



POLICY REPORT
DEVELOPMENT AND BUILDING

Report Date: July 24, 2017
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VanRIMS No.: 08-2000-20
Meeting Date: July 26, 2017

TO: Standing Committee on Policy and Strategic Priorities

FROM: General Manager of Planning, Urban Design and Sustainability

SUBJECT: Zoning and Development By-law No. 3575 - Amendment to the General Regulations to Delegate Discretionary Relaxation Powers to Expedite the Delivery of Low Cost Housing for Persons Receiving Assistance

RECOMMENDATION

THAT the General Manager of Planning, Urban Design and Sustainability be instructed to make application to bring forward a by-law to amend the Zoning and Development By-law, generally as outlined in Appendix A, in order to delegate to the Director of Planning or the Development Permit Board the discretionary power to relax the provisions of the Zoning and Development By-law for proposed developments where a minimum of 70% of all dwelling units in the development provide for low cost housing for persons receiving assistance, and that the application be referred to a Public Hearing;

FURTHER THAT the Director of Legal Services be instructed to prepare the necessary by-laws for consideration at the Public Hearing.

REPORT SUMMARY

As expressed in the city's recent Housing Vancouver report, it is well recognized that Vancouver is in the midst of a serious housing crisis. The city is committed to taking bold action to increase and speed up the "right" supply of housing to address the spectrum of housing needs of all of the City's residents. This includes making use of all of the tools available to deliver housing, particularly for the most vulnerable, and to be as nimble, effective and efficient as possible in addressing specific housing needs and opportunities when they arise.

Section 565A(e)(iv) of the *Vancouver Charter* grants Council the power, by by-law, to provide for relaxations of the provisions of the Zoning and Development By-law (the “Zoning By-law”) where it is determined that a proposed development makes provision for low cost housing for persons receiving assistance. Section 565A(e) of the *Vancouver Charter* also grants Council with the authority to delegate such powers of discretion to a city official or any board composed of such officials.

By availing itself of the *Vancouver Charter* authorized discretionary powers in respect of the development of low cost housing for persons receiving assistance, the city can be most responsive to needs of the community as they present themselves, can take best advantage of opportunities such as targeted funding programs as they arise and can significantly reduce development approval times. The amendments proposed in this report, if approved, would delegate Zoning By-law relaxation authority to the Director of Planning or the Development Permit Board thereby enabling the city to streamline processes to achieve results for proposed developments where a minimum of 70% of all dwelling units in the building are used for low cost housing for persons receiving assistance. An example of housing that would satisfy these established parameters is Temporary Modular Housing, to the extent that at least 70% of all of the units are providing low cost housing to persons receiving assistance. It is noted that the proposed authority does not extend to single-family (RS) zones.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

- Housing Vancouver Emerging Directions (2017)
- Housing and Homelessness Strategy (2012-2021)
- Homeless Action Plan (1995)
- Healthy City Strategy (2014)
- Temporary Modular Housing Design Guidelines (2016)

CITY MANAGER'S COMMENTS

The City Manager supports the foregoing. The City’s current housing crisis is evident in indicators such as the near zero vacancy rate for rental housing or the fact that homelessness is growing at a rate of 6% per year. The recent pilot project for temporary modular housing has demonstrated a marked measure of success in addressing need. The action recommended in this report will reduce development application approval times and will enable the City to be more nimble and responsive when realizing similar projects to address critical housing needs.

REPORT

Background/Context

Section 565A(e) of the *Vancouver Charter* grants Council the authority to relax provisions of a zoning bylaw for a number of purposes. The Charter also provides Council with the ability to delegate this authority to a city official or a duly constituted board. As reflected in the current Zoning By-law, some of the authorities outlined have been delegated to varying extents including those for hardship and heritage conservation. While some district schedules delegate the authority for the Director of Planning or the Development Permit Board to relax

regulations for the provision of affordable special needs housing (RT-3) or social housing (RM-5D), a broader authority for relaxations associated with the provision of low cost housing which could apply in most other districts, has not been delegated.

Specifically, Section 565A(e)(iv) of the *Vancouver Charter* enables Council to provide for relaxations of a zoning by-law or a by-law prescribing requirements for buildings where it is determined that a proposed development makes provision for “low cost housing for persons receiving assistance” and Section 565A(e) also provides Council with the power to delegate this authority to a city official or board composed of such officials.

An example of housing that could satisfy the established parameter of low cost housing for persons receiving assistance is Temporary Modular Housing (“TMH”). In 2016, Council recognized the concept of modular home construction as an innovative housing form that could help to expeditiously add to the City’s housing supply. It was acknowledged that TMH could be one component of the housing spectrum and Council adopted several amendments to the Zoning By-law to recognize and define it. As one of many Dwelling Uses, TMH must be used as Social Housing (as per Section 11.31.1), must be time limited to a five-year maximum time period subject to extension for up to a further five years (as per Section 11.31.3) and is now defined in Section 2 as:

“ ... demountable structures, not permanently affixed to land, containing three or more residential units and accessory uses, but does not include a multiple conversion dwelling, community care facility or group residence”.

At the same time, the City approved in-principle a set of TMH Design Guidelines to establish urban design principles for the use. The TMH Design Guidelines set out considerations relating to matters of site planning, external design, internal design, unit design, noise, common outdoor space and landscape. Through these TMH Design Guidelines, the City will set the standard of liveability and ensure that TMH developments can appropriately fit within a variety of local contexts.

As a pilot project, the City opened its first TMH development on a site located at 220 Terminal Avenue, on the southeast corner of Terminal Avenue and Main Street in February 2017. This three-storey, 40-unit development successfully provides low cost housing in an innovative, temporary structure that appropriately exists within its context. One of the key learnings from this pilot, was that development approvals processing challenges were complex and time-consuming and that those issues could hamper the city’s ability to respond to needs and opportunities when they present themselves. For example, should program funding become available for TMH to resolve a specific or an urgent housing crisis, it was recognized that the city should take pre-emptive steps to streamline the approvals process so that the housing to address the need could be delivered as expeditiously as possible. Accordingly, this report proposes measures to delegate specific authorities relating to TMH which, if approved, will result in a significant reduction to the time required to issue permits for the delivery of this housing form in other locations and contexts around the City.

Strategic Analysis

This report proposes amendments to the general regulations of the City's Zoning By-law in Section 3 - Administration, to delegate authority to the Director of Planning or the Development Permit Board, as the case may be, to relax zoning provisions to facilitate the approval of developments where at a minimum of 70% of all dwelling units within the development are used for low cost housing for persons receiving assistance, including TMH. This could facilitate the delivery of low cost housing across the city, but is noted that the relaxation authority granted by the *Vancouver Charter* does not allow for relaxations to permit construction or to provide for multiple occupancy in any single-family residential zones. Accordingly, the proposed amendments note that the Director of Planning or Development Permit Board's authority to relax zoning regulations does not apply in any of the City's RS and many RT zones. If a low cost housing development were to be proposed on a site in any of the zoning districts set out in the by-law amendment proposed below, the site would have to be rezoned which is a matter to be decided solely under Council's authority and be subject to a public hearing.

The General Manager of Planning, Urban Design and Sustainability, therefore, proposes to amend the following in Section 3.2 of the Zoning By-law:

"3.2.9 The Director of Planning or the Development Permit Board may relax the provisions of this by-law where the proposed development makes provision for low cost housing for persons receiving assistance if the Director of Planning or the Development Permit Board first considers:

(a) all applicable Council policies and guidelines; and

(b) the impact on the liveability of neighbouring residents; and

(c) the proposed development is not in the RS-1, RS-1A, RS-1B, RS-2, RS-3 and RS-3A, RS-4, RS-5, RS-6, RS-7, RT-1, RT-4, RT-7, RT-8, RT-9, RT-10 or RT-11 zoning district or any other zoning district that permits one family dwellings and does not permit multiple dwellings.

For the purposes of this section, low cost housing for persons receiving assistance means social housing, except that at least 70% of the dwelling units must be occupied by persons eligible for either Income Assistance or a combination of basic Old Age Security pension and Guaranteed Income Supplement and must be rented at rates no higher than the shelter component of Income Assistance, and the remainder must be 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."

TMH is a Dwelling Use that is time-limited to five years, with the possibility of one further five-year extension, must be used for Social Housing and must meet the definition as set out in the Zoning By-law which requires that it be demountable and not affixed to the ground. Approvals for a TMH development would require a Development Permit. Section 11.31.2 of

the Zoning By-law provides that before granting a Development Permit for TMH, the Director of Planning must:

- (a) be satisfied that the landscaping and open space provision is appropriate for the size and nature of the development;
- (b) consider the impact on the liveability of neighbouring residents;
- (c) notify adjacent property owners and any others that the Director of Planning deems necessary; and
- (d) consider all applicable policies and guidelines adopted by Council.

The development permit process involves standardized procedures for local notification and public comment. A critical component of the process is the evaluation of an application against applicable policies and guidelines to assess the suitability of a proposal and the potential impacts of it on a case-by-case basis. As per typical practice, the input of any property owner, tenant or advisory group is also considered. Consistent with standard practices and procedures, the Director of Planning would determine whether the final decision about a Development Permit would be made by the Director of Planning or by the Development Permit Board.

Public Input

As noted, the City piloted its first TMH development on a site located at 220 Terminal Avenue in the winter of 2016-2017. With the introduction of this innovative form of housing, the City conducted an awareness, consultation and outreach program to inform Vancouver residents. In the fall of 2016, a modular display suite was exhibited to the public on Robson Street and it is estimated that over a thousand citizens visited. Questions were answered and feedback was sought and the majority of comments received were supportive.

Subsequent to the February 2017 opening of the city's first TMH pilot project, the City has received virtually no negative feedback. The building has now been operational for nearly six months and records indicate that only one concern has been voiced; the issue raised was reviewed and addressed.

As the City prepares to consider new sites and proposals for TMH, it is noted that the City's Development Permit approval process includes a rigorous and established practice for community notification, consultation and consideration of concerns. Council policies and all applicable guidelines would provide direction. With the amendments proposed herein, those established procedures would still be followed and the process will provide a framework through which any community concerns or issues can be raised, considered and addressed where possible. As is typical, the Director of Planning or the Development Permit Board would make the final, unfettered determination and decision with respect to the required Development Permit.

CONCLUSION

Building upon the success of the City's first pilot TMH project, it is timely to take further steps to prepare for the expedited delivery of this innovative form of housing as specific needs and opportunities arise. To streamline the development approvals processes, this report proposes amendments that, if approved, would delegate Zoning By-law relaxation authority for TMH development applications to the Director of Planning or the Development Permit Board for proposals where at least 70% of all dwelling units in the building are used for low cost housing for persons receiving assistance. By streamlining the approvals processes, the City can most effectively respond to opportunities, as they arise, and achieve results to address urgent and sometimes critical housing needs.

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BY-LAW NO. _____

**A By-law to amend
Zoning and Development By-law No. 3575
regarding relaxations for low cost housing
for persons receiving assistance**

THE COUNCIL OF THE CITY OF VANCOUVER, in public meeting, enacts as follows:

1. This by-law amends the indicated provisions of By-law No. 3575.
2. Under Section 3.2 **Relaxation**, Council strikes out subsection 3.2.9 and substitutes:
 - "3.2.9 The Director of Planning or the Development Permit Board may relax the provisions of this by-law where the proposed development makes provision for low cost housing for persons receiving assistance if the Director of Planning or the Development Permit Board first considers:
 - (a) all applicable Council policies and guidelines; and
 - (b) the impact on the liveability of neighbouring residents; and
 - (c) the proposed development is not in the RS-1, RS-1A, RS-1B, RS-2, RS-3 and RS-3A, RS-4, RS-5, RS-6, RS-7, RT-1, RT-4, RT-7, RT-8, RT-9, RT-10 or RT-11 zoning district or any other zoning district that permits one family dwellings and does not permit multiple dwellings.

For the purposes of this section, low cost housing for persons receiving assistance means social housing, except that at least 70% of the dwelling units must be occupied by persons eligible for either Income Assistance or a combination of basic Old Age Security pension and Guaranteed Income Supplement and must be rented at rates no higher than the shelter component of Income Assistance, and the remainder must be 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.
 - 3.2.10 The authority of the Director of Planning or the Development Permit Board to relax any provision of this by-law pursuant to this section 3.2 includes the authority to impose conditions, including but not limited to time limitations."
3. A decision by a court that any part of this By-law is illegal, void, or unenforceable severs that part from this By-law, and is not to affect the balance of this By-law.

