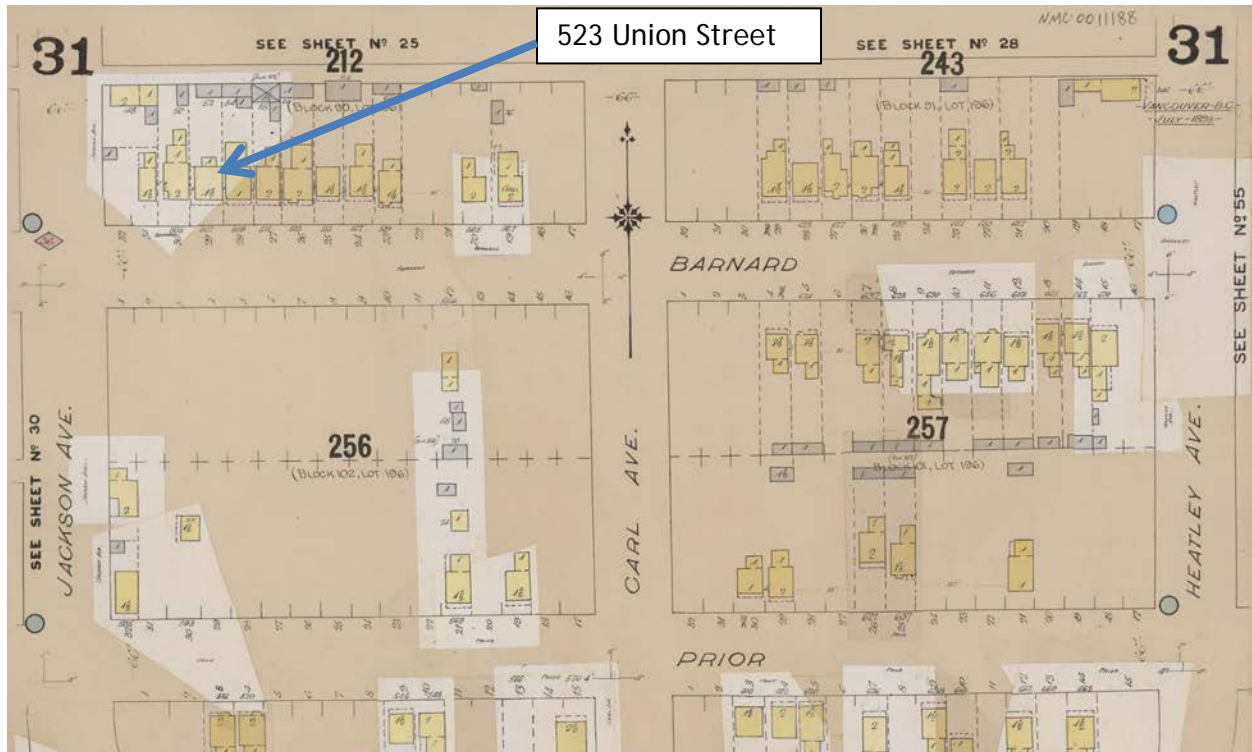




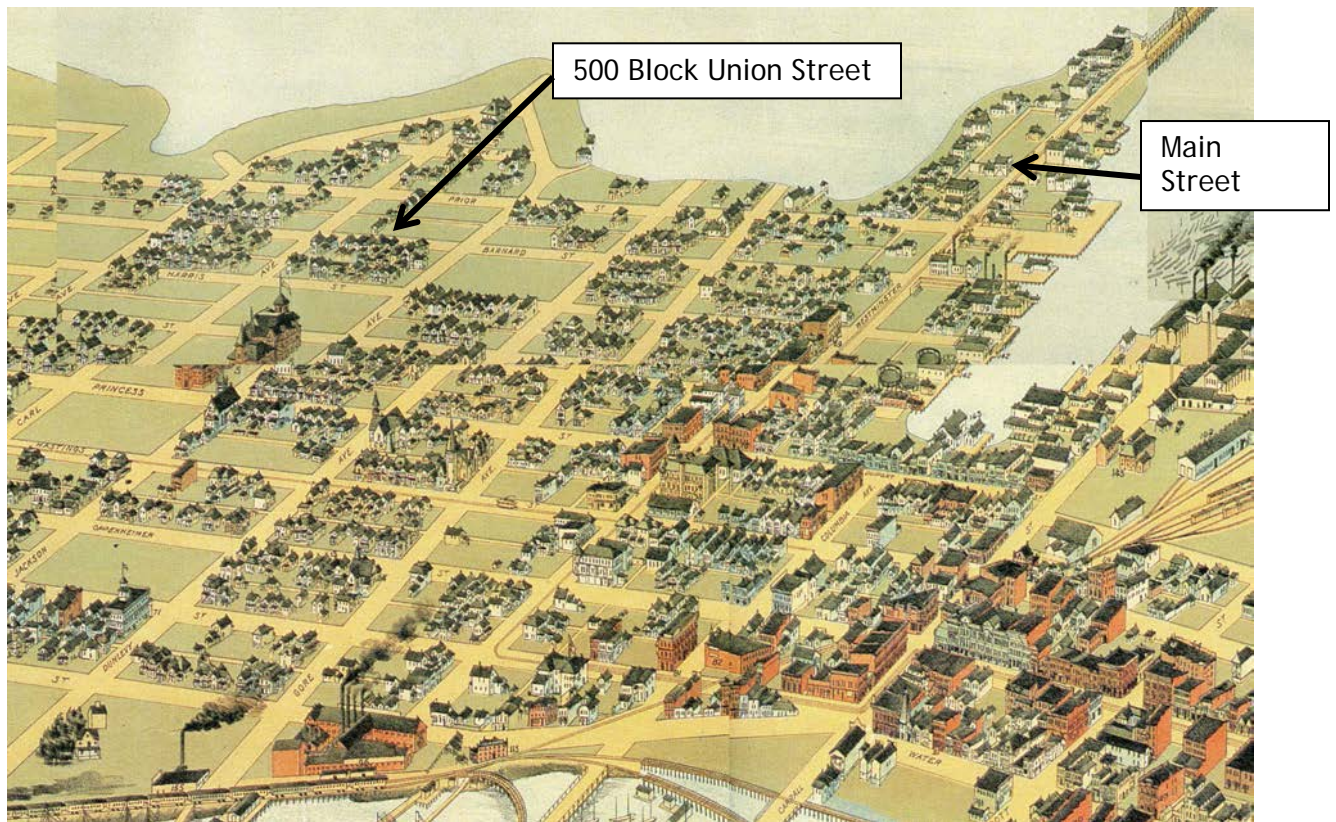
Photo 3

This photograph, from the late 1890s, is labeled “523 Union Street” in the Vancouver Archives records. However, this may be an error. It is possible this photo is actually of the house to the east (right) at 527 Union Street (see the Streetscape drawings in Appendix C), the windows of which would be a closer match to those in the photo. However, if this is the case, the Paddon House should be visible to the left of the house in the photo. The photo could also be that of the house at 517 Union Street next door to the west (left), now demolished but which could have looked like the one in photo above based on the maps shown in Appendix B, in which case the house barely visible to the right would be 523 Union Street. Complicating these observations is the fact that this photograph shows a front yard approximately a metre above the sidewalk level, whereas the existing front yards on the block are flush to the curb level. While the streets in Strathcona were leveled out in the early 1900s to allow for streetcar access, sometimes dramatically, more analysis would be required to confirm if this is what occurred on this block. The identity of this house therefore remains a mystery. However, the photo shows typical details and the general character of houses built in the immediate area in the Strathcona neighbourhood in the late 1880s and 1890s.

523 Union Street  
MAPS

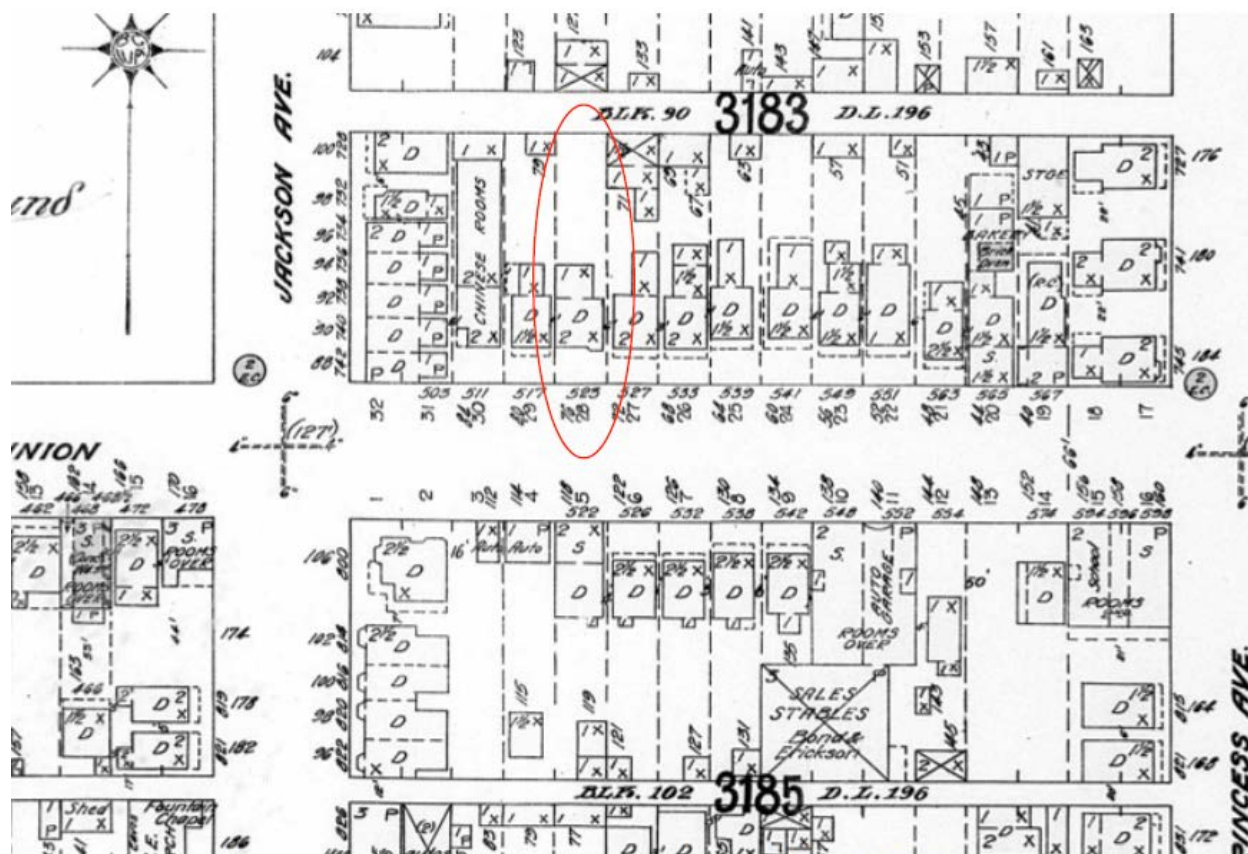


Map 1: Fire Insurance Map circa 1897



**Map 2: 'Birdseye Map' from 1898**

The Paddon House is shown on the block (but not legible in this copy). Note that a number of the blocks nearby are still undeveloped. Very few structures shown on this map still exist, and no house older than 1887-1888 is currently known to exist in the City. Note as well that False Creek once extended well into the neighbourhood. It was filled in east of Main Street (shown in the centre of this map) starting in the 1920s.

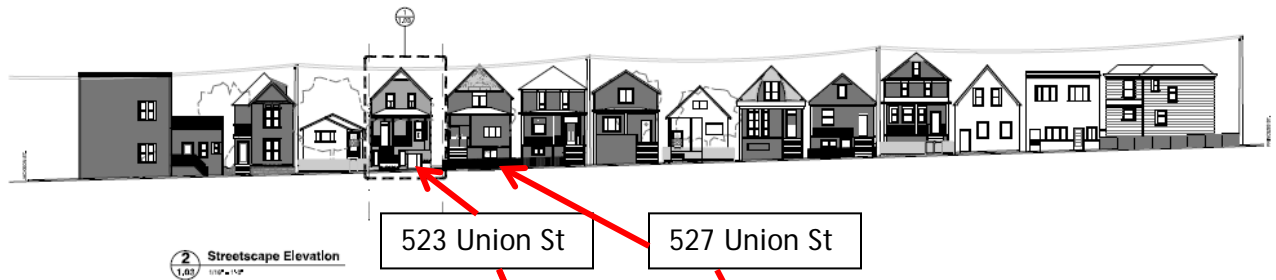
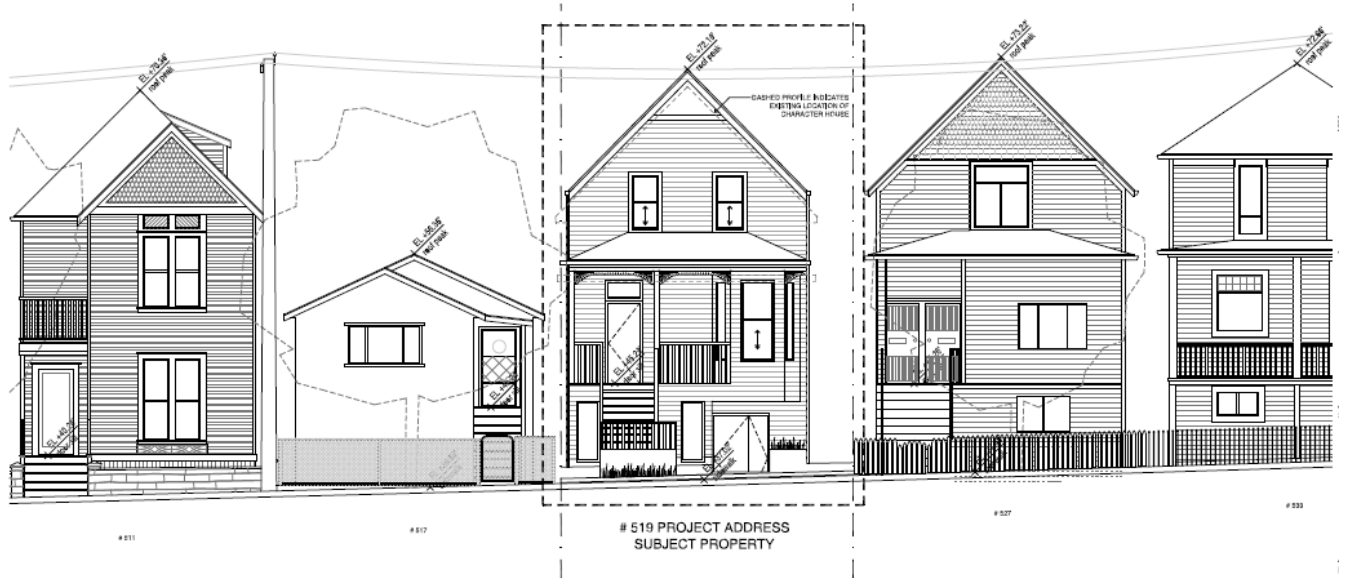


1930 Vancouver Fire Insurance Map showing the Paddon Residence

Map 3: Fire Insurance Map circa 1930

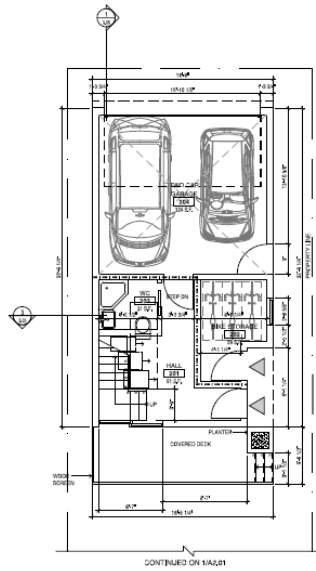
The Paddon Residence is shown circled in red. Note that the unusual bay window at the front porch, shown here, still exists (see Appendix A). The bay was once thought to be a much later alteration but it has been determined from the maps and from on-site analysis that it may be original or at the latest built sometime before 1930.



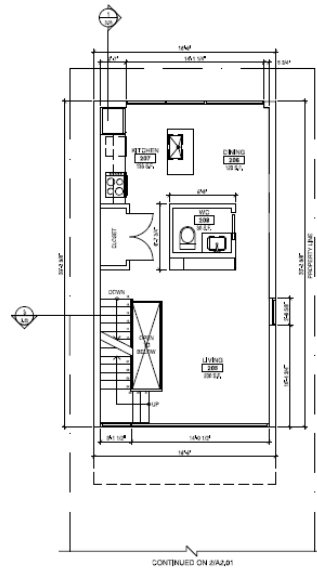


Streetscape

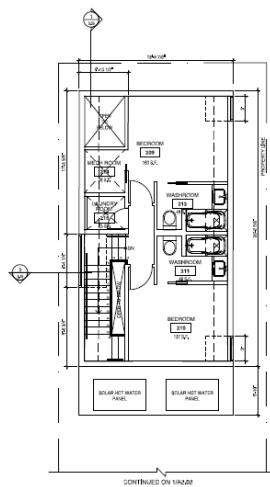




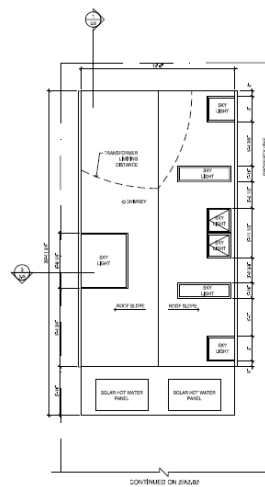
1 Infill House (525 Union) - Parking Level  
1/8" = 1'-0"



2 Infill House (525 Union) - Main Level  
1/8" = 1'-0"



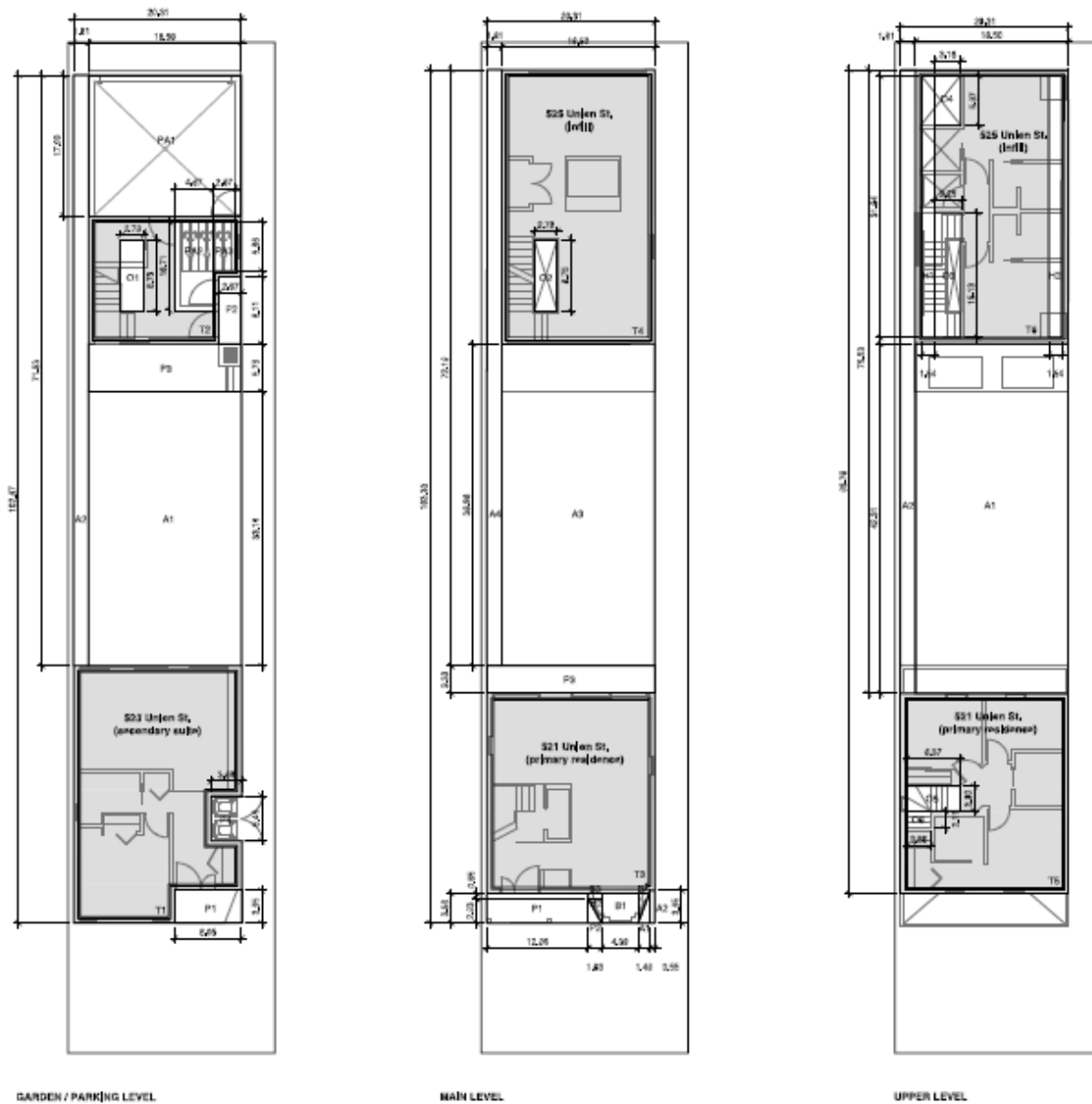
1 Infill House (525 Union) - Upper Level  
1/8" = 1'-0"



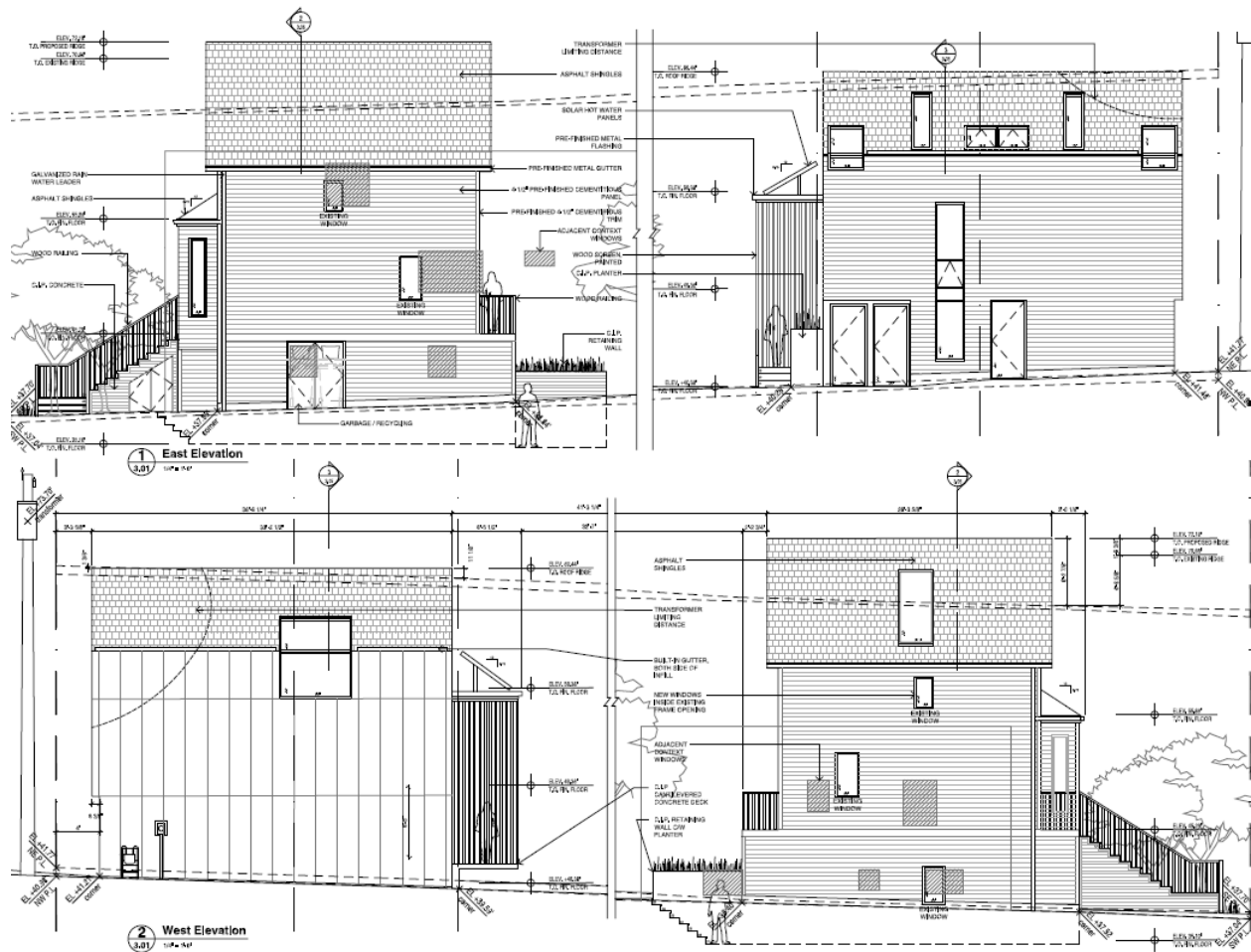
2 Infill House - Roof Plan  
1/8" = 1'-0"

**New Infill Building Plans**

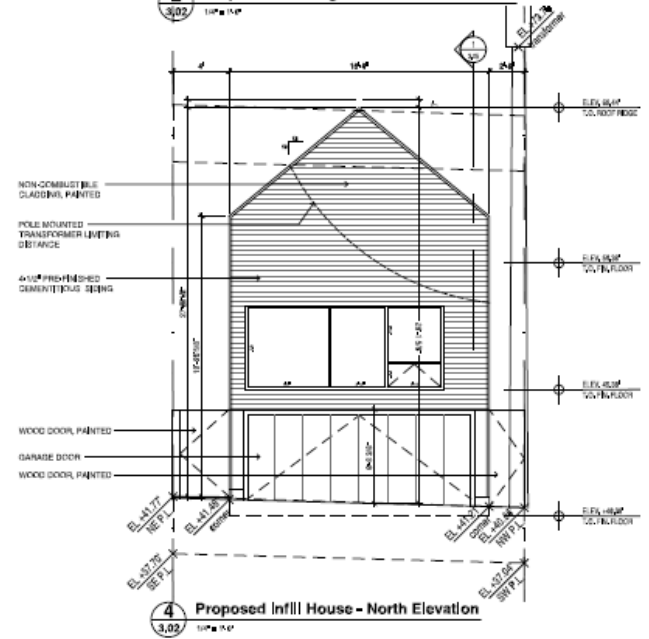
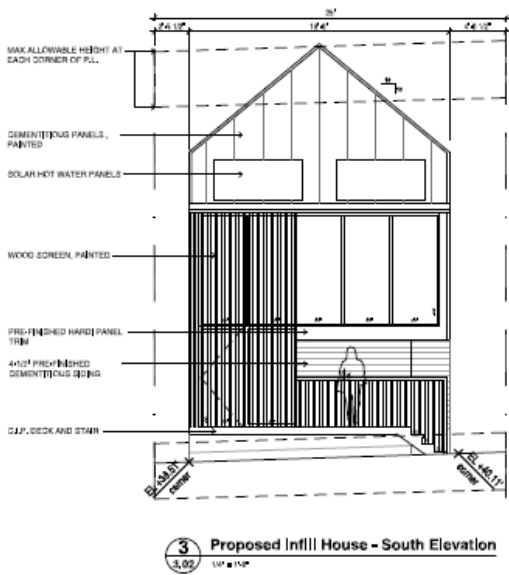
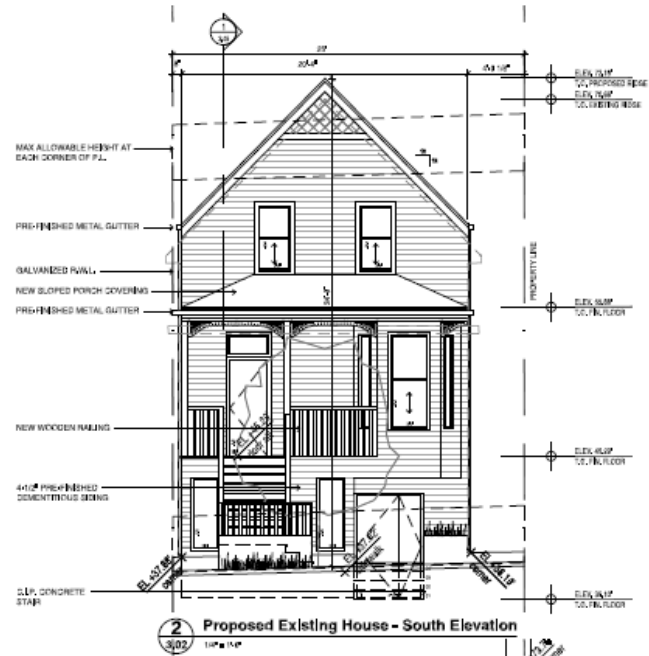
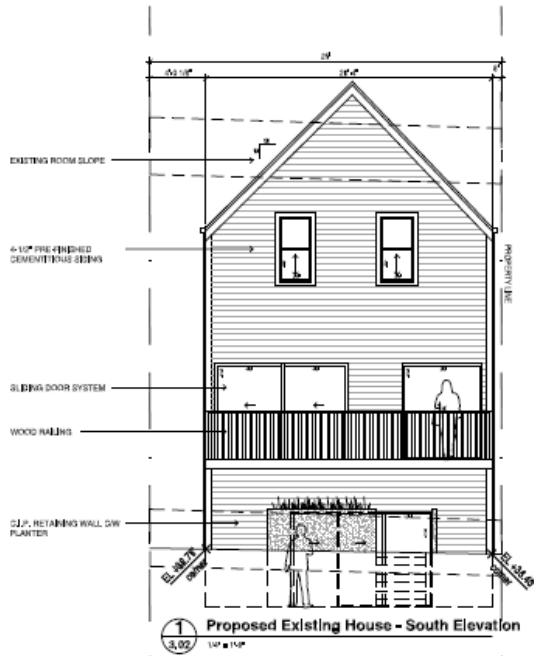




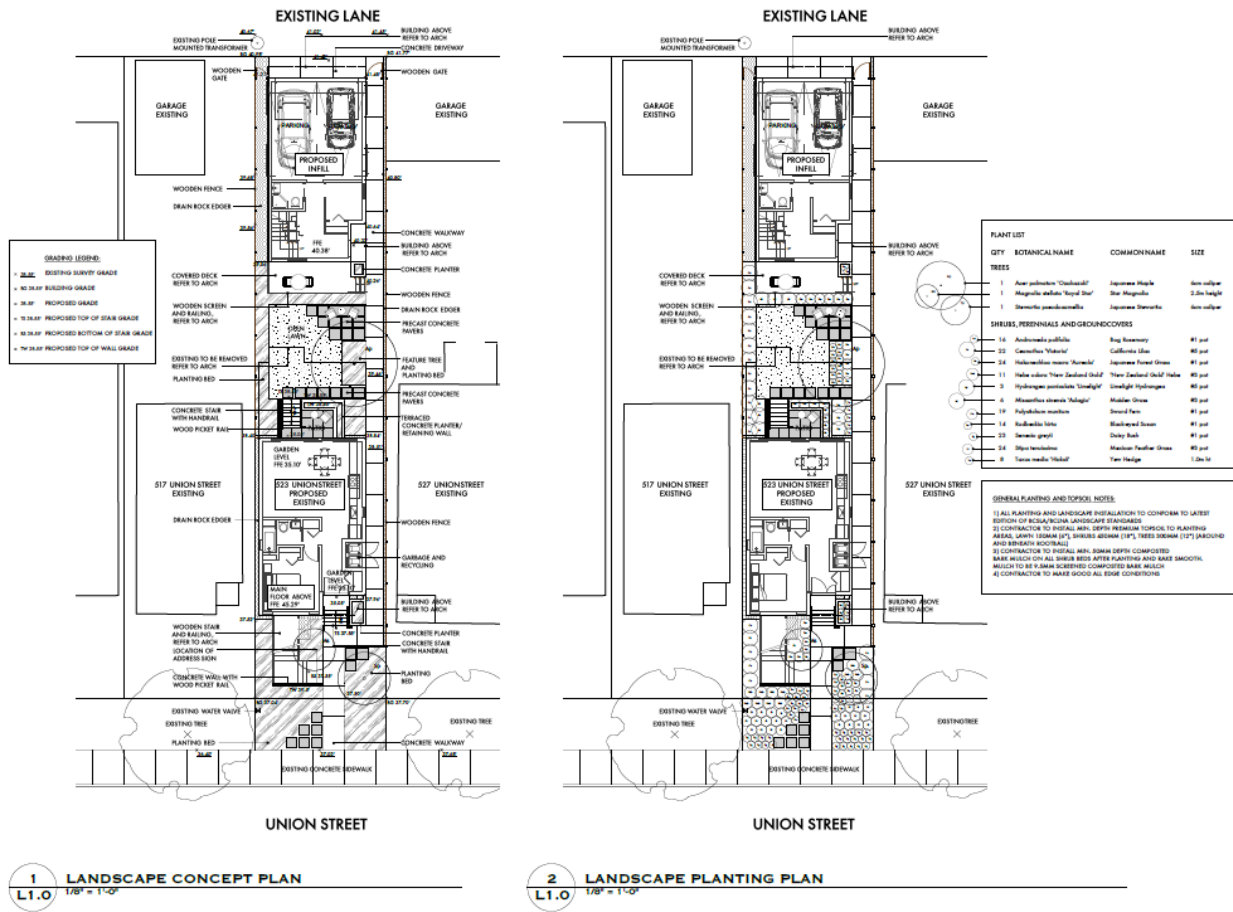
Proposed Plans of Both Buildings



East and West Elevations



North (Back) and South (Front) Elevations of Both Buildings



Landscape Plan

523 Union Street  
TECHNICAL ZONING AND PARKING SUMMARY

Table A

	Existing	Required or Permitted	Proposed
Overall Floor Space Ratio (FSR)	0.69 FSR 186m <sup>2</sup> (2,000 sq. ft.)	0.75 FSR maximum 213m <sup>2</sup> (2,294 sq. ft.)	0.83 FSR 236m <sup>2</sup> (2,538 sq. ft.) 10% over permitted
Height of Heritage Building	10.6 metres (34.8 feet)	10.7 metres (35.1 feet) Maximum	10.6 metres (34.8 feet)
Height of Infill Building	-	8.5 metres (27.9 feet) maximum	8.5 metres (27.9 feet)
Side Yard (Heritage Building)	0.2 metres (8 inches) west side and 1.25 metres (4.1) feet east side	10% minimum 0.76 metres (2.5 feet)	As per existing
Side setback for Infill Building	-	3.1 metres (10 feet) required minimum (usually on a 37' to 50' wide site) May be relaxed by the Director of Planning	0.76 metres (2.5 feet) west side and 1.25 metres (4.1 feet) east side
Dwelling Unit Density	1	2 maximum	3 (with Secondary Suite)
Parking	2	2 minimum	2

523 Union Street  
RESOLUTIONS OF THE VANCOUVER HERITAGE COMMISSION AND STAFF COMMENTS

On July 6, 2015, the Vancouver Heritage Commission reviewed the application and resolved the following:

THAT the Vancouver Heritage Commission supports the proposal to rehabilitate 523 Union Street as presented at its July 6, 2015, meeting, provided the bay on the basement level and the main floor is retained;

FURTHER THAT Vancouver Heritage Commission supports the proposed variances to the proposed floor space ratio and minimum site size required to permit the infill dwelling.

CARRIED UNANIMOUSLY

Staff Comments:

The Bay window is to be retained (the revised drawings shown in Appendix C show the bay retained).

523 Union Street  
PUBLIC BENEFITS SUMMARY

**Project Summary:**

Rehabilitation and conservation of a heritage building, and construction of a new infill building.

**Public Benefit Summary:**

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

	Current Zoning	Proposed
Zoning District	RT-3	RT-3
FSR (site area = 284 m <sup>2</sup> (3,058 sq. ft.))	0.75	0.83
Buildable Floor Area	213m <sup>2</sup> (2,294 sq. ft.)	236m <sup>2</sup> (2538 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)	908	1,662
	DCL (Area Specific)		
	Public Art		
	20% Social Housing		
Offered (Community Amenity Contribution)	Childcare Facilities		
	Cultural Facilities		
	Green Transportation/Public Realm		
	Heritage		160,000
	Housing (e.g. supportive, seniors)		
	Parks and Public Spaces		
	Social/Community Facilities		
	Unallocated		
	Other		
<b>TOTAL VALUE OF PUBLIC BENEFITS</b>		<b>\$908</b>	<b>\$161,662</b>

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.