



POLICY REPORT
DEVELOPMENT AND BUILDING

Report Date: May 13, 2016
Contact: Susan Haid
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RTS No.: 11204
VanRIMS No.: 08-2000-20
Meeting Date: May 31, 2016

TO: Vancouver City Council
FROM: Acting General Manager of Planning and Development Services
SUBJECT: East Fraser Lands - Amendments to the Official Development Plan and Associated CD-1 By-laws

RECOMMENDATION

- A. THAT the Acting General Manager of Planning and Development Services be instructed to make application to amend the East Fraser Lands Official Development Plan attached as Schedule A to By-law No. 9393 and associated CD-1 By-laws, and that this application be referred to Public Hearing, together with:
- (i) draft amendments to the East Fraser Lands Official Development Plan attached as Schedule A to By-law No. 9393, generally as set out in Appendix A;
 - (ii) draft amendments to repeal CD-1(472) By-law No. 9732, and amend CD-1(473) By-law No. 9733, CD-1(498) By-Law No. 10194, CD-1(499) By-Law No. 10195, CD-1(565) By-Law No. 10942, CD-1(566) By-Law No. 10941 and CD-1(567) By-Law No. 10943; generally as set out in Appendix B; and
 - (iii) draft amendments to the Zoning and Development By-law No. 3575; generally as set out in Appendix C.

AND FURTHER THAT the Director of Legal Services be instructed to prepare the amending by-laws, generally in accordance with Appendices A to C for consideration at the Public Hearing.

- B. THAT Recommendation A 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 expenditure of funds or incurred costs is at the risk of the person making the expenditure or incurring the cost;
- (ii) THAT any approval that may be granted following the Public Hearing shall not obligate the City to enact any bylaw; and
- (iii) THAT the City and all its officials, including the Approving Officer, shall not in any way be limited or directed in the exercise of their authority or discretion, regardless of when they are called upon to exercise such authority or discretion.

REPORT SUMMARY

This report proposes amendments to the East Fraser Lands Official Development Plan attached as Schedule A to By-Law No. 9393 ("EFL ODP") including an update of the definition of "affordable housing", refinement of the family unit requirements, provision of additional flexibility for the location of a childcare centre in Area 2, inclusion of gas station use to accommodate changes to the existing card-lock station in Area 3, as well as minor miscellaneous amendments to various East Fraser Lands CD-1 by-laws.

The creation of the Vancouver Affordable Housing Agency provides an opportunity to expedite delivery of the affordable housing projects in the East Fraser Lands ("EFL", also known as the "River District"). To enable the delivery of housing projects, greater flexibility is needed in the definition of Affordable Housing. The definition, originally established in 2006, is proposed to be updated to align with the current City-wide definition of social housing as established in the Vancouver Development Cost Levy ("DCL") By-law.

Development within EFL is proceeding, as such the City is working toward delivery of the first phase of public amenities including the Area 2 parks and a 69-space childcare centre located next to Marine Way. An alternative location for the childcare facility is being considered which may improve adjacencies and accessibility, construction economics, and allow for expedient delivery. An amendment to the EFL ODP is proposed to provide flexibility in determining the optimal location for this childcare centre.

This report also proposes expanded uses within the EFL ODP to accommodate an existing gas station at the eastern edge of EFL. As well, a number of miscellaneous amendments to CD-1 By-laws and the Zoning and Development By-law are proposed to clarify maps and for housekeeping purposes.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

Relevant Council policies for this site include:

- East Fraser Lands Policy Statement (2004)
- East Fraser Lands Official Development Plan (2006)
- East Fraser Lands Public Amenity Financial Plan and Strategy (2010)
- Area 2: CD-1(498 and 499) By-laws No. 10194 and 10195 respectively (2010)
- Area 1: CD-1 (565, 566 and 567) By-laws No. 10942, 10941 and 10943 respectively (2014)
- Housing and Homelessness Strategy (2011)

- Final Report from the Mayor's Task Force on Housing Affordability (2012)
- Creation of Vancouver Affordable Housing Agency (2014)

REPORT

Background/Context

1. East Fraser Lands Planning Background

EFL is located in the southeast corner of Vancouver on the Fraser River, and includes the land between Kerr Street and Boundary Road south of Marine Way, as well as a triangle-shaped site north of Marine Way at Boundary Road. EFL comprises approximately 52 hectares (128 acres) of land area.

Planning has been underway since 2002 following closure of the White Pines Sawmill. Each step in the process has been a collaborative effort with the community, City staff and the developer, Wesgroup Properties (previously Parklane Homes). The East Fraser Lands Committee was established in 2002/03 during the creation of the EFL Policy Statement and this dedicated group has participated in the planning and implementation of EFL ever since.

The EFL Policy Statement, completed in December 2004, envisions a complete and sustainable community including a variety of housing opportunities with a range of supporting amenities. The EFL ODP, approved in 2006, includes approximately 7.7 million sq. ft. of development, including housing, shops and services, a network of parks and plazas, four childcare centres, two school sites and a community centre. The EFL ODP also requires that 20% of the dwelling units in EFL be for affordable housing.

The first CD-1 rezonings (Area 1), including the Town Square, Waterfront and Park Precincts, were approved by Council at public hearing in September 2008 and enacted in 2014. The CD-1 rezonings for the western neighbourhood (Area 2) were approved by Council at public hearing in December 2009 and enacted in 2010.

In 2010, Council approved the *East Fraser Lands: Public Amenity Financial Plan & Strategy* (the "EFL Financial Plan") for the delivery of the amenity package envisioned in the EFL ODP. In particular, the City would reinvest all Community Amenity Contributions ("CACs") and DCLs generated from the EFL ODP and the vacant sites in West Fraser Lands ("WFL") to help fund the delivery of the public benefit package which includes parks, childcare facilities and community centre. It also established that the City has the option to purchase designated land parcels from Wesgroup Properties at \$35 per buildable square foot (2006\$ to be adjusted for inflation) to deliver affordable housing. Given the anticipated development revenues and preliminary cost estimates for the public benefit package, it was contemplated that delivery of affordable housing would require significant senior government contributions in addition to the City's land contribution. It was also recognized at the time that development revenues will be generated over the development horizon (20-25 years) and may not match the public benefit delivery timeline, and that the City would strive to deliver the amenities in-step with build-out of the new neighbourhood subject to timing and availability of the development revenues.

Development of individual building parcels and new city infrastructure has been underway since 2010. Eight parcels in the western neighbourhood are completed or are under construction, and work on the four parcels surrounding the Town Square is underway.

Figure 1 – ODP Area Map and Development Progress



2. Affordable Housing Requirements in the EFL ODP

The EFL ODP currently requires that 20% of all units are to be for affordable housing to ensure that EFL is a mixed income, sustainable, and diverse community. The proposed locations of the affordable housing sites were identified in the EFL ODP and option-to-purchase agreements for the sites were secured through the rezonings of Areas 1 and 2. As Development Permits are issued on 'trigger' sites, the City has one year to exercise the options and purchase the site to ensure that the delivery of affordable housing is in step with market development. Given the progress of market development, the first options to purchase affordable housing sites are now being triggered.

The City has allocated \$8.1 million (plus inflation adjustment) in the 2016 Capital Budget to purchase the first three option sites in Area 2. Funding for the remaining option sites will be secured as part of Capital Plan/Budget processes.

The EFL Financial Plan acknowledged that Council may choose to proceed with building the affordable housing sites in the absence of senior government and/or other partnership funding, by allocating additional capital funding and/or selecting alternative forms of affordable housing, such as market rental housing or affordable home ownership which would require amendments to the ODP and CD-1 by-laws.

3. Housing Policy Context

Since the completion of the EFL ODP in 2006, Council approved the Housing and Homelessness Strategy 2012-2021. Adopted in 2011, the Strategy includes a commitment to increase the supply of affordable housing and identifies priority actions and targets to accomplish this commitment (see Figure 2). The affordable housing anticipated to be created in EFL is approximately 1.2 million sq. ft. or 1,200 units (depending on the unit size and configuration). This represents a significant contribution toward the City’s housing targets which includes 5,000 units of social housing by 2021.

Figure 2 – Housing and Homelessness Strategy Targets 2012-2021



4. Vancouver Affordable Housing Agency

In 2012, the Mayor assembled a panel of housing experts that formed the Mayor’s Task Force on Housing Affordability (MTFHA) to identify barriers to the creation of more affordable housing and opportunities for increasing the supply of affordable housing. The MTFHA recommended the creation of a housing agency, which was developed in 2014 as the Vancouver Affordable Housing Agency (“Housing Agency”).

The Housing Agency is a City-controlled, but legally separate entity, that acts to leverage City-owned land and option sites to facilitate the development of affordable housing through strategic partnerships with senior governments and other housing partners. The Housing Agency was created to enhance the City’s capacity to deliver affordable housing, and to renew the existing rental housing stock with an emphasis on family housing.

The Housing Agency, in keeping with Council’s goals and objectives, is committed to expediting the delivery of affordable housing units that target low to moderate income households. The Housing Agency is working with senior levels of government to enhance the levels of affordability on existing projects that are approved and/or under development. The Housing Agency has initiated preliminary building design for three option sites in EFL with a focus on family units.

Strategic Analysis

1. Affordable Housing Definition

As described earlier, the progress of market development in EFL has triggered the option to purchase of several affordable housing sites (see Figure 3) in Areas 1 and 2. The Housing Agency has identified these sites as key strategic opportunities to deliver affordable housing in an expedited manner and in alignment with Council’s affordable housing objectives and targets. While staff continue to work with the Federal and Provincial Governments to advance various innovative partnership programs as outlined in the 2016 Federal Budget, the Housing Agency has identified the need to explore alternative forms of affordable housing to expedite delivery of the much needed affordable housing in EFL.

Figure 3 – Affordable Housing Sites



Current Affordable Housing Definition – The EFL ODP currently defines affordable housing as:

“Affordable Housing” means dwelling units designed to be affordable to persons who make up a core need household where such persons pay more than 30% of their combined gross annual income to rent an adequate and suitable rental unit, including utilities, to meet the basic housing needs of the household at an average market rent.

The current definition poses two challenges with respect to terminology and project viability.

Updating Terminology – Since the EFL ODP was adopted, the term “core need households” which is referenced in the definition of affordable housing has been updated. The tool previously used to determine whether households were spending no more than 30% of their income on housing was called “core need income thresholds (CNITs)”. However, BC Housing

now refers to this measure as “Housing Income Limits (HILs)” which are published every year for each municipality. They are derived from the Canadian Mortgage and Housing Corporation’s Annual Rent Market Survey (see Figure 4). It would be reasonable that the definition of affordable housing in EFL should reflect this updated language.

Figure 4 – BC Housing’s Housing Income Limits (HILs) for Vancouver as of May 2016

	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4+ Bedroom
Income Levels	\$38,500	\$42,500	\$52,000	\$64,500	\$68,500
Rents	\$913	\$1,000	\$1,238	\$1,400	\$1,550

Source: BC Housing: 2016 Housing Income Limits (HILs)

Project Viability – The current definition relies extensively on significant senior government contributions toward one-time capital and on-going operating costs to achieve core-need affordability levels across all units. Despite the City’s efforts, senior government funding remains limited and insufficient to enable every unit to rent at core-need affordability levels.

The typical funding model for affordable housing entails the City contributing land at below market rent, and the housing partner securing construction and take-out financing (mortgage) as well as equity contributions. In the case where the construction cost is higher than the mortgage and equity contribution combined, there will be a funding gap. In general terms, the deeper the affordability, the lower the rent revenues to service the mortgage and the larger the funding gap. Based on preliminary assessment, delivering all affordable housing units at HILs rent levels on the affordable housing sites (in Area 1 & 2 only) would result in a funding gap of ~\$80 million (2016\$). Without senior government contributions, the Housing Agency needs flexibility to include some units renting at or near market rates to cross-subsidize the units renting at HILs or lower.

The 2016 Federal Budget includes \$504 million nation-wide for new construction, renovation and adaptation to existing affordable housing. Based on population and previous budget allocations, it is estimated that BC could receive approximately 13% of national funding (~\$65.5M). In April, the Province issued an Expression of Interest to partner with municipalities, non-profit housing providers, community groups and the private sector to create affordable rental for low to moderate income households. There is a total of \$355 million of provincial funding available over five years and the first year (2016/2017) will include the disbursement of \$50 million.

It is unclear at this time how much Federal or Provincial funding the City may receive and how much would be available for new construction. Staff are engaging with senior government to explore strategic partnership opportunities for housing across the City. To proceed with the EFL affordable housing projects without delay and to best position the Housing Agency as a strong candidate for Provincial funding, the City will need to pursue other alternatives to make the affordable housing portfolio within EFL financially viable. As development proceeds, should senior government and/or partnership funding become available, contributions could be added to enhance the level of affordability in the projects.

Proposed Changes to Affordable Housing Definition

In order to address the challenges posed with the current affordable housing definition, staff consulted with the community and the EFL Committee (EFLC) last fall, with a broadened definition that included social housing, secured market rental and leasehold strata. Feedback from the public at large was generally supportive (refer to the Public Input section of this report for more information). However, the EFLC had significant concerns about the proposed changes, including:

- the degree of flexibility in the proposed definition did not meet the original intent of the ODP,
- there was no overall requirement to ensure a certain number of units occupied by households below HILs,
- the timing did not allow for possible program changes following the Federal election, and
- insufficient analysis of other options to maximize affordability had been provided.

In response to this feedback, revised changes to the affordable housing definition and other sections referencing the delivery of affordable housing in the EFL ODP are proposed including:

1.1 Definitions

"Affordable Housing" means "social housing" as defined in the Vancouver Development Cost Levy By-law.

5.2 Diverse and affordable housing

5.2.1 With respect to development:

(c) the objectives of affordable housing, subject to finding alternative funding sources, are:

- for any affordable housing units not occupied by households with incomes below housing income limits ("HILs"), as set out in the current "Housing Income Limits" table published by the British Columbia Housing Management Commission, or equivalent publication, that rents be a maximum of 90% of average market rents for new units with the same number of bedrooms in the area; and*
- to increase the ratio of affordable housing units occupied by households with incomes below HILs;*

Social Housing as defined in the Development Cost Levy ("DCL") By-law (included as Appendix D) is rental housing that:

- requires at least 30% of the dwelling units must be occupied by households with incomes below BC Housing's HILs rates;
- must be owned by government, a non-profit corporation or a non-profit cooperative association; and
- must be secured through a legal agreement.

Traditionally, there has been a mix of low- and moderate-income levels within a social housing project. Without ongoing operating subsidies from senior governments, housing units need to be rented at different levels, from income assistance to market, to enable long-term financial sustainability through cross-subsidy. These rental mixes are desirable from both financial and social perspectives. Delivery of social housing remains a top priority for Council because it provides housing for a range of household compositions and income levels, for households who otherwise cannot afford to stay in the City.

The proposed change to the definition of affordable housing in the EFL ODP is expected to enhance economic viability of the affordable housing projects while supporting a mix of income levels, reducing the funding gap from ~\$80 million to ~\$40 million.

In addition, the proposed changes to the EFL ODP includes objectives to limit rents for the non-HILs units to 90% of market rents and to increase the ratio of HILs units is also provided. Together, these objectives serve to enhance the extent and the level of affordability of projects.

The EFL Policy Statement (2004) describes the 20% requirement as non-market tenure including non-profit, co-op and non-market rental. Delivering social housing preserves this intent by ensuring the housing is owned by government, a co-op or non-profit organization and requiring occupancy by low-income households. Overall, this proposed change to update the definition of affordable housing in the EFL ODP is generally consistent with how social housing is applied in recently adopted community plans (e.g. West End Community Plan).

Enhanced Implementation Process – The affordable housing sites in Areas 1 and 2 are already rezoned which allows the Housing Agency to expedite the delivery of these projects. In order to ensure the affordable housing delivery in EFL continues to address Council's priorities, the Housing Agency will be required to provide project and financial information, including development costs, unit mix, target affordability and rent levels as part of the Development Permit review process. Staff will review the information to ensure that affordability is optimized and will make recommendations as part of the Development Permit approval process.

The City will also lead a process for selecting operators to operate and maintain the affordable housing projects. Staff will report back to Council on the selection of the operator and the terms of the lease. Council reports on operator selection and lease terms will describe and secure the level of affordability to be achieved in each project, enabling Council to monitor the level of affordability achieved in affordable housing projects in EFL.

2. Affordable Housing Family Unit Mix

One of the main objectives for EFL is to create a complete community with housing suitable for families as well as seniors and singles. The ODP requires that 35% of all units will be designed for families with children. To date, 70% of all approved market housing units are family-oriented with two bedrooms or more.

The ODP also requires that 50% of all affordable housing units be geared for families with children. The Development Phasing section of the ODP has specific targets for family housing for each Area. Area 1 was envisioned to accommodate a higher percentage of singles and

seniors in closer proximity to shops and services. To compensate for that, a higher percentage of families (100% of the affordable housing units) was secured in Areas 2 and 3. However, this 100% requirement is creating a challenge with delivering a desirable unit mix and efficient building design.

As there is a 50% overall target for affordable family units across the ODP, staff propose to remove area-specific targets within the Development Phasing section to provide more flexibility in the unit mix in each area. Further details outlining the proposed changes are contained in Appendices A and B.

3. Area 2 Proposed Childcare Centre

There is a shortage of childcare spaces across Vancouver. The current supply of childcare spaces can only meet an estimated 34% of existing childcare need for 0 to 4 years, with a shortfall of 8,700 spaces for this age group city-wide. While childcare is a Provincial responsibility, Council has continued to support childcare through rezonings and partnership opportunities. Since the EFL ODP was approved in 2006, Council renewed commitments to increase the supply of childcare spaces with a target to facilitate the creation of 1,000 new spaces in Vancouver between 2015 and 2018.

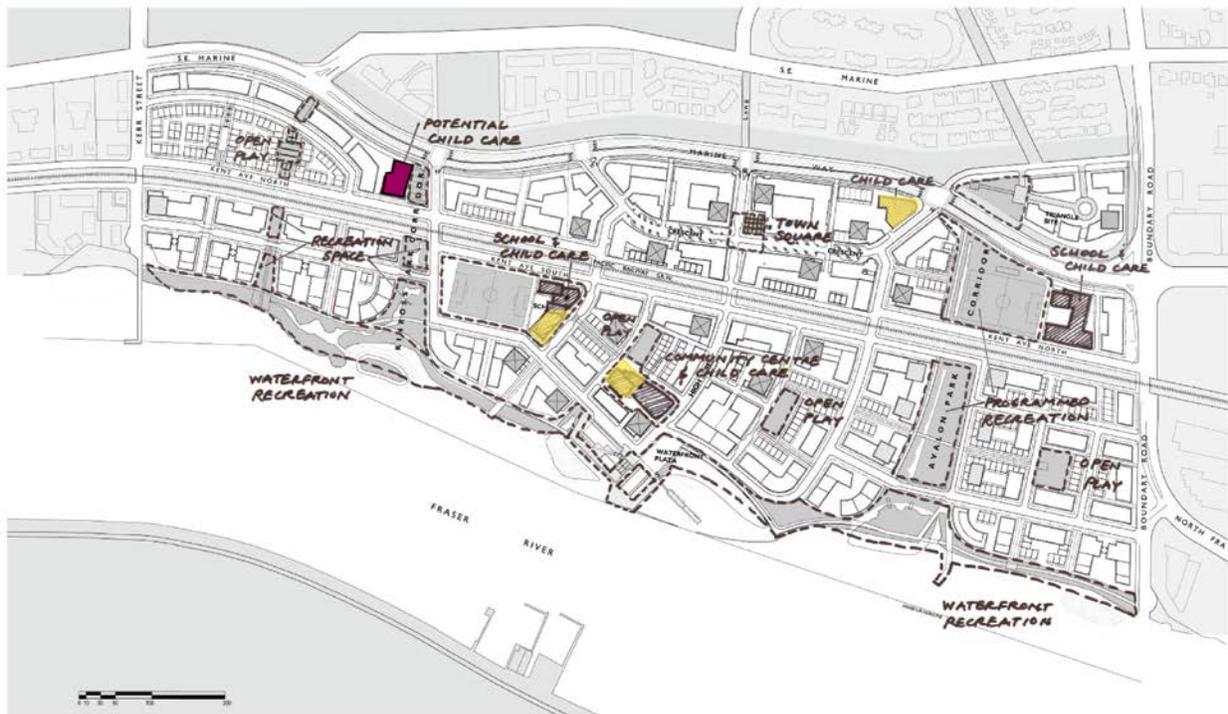
There is also a demonstrated need for childcare in this area of Vancouver. The Killarney and Victoria-Fraserview ("VFK") neighbourhoods have among the highest needs for childcare spaces in the city. Due to the high shortage of spaces, the current and projected childcare needs in both East and West Fraser Lands are unlikely to be fully met from nearby services in VFK.

In major developments such as EFL, the City seeks to build complete communities with new public amenities to support the new population as well as the surrounding community. The EFL ODP public amenity package includes 256 full-day childcare spaces for children 0 to 4 years, in four childcare facilities, located as follows:

- 49 space childcare centre with a development parcel in the town square,
- 69-space childcare centre co-located with the Community Centre,
- 69-space childcare centre co-located with the Elementary School, and
- 69-space childcare centre located in the western neighbourhood (Area 2) in a development adjacent to Marine Way (shown in purple on Figure 6 below).

As outlined in the EFL Financial Plan, the City is responsible for the delivery of the childcare facilities, subject to timing and availability of the development-related revenues.

Figure 6 – ODP Proposed Childcare Locations



Current Childcare Location - The Development Phasing section of the ODP for Area 2 indicates that one of the 69-space facilities is to be located on Parcel 5B (see Figure 7). The facility was located at the western end of the EFL site, so that it could also serve families located west of the new community.

In 2012, the City accepted a proposal from Wesgroup Properties that shifted the childcare centre to Parcel 1 or 3 while the City secured the funds required to construct the amenity. This change enabled market development on Parcel 5B to proceed.

Subsequent technical analysis of Parcels 1/3 has identified potential concerns regarding environmental health for children and construction complexity. Since the childcare locations were first proposed in the EFL ODP in 2006, Community Care & Facilities Licensing - Vancouver Coastal Health have expressed increasing concern with locating childcare centres on high traffic arterials and truck routes because of a growing body of evidence linking the risk of respiratory illness and other adverse health outcomes with proximity to sources of air pollution, with infants and children being especially vulnerable.

In addition, Parcels 1/3 are sloped sites adjacent to Marine Way which require concrete construction, underground parking, and additional shoring next to the roadway. The ability for Parcel 1 to accommodate a 69-space childcare facility is further compromised by the presence of a large temporary turnaround that partly encroaches on the site, which is in place to accommodate emergency vehicles until Pierview Crescent can be connected through to Kerr Street.

Figure 7 – Area 2 Parcels and WFL Annex School Site



Alternate Location - If approved, the proposed ODP amendment provides City staff with the flexibility to consider an alternative location for this facility to improve project accessibility, construction costs, and to have spaces available for parents in a much shorter time frame. The alternate site, located at 3010 East Kent Avenue South (see Figure 7), is owned by the City and has been held since 1989 for an elementary annex school and childcare centre envisioned as part of the WFL master plan. The one-acre WFL annex/childcare site is adjacent to Riverfront Park which is approximately 5 acres, including the waterfront walkway.

The Vancouver School Board has no immediate plans to develop the 3010 East Kent Avenue site with an annex school, as the EFL K-7 elementary school proposed in Area 2 has been the priority. The City will work with the School Board to ensure that a future school annex can be accommodated within the one acre WFL annex/childcare site, as needs arise.

Figure 8 – WFL Annex School/Childcare Site and Riverfront Park



Riverfront Park and the adjacent WFL annex/childcare site is currently used by the neighbourhood for primarily passive uses including picnics, dog walking, informal play and for organized sports such as Ultimate Frisbee. Riverfront Park between Kerr Street and Jellicoe Street (excluding the WFL annex/childcare site) is approximately 5 acres as shown on figure 8 above. In March 1992, Council approved a request by the Park Board to utilize the WFL annex/childcare site on a temporary basis, until the school and/or childcare centre was delivered. For the past 24 years the community has enjoyed use of the entire site. Riverfront Park is of sufficient size to accommodate the majority of the existing passive recreation uses.

Staff anticipate that the WFL annex/childcare site could be developed with a single-storey stand-alone childcare facility, which allows for potential cost savings and faster construction associated with wood-frame construction, subject to further soils analysis. The WFL annex/childcare site provides a healthier environment for children attending the childcare and has better proximity to parks and open space. The site also has better accessibility for pedestrians and cyclists on the waterfront pathway or Kent Avenue greenway.

The proposed relocation of the Area 2 childcare centre to the WFL annex/childcare site may also provide an opportunity to increase the size of the facility to accommodate additional programming for children and families, based on further analysis of fit. The childcare centre would require approximately half of the WFL annex/childcare site. The remaining 0.5 acre on the annex/childcare site could continue to be used by the community until the potential development of an annex school on the site in the future.

Building the Area 2 childcare on this alternative site may enable delivery of a childcare earlier than other childcare commitments in the EFL ODP. The next childcare commitment (Parcel 19 in Area 1) not anticipated to be delivered for 8 to 10 years. Staff have also evaluated other opportunities in Area 2, including repurposing the River District centre and

potential co-location with an affordable housing building. Neither site is of sufficient size to accommodate a 69-space facility with associated outdoor play area. Relocating to Area 1 or a future phase (Area 3) would result in significant delay in delivery. While an opportunity still exists to deliver a childcare on Parcel 1 in Area 2, design-development will be deferred until the emergency turnaround is eliminated to provide adequate room on the site.

Proposed ODP Amendment - In order to further evaluate the proposed relocation, staff recommend adding flexibility to the Development Phasing section of the ODP to allow the childcare centre to be located in Area 2 or within 250 metres of Area 2, to serve families in both EFL and WFL as intended, refer to Appendix A for details. While staff are proposing to relocate the childcare centre outside of the EFL ODP boundary, the centre is still considered to be an amenity under the ODP and will be funded according to the EFL Public Amenity Financial Plan and Strategy.

4. Gas Station Use

Shell Oil has a long-term lease (approximately 75 years) for the operation of a card-lock gas station at the southwest corner of Marine Way and Boundary Road which is permitted under the site’s existing Industrial (M1-B) zoning which predates the ODP (see Figure 8). For this site, the ODP permits residential use and it is identified as a potential affordable housing site. The existing use is not permitted in the ODP.

The operator is proposing to change the card-lock station to a full-service gas station which is permitted under the existing Industrial zoning for the site. To enable the continued operation and upgrade of the gas station, staff propose that the ODP be amended to include full-service gas station use and that the affordable housing requirement be shifted to another site within Area 3 (see Appendix A for the detailed change). The relocation of the affordable housing will be secured through the rezoning of Area 3.

Figure 8 – Gas Station Location



5. Miscellaneous Amendments

Grocery Store — The ODP requires an anchor grocery store be provided in Area 1 with a floor area that does not exceed 3,700 m² (approximately 39,000 sq.ft.). The intention of this requirement was to ensure that the grocery store be local-serving (of a medium size) and not highway-oriented. Through the detailed design of the Town Square parcels, staff are satisfied with the building form and recommend that the maximum area reference be removed, as detailed in Appendix A.

CD-1 By-laws — Several CD-1 By-laws were enacted to permit development at East Fraser Lands. The by-laws cover large areas as indicated by their attached Schedule A maps. The maps inadvertently included the rail corridor which was not part of the rezonings. It is proposed to replace these maps with amended maps that remove the rail corridor and reflect current subdivisions and applicable parcels.

Also proposed is repeal of the High Street CD-1 (472) By-law No. 9732 as this by-law has been superseded by the Town Square and Waterfront Precinct CD-1 By-laws and is no longer applicable to any site, and amendment of the Non-High Street CD-1 (473) By-law No. 9733 to remove those areas included in Area 1 which were rezoned as part of the Waterfront Precinct CD-1 (566) By-law No. 10941, Town Square Precinct CD-1 (567) By-law No. 10943 and Park Precinct CD-1 (565) By-law No. 10942. Further details are included in Appendix B.

Landscape Setback — There is an existing requirement for a landscape setback of 12.1 m on the south side of Marine Way between Kerr Street and Boundary Road. One of the key urban design guiding principles of the EFL ODP relates to the Marine Way frontage:

"The organization of Marine Way frontage buildings, landscaping, and access is to humanize the street and facilitate pedestrian and cycle connections to Champlain Heights."

In response to the ODP guiding principles, a more urban setback ranging from 1.5 to 3.0 m, depending on the adjacent land use, was envisioned and secured in the Area 1 and 2 rezoning and associated design guidelines. The removal of this landscape setback was meant to be included with the approval of the Areas 1 and 2 rezoning application, as such, staff are now recommending this housekeeping amendment. Further details are included in Appendix C.

PUBLIC INPUT

Public consultation on the proposed amendments to the EFL ODP included an initial open house in November 2015, and a series of stakeholder meetings with the EFL Committee, Wesgroup Properties and the South Vancouver Neighbourhood House. A second open house was held in May 2016, to discuss refinements to the definition of affordable housing and to provide an opportunity to further discuss the proposed relocation of the childcare facility.

Fall 2015 Consultation — A total of 1,644 notifications were distributed within the neighbouring area on or about October 22, 2015. In addition, notification and application information, and an online comment form, were provided on the City's Rezoning Applications webpage (vancouver.ca/rezapps). An open house was held on November 5, 2015. Staff, the

proponent, representatives from Wesgroup, and a total of approximately 23 people attended the open house. Staff also presented to the South Vancouver Neighbourhood House on January 12, 2016.

A total of two comment sheets were submitted from individuals at the November open house. Two additional letters, emails or online comment forms were received for this application. Regarding the proposed amendments to the ODP and associated CD-1 By-laws, the public provided the following feedback:

Affordable Housing – A range of opinions were expressed regarding the affordable housing changes including support for mixed-income projects that blend into the neighbourhood, as well as the proposed market rental and home ownership concepts. There was also a desire for strong standards of maintenance for the buildings, and a desire to include housing for seniors within the affordable housing projects.

Childcare Centre and Gas Station Use – The proposed ODP amendments for the childcare centre and gas station were positively received at the November open house.

Miscellaneous Comments – Comments were also provided related to concerns about increased traffic, lack of transit, delivery of community facilities and a desire for updates on the process.

East Fraser Lands Committee – Throughout the planning process, the EFLC have been strong advocates of affordable housing, including establishing the intent of the ODP. Staff and the proponent team met with the EFLC on three occasions. The members of the EFLC articulated significant concerns that the proposed changes were too flexible and did not meet the original intent of the ODP. The EFLC expressed frustration that the changes would result in a limited number of units for lower income households.

In response to feedback from the EFLC and the public, staff have revised the definition of affordable housing to include only social housing, with an objective of increasing the number of units rented at or below HILs and providing rental units at 90% of market rates.

Spring 2016 Consultation – A total of 1,644 notifications were distributed within the neighbouring area on or about April 22, 2016. In addition, updated notification and application information, and an online comment form, were provided on the City's Rezoning Applications webpage (vancouver.ca/rezapps). A second open house was held on May 4, 2016. Staff, the proponent, representatives from Wesgroup, and a total of approximately 150 people attended the open house. Staff also met with representatives from a neighbouring building on April 5, 2016 to discuss the proposed childcare centre.

A total of 57 comment sheets were submitted from individuals at the open house. Staff received 131 additional letters, emails or online comment forms were received for this application from individual citizens. Two petitions were also received, one containing 39 signatures and a second electronic petition with 144 responses. Regarding the proposed amendments to the ODP and associated CD-1 By-laws, the public provided the following feedback:

Gas Station Use – The proposed change of use to allow a full service gas station was supported by all that provided feedback, noting that if the gas station is going to be present on the site for the long-term then it should also serve local residents. One respondent cited traffic concerns associated with the changed use.

Affordable Housing – At the open house and through feedback forms, a range of comments and opinions were expressed regarding the affordable housing changes including:

- concern that affordable housing will bring increased crime, homelessness, overcrowding and devaluation of existing homes,
- support for affordable housing for families, integration of affordable units with market units and creating a balance of affordable and market options, and
- general confusion about why the definition is changing and concern that the changes will reduce affordability.

Childcare Centre – There has been a strong public response to the proposed childcare centre relocation, with the majority unsupportive of relocation to the annex/childcare site and a minority (around 14 responses) in support of the shift. Most responses indicated support for new childcare facilities in the area, but only if located within the EFL development. Those opposed provide the following main comments:

- there is a need to preserve green space, natural areas and trees as the neighbourhood is densifying,
- local residents currently use the site as a park, and it is well used for passive activities such as picnics, dog walking, kite flying, throwing a ball, and more organized sports activities such as Ultimate Frisbee,
- there is a need to preserve large grass fields as there are no other similar parks in WFL,
- most respondents were not aware the site is designated for school/childcare use,
- concerns about view and property value implications for adjacent landowners,
- parking and traffic concerns related to the childcare centre,
- some respondents felt that neither a childcare centre or elementary school is needed in this area,
- concerns about safety of children given the proximity to the Fraser River and train tracks, and
- there has been insufficient public consultation on the proposal.

Those in support of the childcare facility provided the following main comments:

- childcare centres are needed, and should be constructed as soon as possible,
- it is important to provide childcare options within the neighbourhood to address an existing need and to avoid having to travel to find childcare,
- it is an opportunity to create a place for families (idea for second floor to become a resource centre), and
- the park is currently underused and is large enough to accommodate the existing uses and the childcare centre.

Response to Issues – In response to concerns raised by the local community related to the childcare centre, staff offer the following responses:

- The proposed relocation of the Area 2 childcare centre is consistent with the intent of the West Fraser Lands master plan to co-locate a childcare with the planned Elementary School Annex.
- The location would allow easier access for those families already located within the neighbourhood and it provides a healthier environment for children.
- Riverfront Park will not be impacted either in total size (approximately 5 acres between Jellicoe Street and Kerr Street).
- Most recreational uses (picnics, dog walking, kite flying, casual sports) can still be accommodated on Riverfront Park after construction of a childcare, and potentially a school annex.
- Playfield users can be accommodated in EFL where a junior playfield and a synthetic turf field are planned.
- Shifting to the WFL school annex site allows for the childcare centre to be delivered sooner, with the next opportunity being within 8 to 10 years from now.
- If a childcare proceeds at the WFL school annex site, the design process would seek to minimize potential impacts and create a sensitive transition to adjacent residential development.

Implications/Related Issues/Risk (if applicable)

Financial

Public Benefits Strategy

As per EFL Financial Plan adopted in December 2010, the City reinvests all the CACs and DCLs generated from the EFL ODP and certain adjacent sites in WFL to help fund the delivery of parks, childcare facilities and community centre, as well as acquisition of designated affordable housing option sites within the EFL ODP. Delivery of affordable housing units on the option sites, however, would require significant senior government contributions towards one-time capital and ongoing operating costs. As well, it was contemplated that development revenues would be generated over the 20-25 year development horizon. As such, the City would strive to align delivery of the contemplated public amenities with market development build-out the best it could subject to funding availability to be considered as part of capital plan/budget processes.

Affordable Housing

Consistent with current Council policies, all social housing projects are expected to be self-sustaining over the long-term where rents and other applicable revenues (e.g. senior government subsidies, charitable donations) are set at levels that will cover mortgage payments (to repay some or all of the construction costs), operating costs and capital replacement; and do not require further operating subsidies, property tax exemptions, and/or financial guarantees from the City. In some cases, senior governments may provide equity contributions to enhance affordability and/or on-going operating subsidies for onsite support services for the housing projects.

The typical funding model for social housing entails the City contributing land at below market rent (long-term leases for 60 years or longer), and the housing partner securing construction and take-out financing (mortgage) as well as equity contributions. The housing partner will also operate and maintain the housing project at target affordability levels over the lease term, with no less than 30% of the units renting at or below BC HILs (including some at income assistance). This rental mix, ranging from income assistance to market, enables cross-subsidy among housing units and thereby enhancing the long-term financial sustainability of the project.

In the case where the construction cost is higher than the mortgage and equity contributions combined, there will be a funding gap. In general terms, the deeper the affordability, the lower the rent revenues to service the mortgage, and the larger the funding gap. Based on preliminary assessment, delivering all the affordable housing units at HILs in Areas 1 & 2 would result in a funding gap of ~\$80 million (2016\$). Should Council approve the proposed update to the Affordable Housing definition in the EFL ODP the gap would reduce from ~\$80 million to ~\$40 million.

As projects cannot proceed without confirmation of all funding sources, the Housing Agency will continue to work with senior governments and housing partners to secure the necessary equity contributions and financing to make the projects viable. Should additional senior government and/or partner equity contributions become available at a later date, funding can be applied to further enhance and sustain affordability over the long-term.

CONCLUSION

This report proposes amendments to the EFL ODP and associated CD-1 By-laws. With the creation of the Vancouver Affordable Housing Agency, there is an opportunity to deliver housing units to fulfill the vision of creating a complete community in EFL and to advance Council's goal to increase affordable housing for low and moderate income households. For the City to achieve this vision, amendments to the ODP's affordable housing definition and family housing targets are proposed. The proposed definition for affordable housing is social housing as defined in the Vancouver DCL By-law, with an additional objective to enhance affordability levels. The proposed change to the affordable housing definition is supported by recent Council adopted policies and plans such as Housing and Homelessness Strategy, Mayor's Task Force on Housing Affordability, Rezoning Policy for Sustainable Large Sites and various community plans which prioritize social housing. By making these changes to the definition it enables the Housing Agency to move forward and develop the sites triggered in Areas 1 and 2.

This report also proposes amendments to the childcare facility requirements in Area 2 to include flexibility to relocate the childcare facility to the elementary annex school site in West Fraser Lands. The proposed relocation provides for improved adjacencies and healthier environment for children. While there has been significant public concern regarding the proposed childcare relocation, staff feel that the childcare can be better accommodated on this site, subject to further technical analysis.

Further miscellaneous amendments are proposed to correct and clarify the EFL ODP and associated CD-1 By-laws.

The Acting General Manager of Planning and Development Services recommends that the proposed amendments to the EFL ODP and CD-1 By-laws be referred to a Public Hearing, together with draft amending by-laws generally as set out in Appendices A and B.

* * * * *

DRAFT AMENDMENTS TO THE
EAST FRASER LANDS OFFICIAL DEVELOPMENT PLAN
(BY-LAW NO. 9393)

Note: An amending by-law will be prepared generally in accordance with the provision listed below, subject to change and refinement prior to by-law posting. For reference, a draft updated by-law detailing these changes is enclosed in Appendix C.

1. This By-law amends the indicated provisions of the East Fraser Lands Official Development Plan attached as Schedule A to By-law No. 9393.
2. In section 1.1, Council:
 - (a) strikes out the definition of "affordable housing" and substitutes:

" "affordable housing" means "social housing" as defined in the Vancouver Development Cost Levy By-law;"
3. In subsection 3.5.1, Council:
 - (a) strikes out subparagraph (c) and substitutes:

"(c) at least 20% of all dwelling units are to be available for affordable housing;"
 - (b) strikes out subparagraph (e) and substitutes:

"(e) at least 35% of all dwelling units are to be suitable for families with children, in accordance with the Guidelines for High-Density Housing for Families with Children adopted by Council on March 24, 1992;"
4. In subsection 3.5.2, Council:
 - (a) in subparagraph (c)(i), strikes out "having a floor area not to exceed 3 700 m²";
 - (b) after subparagraph (i), strikes out "and";
 - (c) after subparagraph (j) strikes out "." and substitutes ", and"; and
 - (d) after subparagraph (j) adds:

"(k) except that one Gasoline Station - Split Island is permissible in Area 3."

5. Council strikes out subsection 5.2.1 and substitutes:

“Diverse and affordable housing

5.2.1 With respect to development:

- (a) affordable housing is to comprise at least 20% of all dwelling units and at least 50% of those affordable housing units are to be suitable for families with children;
- (b) units suitable for families with children are to comprise at least 35% of all dwelling units;
- (c) the objectives of affordable housing, subject to finding alternative funding sources, are:
 - (i) for any affordable housing units not occupied by households with incomes below housing income limits (“HILs”), as set out in the current “Housing Income Limits” table published by the British Columbia Housing Management Commission, or equivalent publication, that rents be a maximum of 90% of average market rents for new units with the same number of bedrooms in the area; and
 - (ii) to increase the ratio of affordable housing units occupied by households with incomes below HILs; and
- (d) while there are no specific requirements for market housing, other than for families with children, the objective is to achieve a balanced household mix by accommodating a full range of age and social groups, household types and needs, with particular emphasis on housing suitable for seniors.”

6. In subsection 6.1.1, Council:

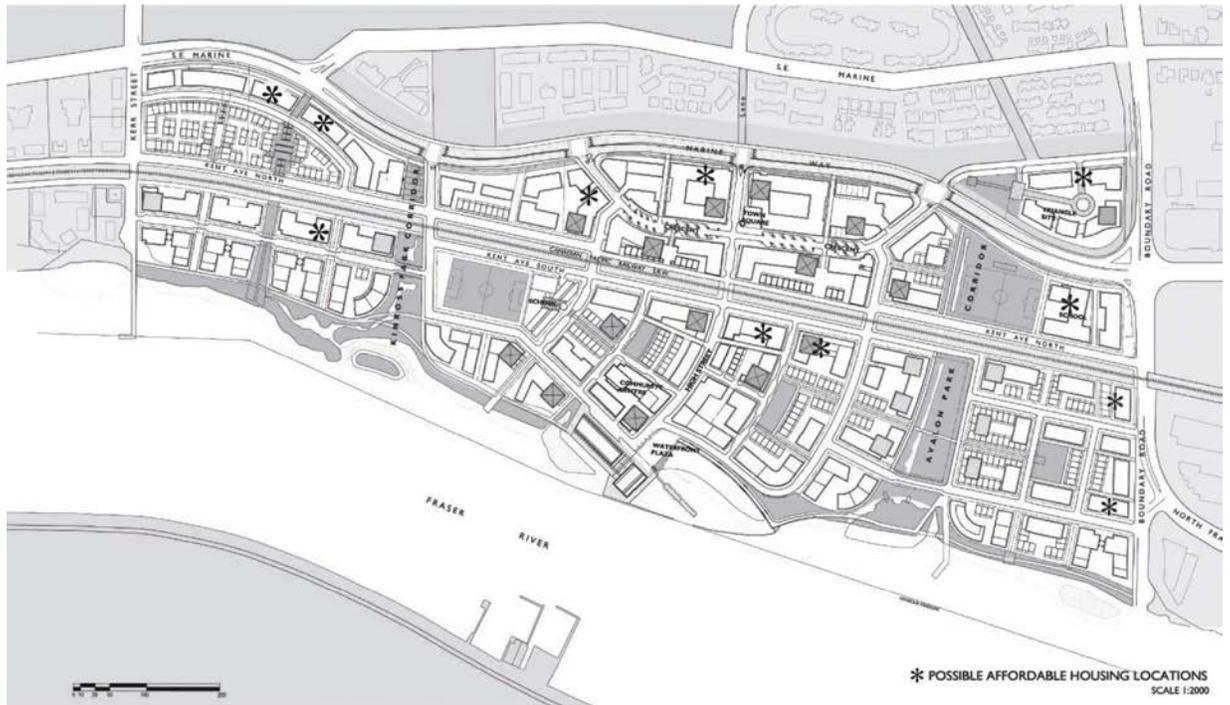
- (a) at the end of subparagraph (h), adds “and”;
- (b) at the end of subparagraph (i), strikes out “, and” and substitutes “.”; and
- (c) strikes out subparagraph (j).

7. In subsection 6.1.2, Council:

- (a) strikes out “Area 2 is to include:” and substitutes “Area 2, with the exception of the childcare facility referred to in subparagraph (e), is to include:”;
- (b) in subparagraph (e) strikes out “located on Parcel 5B” and substitutes “located in Area 2 or within 250 m of Area 2”;

- (c) at the end of subparagraph (f), adds "and";
 - (d) at the end of subparagraph (g), strikes out ", and" and substitutes "."; and
 - (e) strikes out subparagraph (h).
8. In subsection 6.1.3, Council:
- (a) strikes out subparagraph (f);
 - (b) at the end of subparagraph (b), adds "(c) Gasoline Station - Split Island";
 - (c) renames all the subsequent subparagraphs after the new subparagraph (c) in alphabetical order;
 - (d) at the end of re named subparagraph (e), adds "and";
 - (e) at the end of re named subparagraph (f), strikes out ", and" and substitutes ".".
9. In subsection 6.1.4, Council:
- (a) at the end of subparagraph (a), adds "and";
 - (b) at the end of subparagraph (b), strikes out ", and" and substitutes "."; and
 - (c) strikes out subparagraph (c).
10. In subsection 6.1.5, Council:
- (a) at the end of subparagraph (a), adds "and";
 - (b) at the end of subparagraph (b), strikes out ", and" and substitutes "."; and
 - (c) strikes out subparagraph (c).
11. Council strikes out the Figure 17 map and substitutes the following Figure 17 map:

Figure 17. Affordable Housing



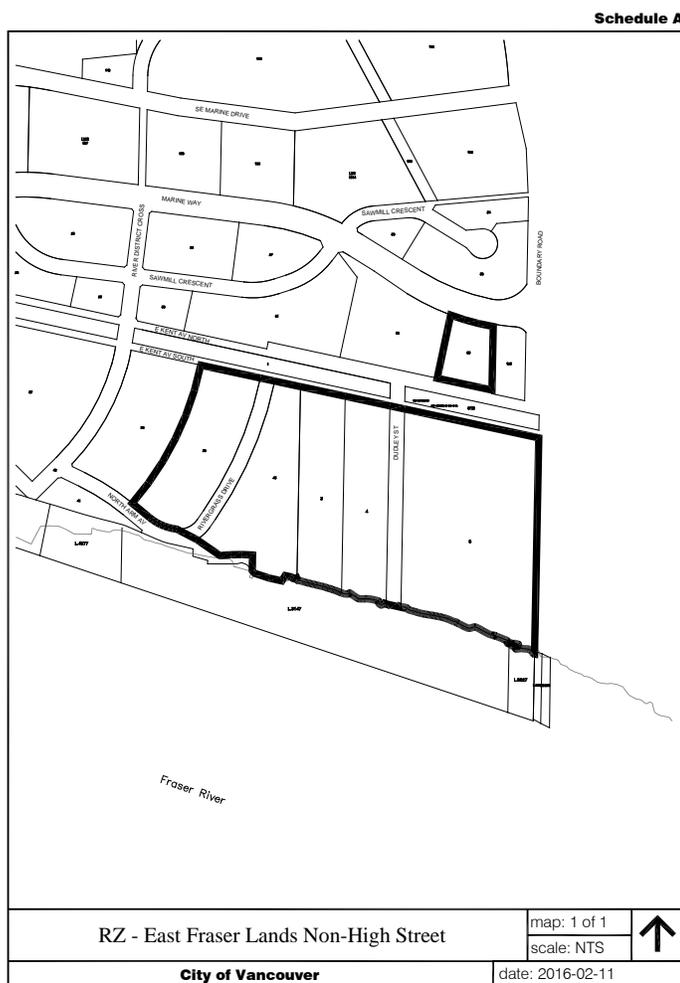
* * * * *

EAST FRASER LANDS
DRAFT CD-1 BY-LAW AMENDMENTS

Note: By-laws to amend the following CD-1 By-laws will be prepared generally in accordance with the provisions listed below, subject to change and refinement prior to by-law posting.

East Fraser Lands Non-High Street CD-1(473)
BY-LAW NO. 9733

1. This By-law amends the indicated provisions of By-law No. 9733.
2. Council strikes out the map attached as Schedule A and substitutes the map attached hereto as Schedule A.

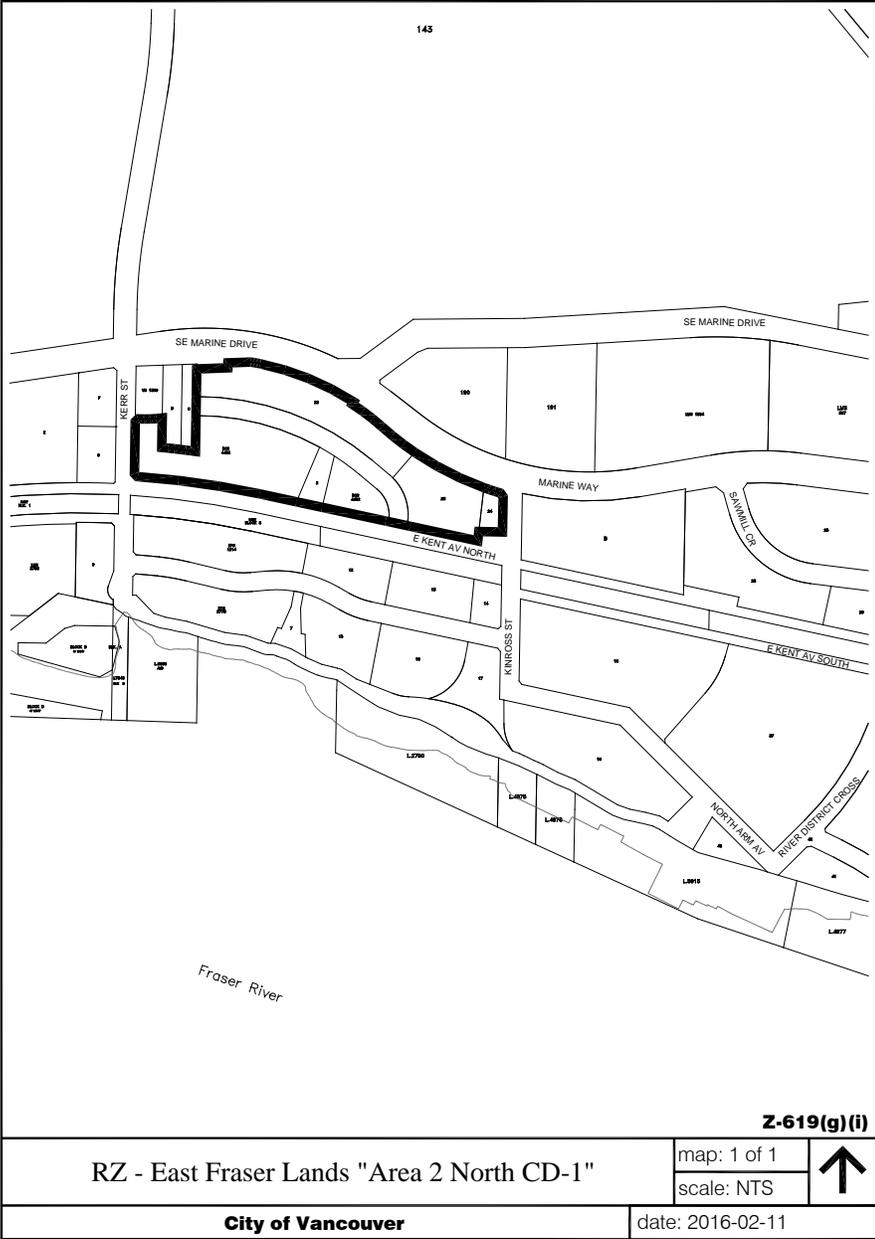


3. In 3 Density, Council strikes out "396 200 m²" and substitutes "194 471 m²".

East Fraser Lands Area 2 North CD-1(498)
BY-LAW NO. 10194

- 1. This By-law amends the indicated provisions of By-law No. 10194.
- 2. Council strikes out the maps attached as Schedule A and substitutes the maps attached hereto as Schedule A.

Schedule A



Z-619(g)(i)

RZ - East Fraser Lands "Area 2 North CD-1"

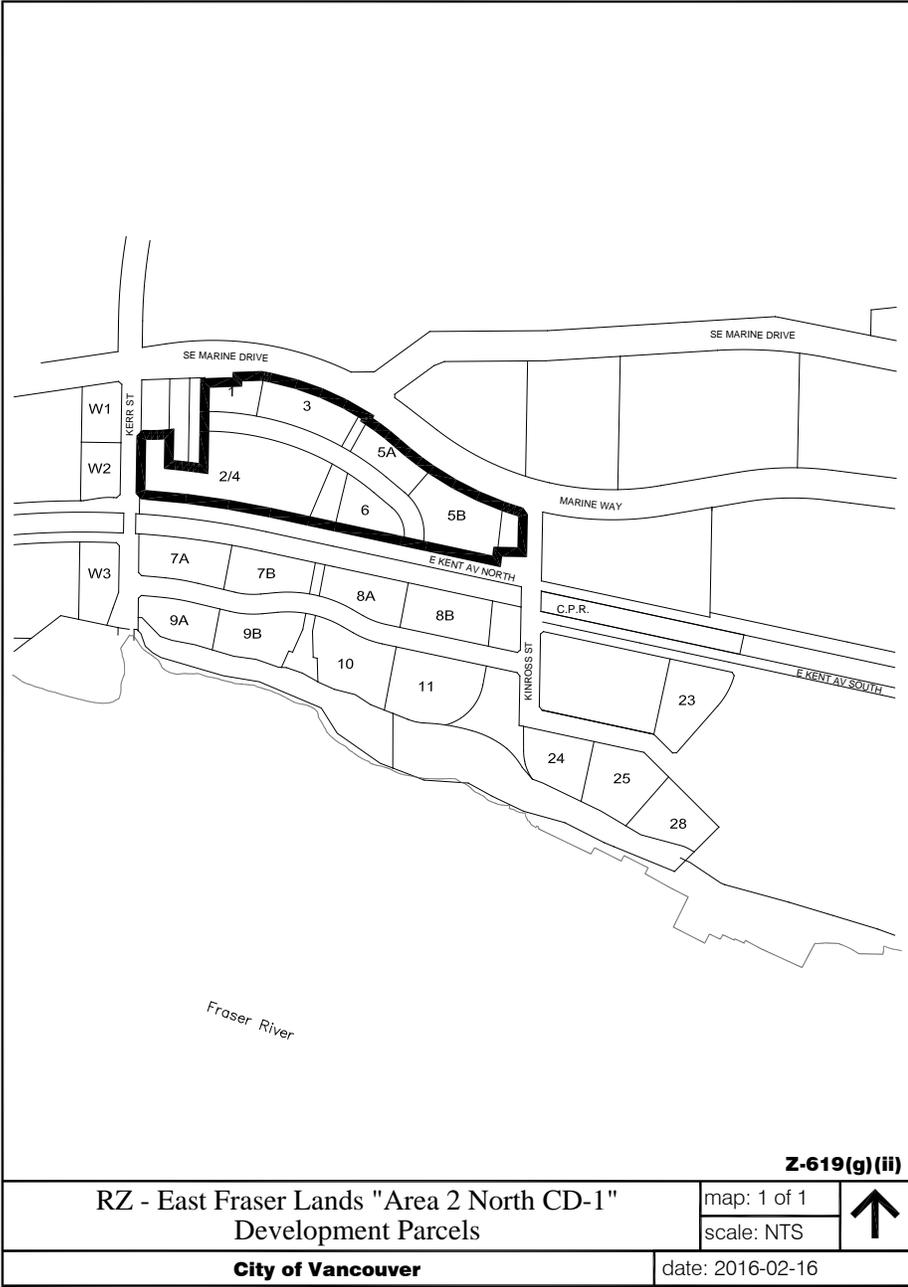
map: 1 of 1
scale: NTS



City of Vancouver

date: 2016-02-11

Schedule A

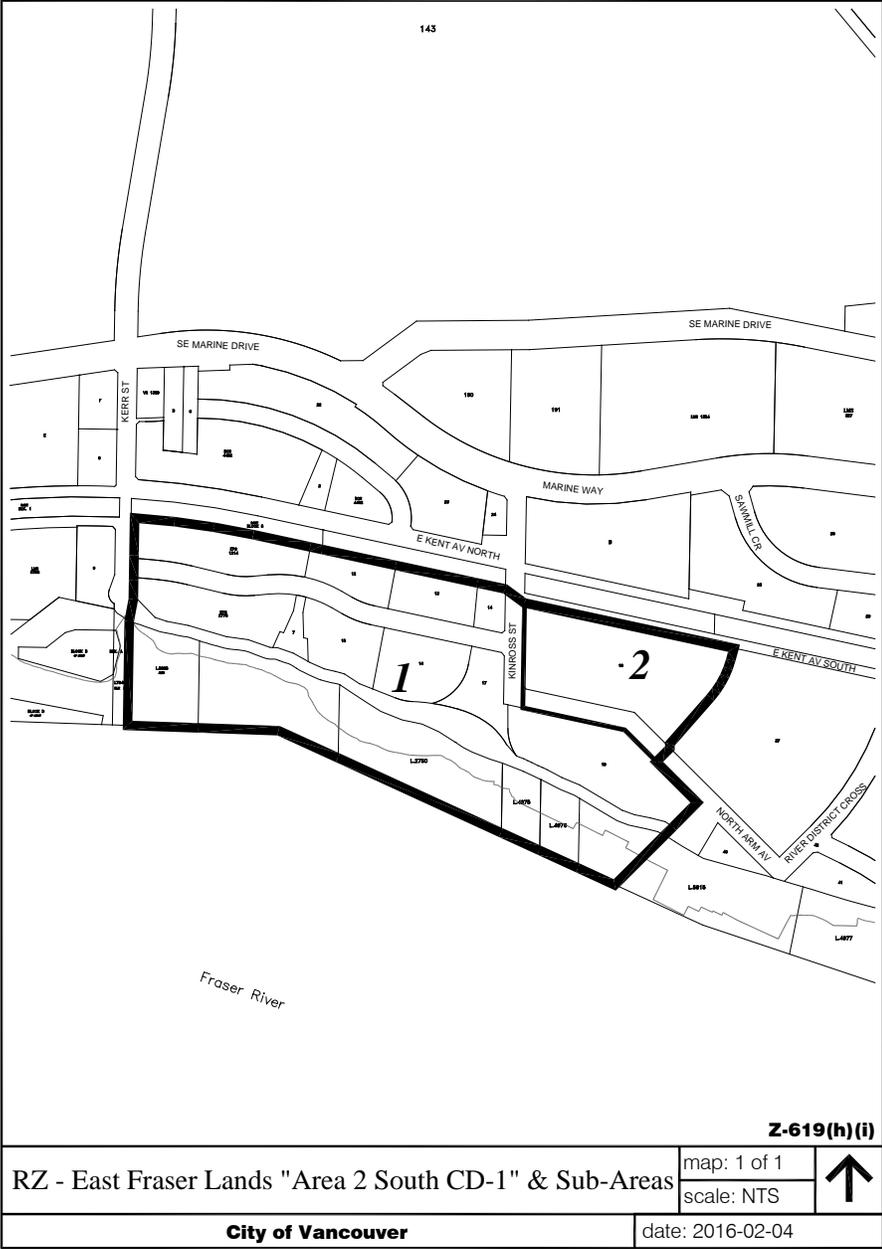


- 3. Council strikes out sections 4.2 and 4.3 and substitutes:
 "4.2 At least 114 dwelling units must consist of affordable housing dwelling units."
- 4. Council re numbers section 4.4 as 4.3.

East Fraser Lands Area 2 South CD-1(499)
BY-LAW NO. 10195

- 1. This By-law amends the indicated provisions of By-law No. 10195.
- 2. Council strikes out the maps attached as Schedule A and substitutes the maps attached hereto as Schedule A.

Schedule A





3. Council strikes out sections 4.2 and 4.3 and substitutes:
 - "4.2 At least 77 dwelling units must consist of affordable housing dwelling units."

4. Council re-numbers section 4.4 as 4.3.

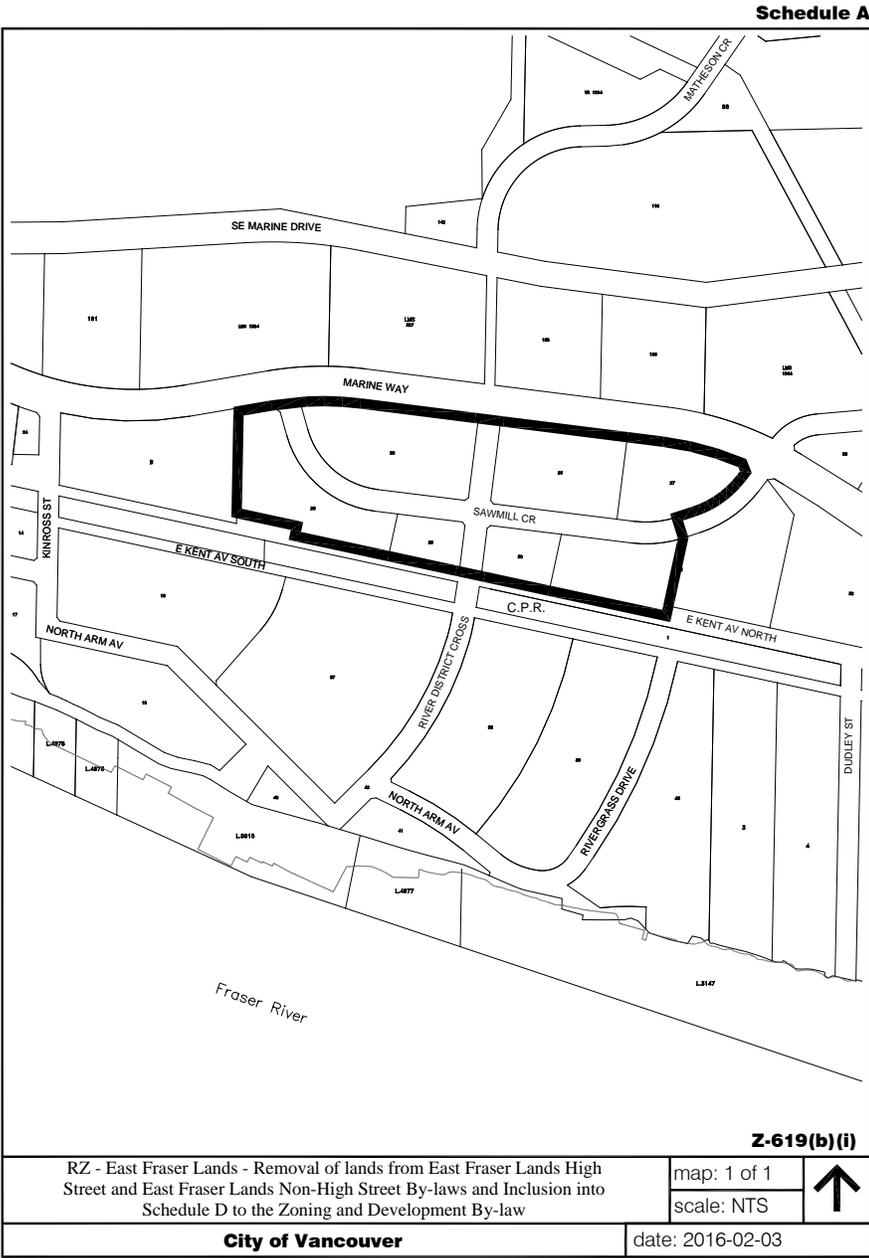
East Fraser Lands Park Precinct CD-1(565)
BY-LAW NO. 10942

1. This By-law amends the indicated provisions of By-law No. 10942.
2. Council strikes out sections 4.2 and 4.3 and substitutes:

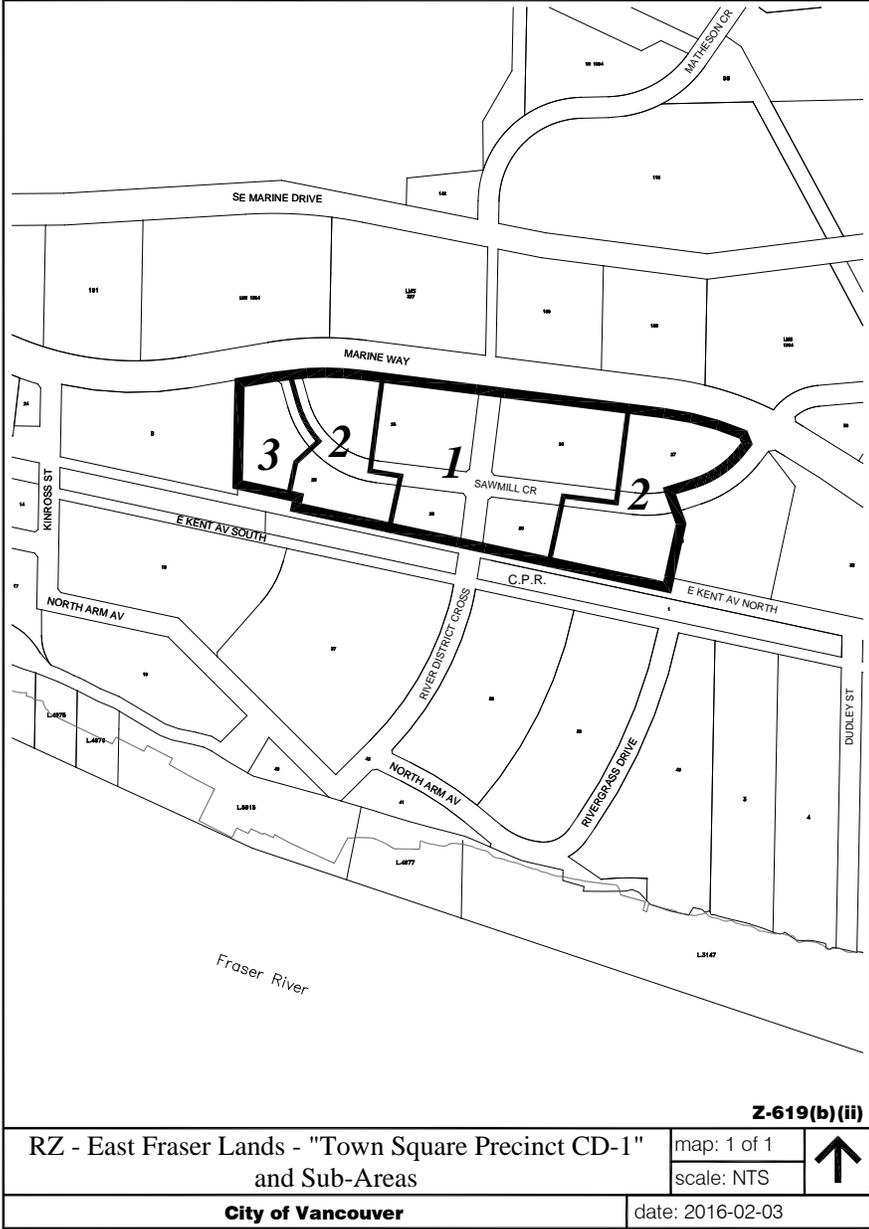
"4.2 At least 88 dwelling units must consist of affordable housing dwelling units."
3. Council re numbers section 4.4 as 4.3.

East Fraser Lands Town Square Precinct CD-1(566)
BY-LAW NO. 10941

- 1. Council repeals By-law No.9732.
- 2. This By-law amends the indicated provisions of By-law No. 10941.
- 3. Council strikes out the maps attached as Schedule A and substitutes the maps attached hereto as Schedule A.

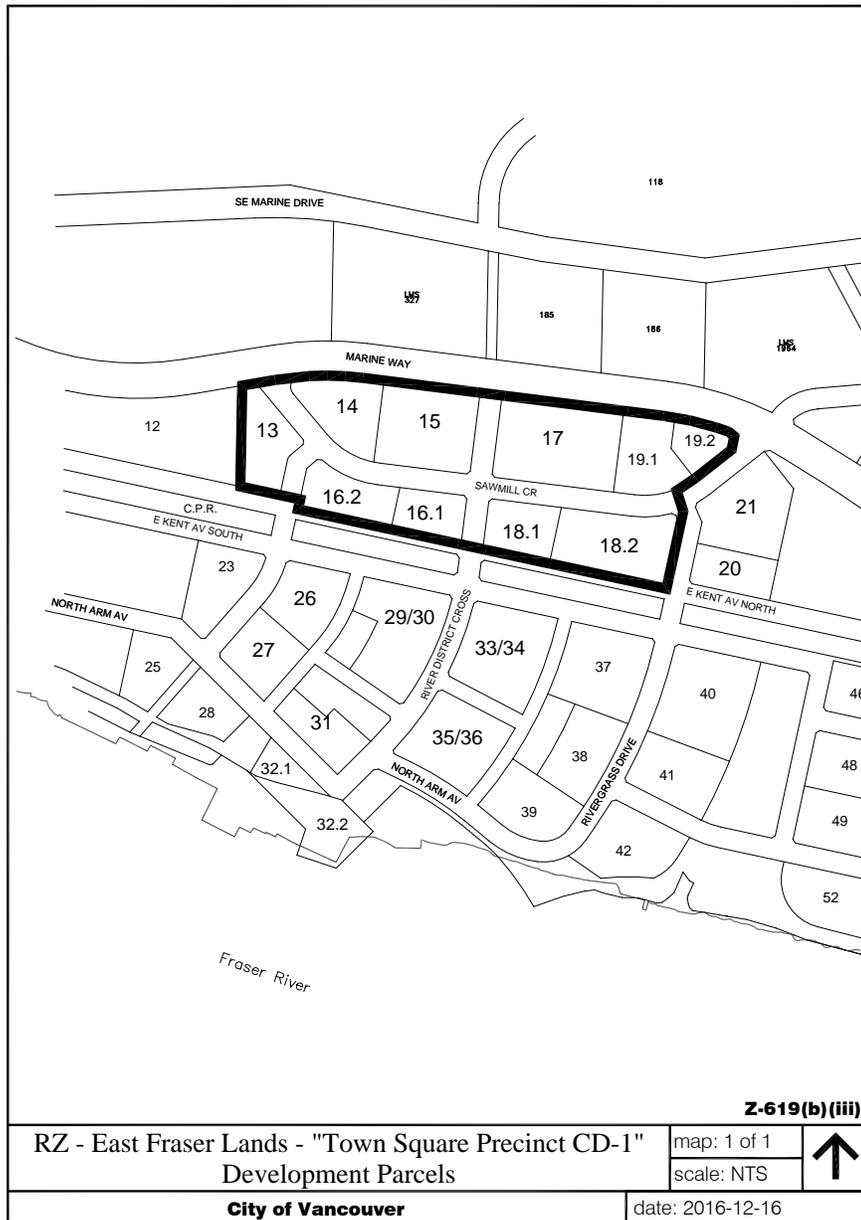


Schedule A



Z-619(b)(ii)

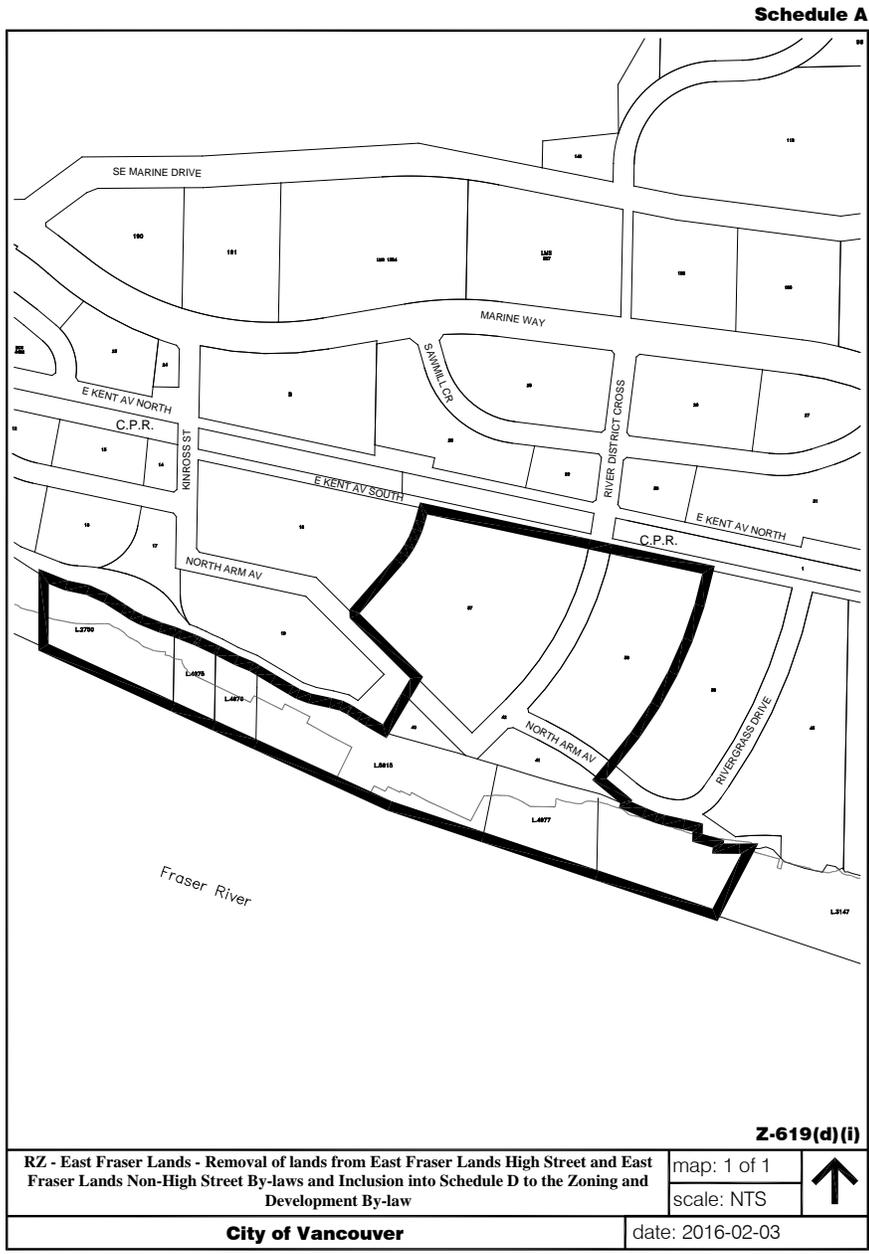
Schedule A



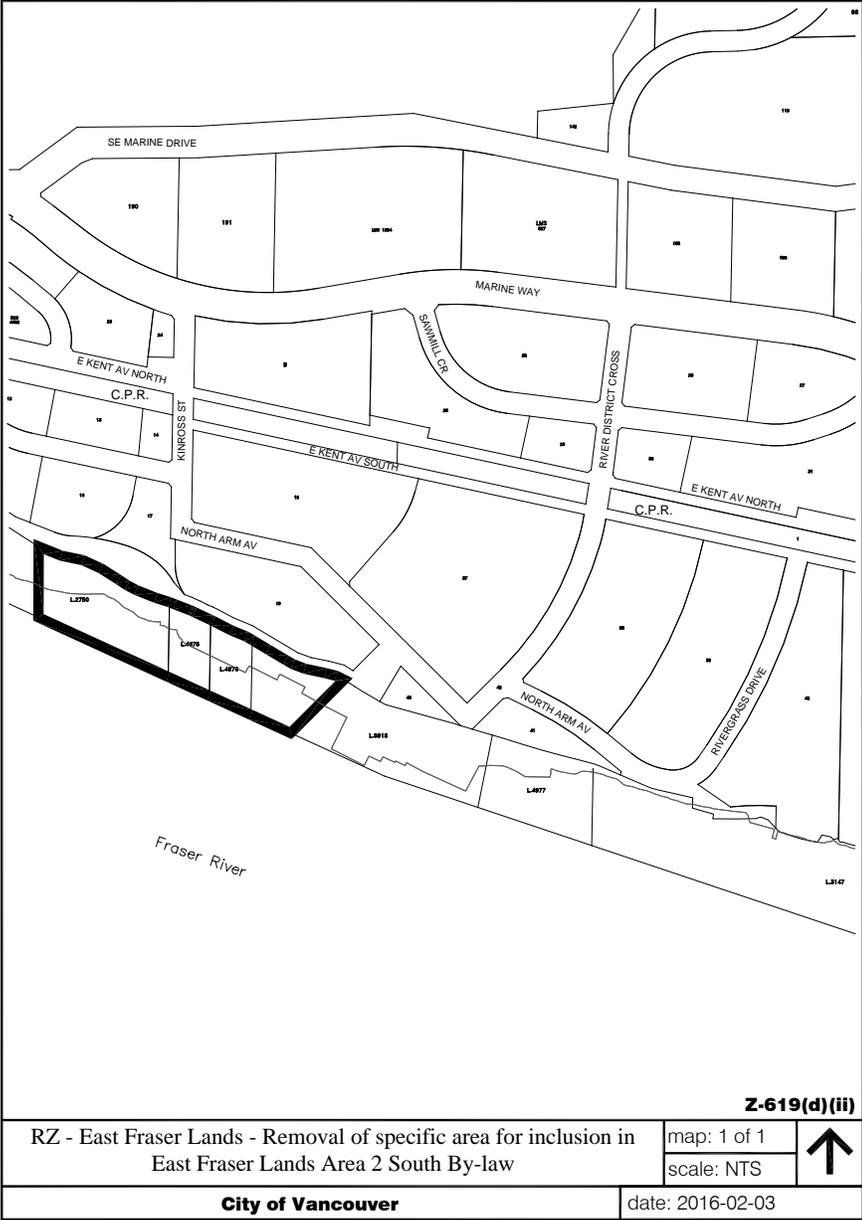
4. In 4. Conditions of Use, Council:
- (a) strikes out sections 4.2 and 4.3 and substitutes:
 - “4.2 At least 317 dwelling units, other than live-work units, must consist of affordable housing dwelling units.”; and
 - (b) re numbers the subsequent sections in chronological order.

East Fraser Lands Waterfront Precinct CD-1(567)
BY-LAW NO. 10943

1. This By-law amends the indicated provisions of By-law No. 10943.
2. Council strikes out the maps attached as Schedule A and substitutes the maps attached hereto as Schedule A.



Schedule A



Z-619(d)(ii)

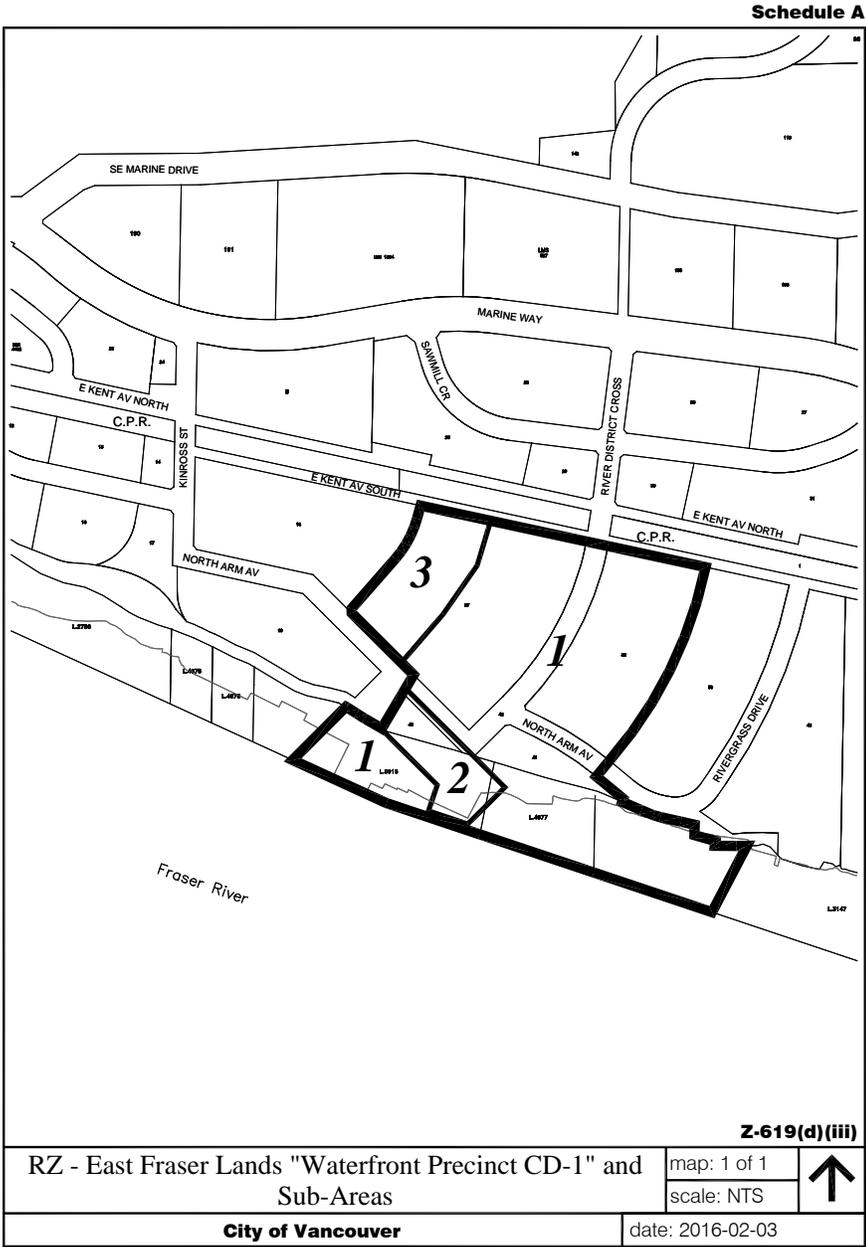
RZ - East Fraser Lands - Removal of specific area for inclusion in East Fraser Lands Area 2 South By-law

map: 1 of 1
scale: NTS



City of Vancouver

date: 2016-02-03



3. In 4. Conditions of Use, Council:
- (a) strikes out sections 4.2 and 4.3 and substitutes:
 - "4.2 At least 76 dwelling units, other than live-work units, must consist of affordable housing dwelling units."; and
 - (b) re numbers the subsequent sections in chronological order.

* * * * *

EAST FRASER LANDS
PROPOSED ZONING AND DEVELOPMENT BY-LAW AMENDMENTS

Note: An amending by-law will be prepared generally in accordance with the provisions listed below, subject to change and refinement prior to posting.

1. In **Schedule C - Streets Requiring Landscaped Setbacks**, strike out:

“Marine Way, south side, from Kerr Street to Boundary Road 12.1 m”

* * * * *

**EAST FRASER LANDS
ADDITIONAL INFORMATION**

Definition of social housing, as defined in the Vancouver Development Cost Levy By-law No. 9755:

"social housing", for the purposes of section 523D(10)(d) of the Vancouver Charter, 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;

(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;

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.