

ADMINISTRATIVE REPORT

Report Date: April 16, 2019
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RTS No.: 13113 VanRIMS No.: 08-2000-20 Meeting Date: April 23, 2019

TO: Vancouver City Council

FROM: General Manager of Planning, Urban Design and Sustainability

SUBJECT: Staff Advice on "Emergency Interim Rezoning Policy for Broadway Corridor

to UBC" Motion

RECOMMENDATION

- A. THAT Council approve a revised form of Council's *Emergency Interim Rezoning Policy for Broadway Corridor to UBC* motion from March 6, 2019, attached as Appendix A.1.
- B. THAT if Council approves Appendix A.1 as it stands, Council then approve the two consequential policies; *Policy on Consideration of Rezoning Applications and Heritage Revitalization Agreements in the Broadway area west of Vine* and *Development Contribution Expectations in Areas Undergoing Community Planning*, attached as Appendices B and C, respectively.

FURTHER THAT if any additional amendments to Appendix A.1 are made by Council prior to adoption, that the Director of Planning be authorized to make any required consequential amendments to the policies in Appendices B and C at his discretion.

REPORT SUMMARY

Following Council's consideration of a motion entitled *Emergency Interim Rezoning Policy for Broadway Corridor to UBC* on March 6, 2019, and referral of that motion to City staff, staff have prepared a revised draft of the motion for Council's consideration based upon the objectives and concerns raised during Council's deliberation of the original motion. The proposed motion for Council's consideration is intended to help curb speculation and limit rezoning applications for the neighbourhoods of Kitsilano (west of Vine Street) and West Point Grey, except social and supportive housing, community care facilities or group residences, secured market rental,

secured below market rental housing, and affordable student housing associated with educational institutions.

Staff have also completed a review of the recommendations as Council previously directed in the approved referral:

"THAT Council refer the Emergency Interim Zoning Policy for Broadway Corridor to staff on a priority basis to come back to Council by the end of April with interim zoning policy options for consideration, including legal considerations."

This report provides interim zoning policy options for consideration and summarizes the advice from staff on the various questions and concerns raised by Council in the meeting on March 6, 2019.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

- Policy on Consideration of Rezoning Applications and Heritage Revitalization Agreements during Broadway Planning Process (2018)
- Development Contribution Expectations in Areas Undergoing Community Planning (2018)
- Housing Vancouver Strategy (2017)
- Housing Vancouver 3-Year Action Plan (2017)

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The City Manager recommends approval of the foregoing.

REPORT

Background/Context

At the March 6, 2019 Council meeting, Council considered a motion to establish an *Emergency Interim Rezoning Policy for the Broadway Corridor* that would help curb speculation and sets clear priorities for the type of development, and limit rezoning applications west of Vine Street, except for social and supportive housing, community care facilities or group residences, secured market rental, secured below market rental housing, and affordable student housing associated with educational institutions. After deliberation, Council resolved to refer the *Emergency Interim Rezoning Policy for the Broadway Corridor* motion back to staff for advice and legal review. Since this time, Staff reviewed the objectives and concerns raised by Council and have five recommendations for Council's consideration, including an Interim Rezoning Policy and expanded Development Contribution Expectation policy for the Broadway area, west of Vine Street as shown in Figure 1 below. For the purpose of consistency, this area is being referred to as the "Broadway area west of Vine".



Figure 1: Broadway area west of Vine

Policy Context

In 2018, City Council adopted two policies to help curb speculation and limit rezoning applications during the Broadway Plan process:

- Policy on Consideration of Rezoning Applications and Heritage Revitalization Agreements during Broadway Planning Process (2018)
- Development Contribution Expectations in Areas Undergoing Community Planning (2018)

Both policies apply to the Broadway Plan study area, generally between Clark Drive to the east and Vine Street to the west, 1st Avenue to the north and 16th Avenue to the south. With Council's recent decision to explore SkyTrain technology extending from Arbutus Street to UBC, Council also expressed a desire to ensure similar policy was in place to help curb speculation and limit rezoning applications in the Broadway area west of Vine.

Housing Vancouver has established targets for achieving the 'right supply' of housing in Vancouver. There is an annual target of achieving 2,000 purpose-built market rental homes. 2018 saw 25% more approvals than 2017; however only 52% of the annual target of 2,000 units was achieved. The proposed *Policy on Consideration of Rezoning Applications and Heritage Revitalization Agreements in the Broadway area west of Vine* (Appendix B) will limit Council's consideration of most rezoning applications until a comprehensive plan has been completed, except for applications that include moderate income and/or secured market rental housing options within the C-2, C-2C, and C-2C1 zoned sites fronting onto Broadway, generally between Larch Street and Alma Street, as well as where fronting onto West 10th Avenue generally between Alma Street and Tolmie Street (these areas are shown in Figure 2 below in the hatched areas referred to as "Focus Areas"). All rezoning applications that meet the conditions of the proposed interim rezoning policy would still require a full rezoning process that includes public consultation and Council's consideration through a Public Hearing process.

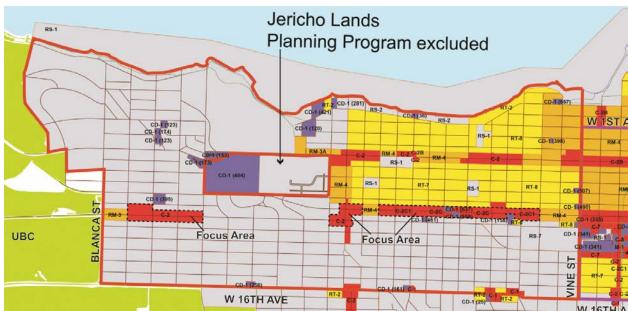


Figure 2: Map represents the expanded Development Contribution Expectation Policy area and Interim Rezoning Policy area.

Strategic Analysis

Staff reviewed Council's commentary from March 6, 2019 regarding the 'Emergency Interim Rezoning Policy for Broadway Corridor to UBC' and have prepared the following responses to each issue raised:

1. Identify a boundary for the Interim Rezoning Policy and Development Cost Expectations Policy that includes the Kitsilano and West Point Grey neighbourhoods and excludes the Jericho Lands planning program and Broadway Plan planning program study areas

Figure 1 includes the neighbourhoods of Kitsilano (west of Vine) and West Point Grey and removes the Musqueam, Squamish and Tsleil-Waututh owned land area identified as the Jericho Lands Policy Planning Program, and the portion of Kitsilano east of Vine Street that is part of the current Broadway planning process.

2. Explore the use of rental only zoning to enhance the protection of renters and limit speculation

In July 2018, the provincial government enacted legislation that amended the *Local Government Act* and the *Vancouver Charter* to provide local governments with a new authority to zone for residential rental tenure. The Broadway Planning program is underway and will explore rental-only zoning within its planning boundary (Clark Drive to Vine Street). Staff support exploring the opportunity for rental only zoning in the Broadway area west of Vine as part of the city-wide plan and/or future area planning is completed.

Appendix B outlines an Interim Rezoning Policy for the Broadway area west of Vine, that would allow rezoning applications to be considered for projects involving social and supportive housing, community care facilities or group residences, secured market

rental, secured below market rental housing, and affordable student housing associated with educational institutions.

3. Recommend an Interim Rezoning Policy for the Broadway area west of Vine that could be in place until a city-wide plan and/or future area planning is completed and puts land use policies in place for this area.

Staff have prepared a recommended Interim Rezoning Policy for the Broadway area west of Vine as attached as Appendix B: *Policy on Consideration of Rezoning Applications and Heritage Revitalization Agreements in the Broadway Area West of Vine.*

4. Summarize the implications of the recommended interim rezoning policy for the Broadway area west of Vine

There are currently two active rezoning applications (both for rental housing) and six active rezoning inquiries that fall within the Broadway area west of Vine within the last three years:

- Four projects under the Moderate Income Rental Housing Pilot Program;
- One project under the Rental 100 program; and
- One project under the Affordable Housing Choices Rezoning Policy.

The suggested Interim Rezoning Policy for the Broadway area west of Vine would allow these projects to continue to proceed through the rezoning process.

In general, new rezoning applications will not be supported by staff and recommended to Council in the Broadway area west of Vine while the city-wide plan and/or future area planning is underway, except for affordable and secured market rental along portions of West Broadway and 10th Avenue as described in Figure 2 as the "Focus Areas". Developments under existing zoning (Development Permits) can proceed. This will ensure the city-wide planning process and future area planning work can set any new policy direction based upon a comprehensive planning process, including public engagement.

5. Recommend an extension of the Development Cost Expectation (DCE) policy for the Broadway area west of Vine.

On June 20, 2018, City Council approved a new policy called "Development Contribution Expectations in Areas Undergoing Community Planning" (DCE Policy) which was put into place to curb land value speculation in emerging plan areas. At the time of approval, this policy was applied to the upcoming Broadway Plan Area which included a study area extending from Clark Drive in the east to Vine Street in the west. The DCE policy, in combination with the Broadway Interim Rezoning Policy, intends to limit land value speculation by ensuring that owners, realtors and developers are made aware of the City's intention to preserve and grow rental housing, job space and public benefits along the corridor. By articulating the City's priorities and expectations at the outset of the planning process, sellers and buyers of land in the Broadway study area will be able to make informed decisions with respect to land transactions.

With Council's recent direction to consider extending the DCE policy west to the neighborhoods of Kitsilano (west of Vine) and West Point Grey, the preservation and growth of rental housing, job space and public benefits will be prioritized for this area as well. The updated DCE policy, as found in Appendix C, reflects similar priorities for rental housing as are found in the original Broadway Plan study area and applies them to the extended areas. The same DCE land values for strata residential from the original Broadway Plan area (Clark Drive to Vine Street) have been applied to certain mixed-use residential zones fronting the remainder of West Broadway and West 10th Avenue based on analysis from Real Estate Services. The DCE values were set in the spring of 2018 based on projected economic viability of alternative development scenarios.

6. Provide advice on how Staff will engage with the Musqueam, Squamish and Tsleil-Waututh Nations and include their input in any recommendations that may come back to Council.

Planning is underway with the Musqueam, Squamish and Tsleil-Waututh Nations as part of the Jericho Lands Planning Process. This is an extensive multi-year public process.

Additionally, the Broadway Plan process includes ongoing work with the three Nations.

The city-wide planning process will include opportunities for meaningful engagement with the Musqueam, Squamish and Tsleil-Waututh Nations throughout the planning process and help to strengthen the City's relationship with Musqueam, Squamish, and Tsleil-Waututh Nations, as well as, the urban Indigenous community. This may include, but is not limited to, regular inter-governmental meetings, exploring opportunities to hire Indigenous staff with this skill set for this work, partnerships and collaborations and incorporating First Nations perspectives into City work and decisions, and reporting back to the Nations with recommendations that are or are not being implemented and creating accountability.

7. Consider Affordable Home Ownership program in consideration of any recommendations to changes for land use.

The provincial government recently enacted legislation to amend Section 565.2(2)(d) of the *Vancouver Charter* (effective as of March 26, 2019) to allow the City to include conditions regarding sale or share prices that may be charged in Housing Agreements. This amendment now brings the Housing Agreement section of the *Vancouver Charter* in line with the *Local Government Act*. The city-wide and Broadway planning processes can now explore options for Affordable Home Ownership, including partnership with BC Housing Affordable Home Ownership program now that the Vancouver Charter has been amended, allowing the City to move forward with Affordable Home Ownership options in the Broadway Plan and upcoming City-wide planning processes.

8. Consider licensed childcare to be included in any land use decisions

The city-wide plan and/or future area planning and Broadway planning processes will seek to maximise new childcare opportunities.

Financial

The policy measures to curb speculation are necessary to preserve the ability for future development to contribute to community amenities such as affordable housing, daycare and community facilities.

CONCLUSION

If Council adopts the revised Motion in the form attached in Appendix A.1, Staff believe the proposed consequential policies will achieve Council's objectives and help mitigate concerns that were raised during Council's deliberation of the *Emergency Interim Rezoning Policy for Broadway Corridor to UBC* motion during the March 6th Council meeting.

The General Manager of Planning, Urban Design and Sustainability recommends that Council adopt the *Policy on Consideration of Rezoning Applications and Heritage Revitalization Agreements in the Broadway Area West of Vine*, generally as attached as Appendix B, and amend the *Development Contribution Expectations in Areas Undergoing Community Planning* (DCE) policy to include the neighbourhoods of Kitsilano (West of Vine Street) and West Point Grey, generally as attached as Appendix C.

* * * * *

Draft Motion for Council's consideration:

THEREFORE BE IT RESOLVED

- A. THAT Council direct staff to identify the neighbourhoods of Kitsilano (west of Vine Street) and West Point Grey for interim rezoning policies and speculation mitigation for the upcoming city-wide plan and local area planning initiatives, except for the MST-owned land area as identified in the concurrent Jericho Lands Policy Planning Program.
- B. THAT Council direct staff to explore the use of rental only zoning in the Broadway Plan area through the Broadway Planning Process, and in the neighbourhoods of Kitsilano and West Point Grey, through the City-wide plan process or other robust, collaborative and equitable planning processes to enhance the protection of renters and limit speculation in response to transit infrastructure investment.
- C. THAT Council direct staff to extend the Broadway Plan Interim Rezoning Policy (Policy on Consideration of Rezoning Applications and Heritage Revitalization Agreements during the Broadway Planning Process) to the neighbourhoods of Kitsilano and West Point Grey, that generally rezonings will not be considered while the planning process is underway, with the following exceptions:
 - a. Where, at the time of adoption of this rezoning policy, there is an active rezoning application or where a recent application for rezoning advice has been received, and the applicant has received a written response stating that a rezoning application would be considered (within the past three years), the application will be considered;
 - b. Rezoning applications will be considered for projects involving 100% social and supportive housing, or community care facilities or group residence, or 100% below market rental housing, or 100% affordable student housing associated with educational institutions;
 - c. Rezoning applications which seek relief from any of the terms of this rezoning policy may be considered under exceptional circumstances once reported to Council for, at the discretion of the Director of Planning; and
 - d. Heritage Revitalization Agreement applications where a heritage or character building is at risk of demolition.
- D. THAT Council amend the Development Cost Expectation (DCE) policy to include the neighbourhoods of Kitsilano (West of Vine Street) and West Point Grey.
- E. THAT land use in the neighbourhoods of Kitsilano (west of Vine Street) and West Point Grey be planned through future collaborative neighbourhood-based and city-wide planning processes

Staff's suggestions to Council's motion as it stood on March 6, 2019 are included in the following blackline version. A clean copy is attached as Appendix A.1.

THEREFORE BE IT RESOLVED

A. THAT Council direct staff to identify the neighbourhoods of Kitsilano (west of Vine Street) and West Point Grey for interim rezoning policies and speculation mitigation for the upcoming city-wide plan and local area planning initiatives, except for the MST-owned land area as identified in the concurrent Jericho Lands Policy Planning Program.

The red text was added to establish additional clarity about the geography of the neighbourhoods where the proposed interim rezoning policy and DCE policy would apply.

B. THAT Council direct staff to explore the use of rental only zoning in the Broadway Plan area through the Broadway Planning Process, and in the neighbourhoods of Kitsilano and West Point Grey, through the City-wide plan process or other robust, collaborative and equitable planning processes to enhance the protection of renters and limit speculation in response to transit infrastructure investment.

Staff support this as is.

- C. THAT Council direct staff to extend the Broadway Plan Interim Rezoning Policy (Policy on Consideration of Rezoning Applications and Heritage Revitalization Agreements during the Broadway Planning Process) to the neighbourhoods of Kitsilano and West Point Grey, that generally rezonings will not be considered while the planning process is underway, with the following exceptions:
 - a. Where, at the time of adoption of this rezoning policy, there is an active rezoning application or where a recent application for rezoning advice has been received, and the applicant has received a written response stating that a rezoning application would be considered (within the past three years), the application will be considered;
 - b. Rezoning applications will be considered for projects involving 100% social and supportive housing, or community care facilities or group residence, or 100% below market rental housing, or 100% affordable student housing associated with educational institutions;
 - c. Rezoning applications which seek relief from any of the terms of this rezoning policy may be considered under exceptional circumstances once reported to Council for, at the discretion of the Director of Planning; and
 - d. Heritage Revitalization Agreement applications where a heritage or character building is at risk of demolition.

This language was used as the basis of the proposed *Policy on Consideration of Rezoning Applications and Heritage Revitalization Agreements in the Broadway area west of Vine*, generally as attached as Appendix B. Staff included the consideration of

secure market rental under "b." and added a fifth exception to allow minor housekeeping amendments to proceed.

D. THAT Council direct staff to report back on a amend the Development Cost Expectation (DCE) policy to include for the neighbourhoods of Kitsilano (West of Vine Street) and West Point Grey.

The red text was added to reflect the urgency of the proposed amendments. Staff have prepared the proposed amendments and attached them as Appendix C for Council's consideration.

E. THAT land use in the neighbourhoods of Kitsilano (west of Vine Street) and West Point Grey be planned through future collaborative neighbourhood-based and city-wide planning processes, not through transit corridor planning such as the Broadway Planning process.

The red text was added to establish additional clarity about the geography of the neighbourhoods where future planning would occur. Staff struck out reference to the Broadway Plan process which is also a collaborative neighbourhood-based planning program.

Interim Rezoning Policy on Consideration of Rezoning Applications and Heritage Revitalization Agreements for the Broadway area west of Vine

Generally rezonings will not be supported by staff and recommended to Council in the Broadway area west of Vine until the city-wide plan and/or future area planning is completed, in order to not pre-empt or divert the planning process with rezonings which set new directions or preclude options that could emerge during the process.

The policies below will govern any exceptions that allow consideration of applications for rezoning advice (enquiries), rezoning applications, and development applications with Heritage Revitalization Agreements, during the city-wide and/or future area planning processes. Once adopted, the policy will apply until such time as the city-wide and/or future area planning is approved by Council.

- Policy 1: Where, at the time of adoption of this rezoning policy, there is an active rezoning application or where a recent application for rezoning advice has been received, and the applicant has received a written response stating that a rezoning application would be considered (within the past three years), the application will be considered.
- Policy 2: Rezoning applications will be considered for projects involving social and supportive housing, community care facilities or group residences, secured market rental housing, secured below market rental housing, and affordable student housing associated with educational institutions.
- **Policy 3:** Rezoning applications which seek relief from any of the terms of this rezoning policy may be considered under exceptional circumstances once reported to Council for direction, at the discretion of the Director of Planning.
- **Policy 4:** Heritage Revitalization Agreement applications will be considered where a heritage or character building is at risk of demolition.
- Policy 5: Rezoning applications will be considered in the cases of housekeeping amendments and minor text amendments to existing CD-1s which are not related to height or density increases (e.g. altering the mix of commercial uses in an existing building). This would include public consultation and a public hearing.



Development Contribution Expectations in Areas Undergoing Community Planning

Adopted by City Council on June 20, 2018 Amended April 23, 2019

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1 Application and Intent

Development Contribution Expectations (DCE) policies in conjunction with interim rezoning policies are intended to limit land value speculation in areas undergoing community planning. These policies provide buyers and sellers of land in community planning areas with clarity regarding the City's priorities in community planning areas and expectations for contributions towards amenities and affordable housing as a result of community planning.

1.1 Relationship to Community Amenity Contributions (CACs)

Area-specific CACs are calculated at the end of a planning process based on the projected growth in population and jobs that will result from the plan, the amenities needed to serve that growth, and the projected costs and funding sources available for the amenities.

DCEs are identified at the beginning of a community planning program based on City policy priorities for each area and the projected economic viability of alternative development scenarios.

Following the completion of a community planning program, DCEs are revisited to reflect the densities, mix of uses and amenity needs in the planning area. The DCEs are then updated and transferred into the *Community Amenity Contributions – Through Rezonings* policy as CACs for the planning area.

For more information about the City's *Community Amenity Contributions – Through Rezonings* policy visit: http://vancouver.ca/files/cov/community-amenity-contributions-through-rezonings.pdf

2 Area-Specific DCE Policies

Area-specific DCE policies are shown in Tables 1 and 2 and include the following areas:

- The Broadway planning program (east of Vine Street) launched on June 20, 2018
- The Broadway planning program (west of Vine Street) to be considered as part of future area planning or the City-wide planning process

Table 1a: Area Specific Priorities and DCE Policies

Community Planning Area	Sub-Area	Priorities and DCE Policies	
Broadway Area Planning (East of Vine Street)	Uptown Office C- 3A Focus Area	Prioritize job space. Do not consider adding residential use. DCE for commercial-only projects seeking additional density: per CAC Policy. http://vancouver.ca/files/cov/community-persity contributions through recognings additional density.	
	Burrard Slopes IC Focus Area		
	Mt. Pleasant I-1 Focus Area		
	False Creek Flats I- 3 & CD-1 Focus Area	amenity-contributions-through-rezonings.pdf	
	RM/ FM Zoning Districts	Prioritize rental housing. Do not consider additional development rights for market strata residential.	
	Mt. Pleasant IC-3 Focus Area	DCE for rental projects seeking additional density: maximize below market rental housing ¹ .	
		Prioritize job space and rental housing. Consider the potential for additional development rights for market strata residential in limited situations.	
	C-3A (Outside Uptown) & C-2	DCE for commercial-only projects seeking additional density: per CAC policy. http://vancouver.ca/files/cov/community-amenity-contributions-through-rezonings.pdf	
		DCE for rental projects seeking additional density: maximize below market rental housing ¹ .	
		DCE for projects seeking additional density for market strata residential: per table 2 below.	
	Industrial Areas		
	RT Zoning Districts		
	FSHCA Zoning District	N/A. Broadway Planning Program will not consider change in these areas.	
	FCCDD Zoning District		
	RS Zoning Districts		
	SEFC ODP		

Table 1b: Area Specific Priorities and DCE Policies (Continued)

Community Planning Area	Sub-Area	Priorities and DCE Policies
Broadway Area West of Vine	RM Zoning Districts	Prioritize rental housing. Do not consider additional development rights for market strata residential. DCE for rental projects seeking additional density: maximize below market rental housing ¹ .
	RS and RT Zoning Districts	TBD as part of future area planning or the Citywide Plan. Future requirements will reflect the City's priorities for: Rental Housing Amenities Job Space
	C-2, C2C, and C- 2C1 fronting onto Broadway, generally between Larch Street and	Prioritize job space and rental housing. Consider the potential for additional development rights for market strata residential in limited situations.
	Alma Street, as well as where fronting onto West 10 th Avenue	DCE for rental projects seeking additional density: maximize below market rental housing ¹ .
	generally between Alma Street and Tolmie Street.	DCE for projects seeking additional density for market strata residential: per table 2 below.
	Jericho lands	Excluded from this DCE Policy.

Below market rate rental serves households earning \$30-\$80,000 / year. The City will set the minimum requirement for below market units as part of the planning process based on economic viability in each area.

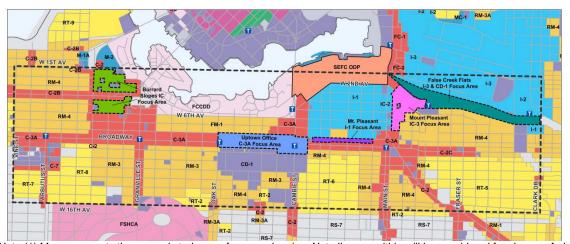
Table 2: Area Specific DCE Targets

Community Planning Area	DCE Target Area	DCE Targets ¹
Broadway Area Planning (East of Vine Street)	C-2 Zoning Districts (Market Strata Residential)	\$3,552.09/m ² (\$330/ft ²)
	C-3A East of Main St. (Market Strata Residential)	\$3,552.09/m ² (\$330/ft ²)
	C-3A West of Main St. (Market Strata Residential)	\$4,574.66/m ² (\$425/ft ²)
Broadway area west of Vine	C-2 Zoning Districts (Market Strata Residential)	\$3,552.09/m ² (\$330/ft ²)

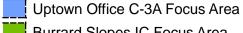
¹ Rate information listed in Table 2 are applicable to the incremental density (above existing zoning)

Area boundaries (see Area maps below):

Area 1: Broadway Plan Study Area (Vine Street to Clark Drive)



Note (1) Map represents the general study area for area planning. Not all areas within will be considered for change. A detailed study area will be confirmed in 2019.

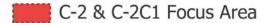


- Burrard Slopes IC Focus Area
- Mount Pleasant I-1 Focus Area
- False Creek Flats I-3 & CD-1 Focus Area
- RM/ FM Zoning
- Mount Pleasant IC-3 Focus Area
- C-3A (Outside Uptown) & C-2
 - Industrial Areas
- RT Zoning Districts
- FSHCA Zoning District
- FCCDD Zoning District
- RS Zoning Districts
- SEFC ODP

Jericho Lands RS-1 Planning Program excluded CD-1 (395) ST BLANCA UBC Focus Area Focus Area ST W 16TH AVE Note (1) Map represents the area where the proposed Development Contribution Expectation Policy and Interim Rezoning Policy

Area 2: Broadway area west of Vine (Kitsilano and West Point Grey)

would apply



C-3A & C-2

RM/ FM Zoning

RT Zoning Districts

RS Zoning Districts

CD-1