

December 17, 2019

Staff Responses to Questions from Council regarding 1805 Larch Street rezoning application

Since this item was presented to Council at Public Hearing on December 12, 2019, staff have received the following questions from Council.

1. How was the monthly cost of home ownership shown in the presentation calculated?

Staff Response: The monthly cost of home ownership was calculated based on the following assumptions in 2018: median of all BC Assessment recent sales prices in Vancouver Westside in 2018 by unit type, 10% down payment, 5% mortgage rate, 25-year amortization, \$150 – 250 monthly strata fees, and monthly property taxes at \$2.47 per \$1,000 of assessed value.

	Monthly Costs of Ownership for Median-Priced Unit – Westside (BC Assessment 2018)
Studio	\$2,920
1-bed	\$3,628
2-bed	\$5,676
3-bed	\$9,053

It is important to note that some homeowners will not have monthly costs this high; some homeowners will have paid a larger down payment, thereby reducing their mortgage payments, and some homeowners may have purchased their home in the years before the cost to purchase single-family homes increased exponentially above median wages.

2. What are the rents in basement suites/secondary rental in the neighbourhood?

Staff Response: Data on secondary rental units, including basement/secondary suites is very limited. CMHC no longer reports any information on this as part of their annual Rental Market Survey. The last available data is from 2016. The data from that year is at the Census metropolitan area (CMA) level, and much of it for accessory suites is suppressed (i.e. the reliability of the data is too low or there are confidentiality concerns).

It is important to note that secondary rental does not offer the same security of tenure as does purpose-built secured rental. Secondary units, including basement suites, are not guaranteed to be provided as rental accommodation, and tenants may face a lawful eviction under the RTA for landlord's use. Public engagement regarding housing policies regularly illustrate that many Vancouver residents also want to see greater diversity in the type of housing choices available to them, and to be able to stay in their neighbourhoods even when their life circumstances change (change in family size, income, etc.).

For reference, the following table includes other data measures that help illustrate the cost of housing in Kitsilano/Point Grey Neighbourhood and the Westside of Vancouver. Please note that the column 'private apartment average rents' in Kitsilano/Point Grey does not include secondary rental. This includes purpose built rental buildings of all ages. The

column, 'average market rent in newer buildings- Westside' also does not include secondary rental, but includes purpose built rental rents for buildings completed in the year 2008 or later.

	Private Apartment Average Rents (Kitsilano/Point Grey) (CMHC, 2018)*	Average Market Rent in Newer Buildings – Westside (CMHC, 2018)**	Monthly Costs of Ownership for Median-Priced Unit – Westside (BC Assessment 2018)***
Studio	\$1,136	\$1,694	\$2,920
1-bed	\$1,442	\$1,873	\$3,628
2-bed	\$2,021	\$2,689	\$5,676
3-bed	No data available	No data available	\$9,053

* October 2018 CMHC Rental Market Survey-Private Apartment Average Rents

** Data from the October 2018 CMHC Rental Market Survey for buildings completed in the year 2008 or later on the Westside of Vancouver.

*** Based on the following assumptions in 2018: median of all BC Assessment recent sales prices in Vancouver Westside in 2018 by unit type, 10% down payment, 5% mortgage rate, 25-year amortization, \$150 – 250 monthly strata fees and monthly property taxes at \$2.47 per \$1,000 of assessed value.

- 3. Council has received letters mentioning a proposal for 3 storeys of social housing with room on the ground floor for a seniors centres and day care. Has anyone approached the city with a plan to fund such a building?**

Staff Response: No such proposal has been submitted, nor have staff been approached with a plan to fund such a building.

- 4. We have received circulating that claims all of the moderate income rentals are in the basement of the building. Is there a plan to place these units in any particular part of the building?**

AND Are the MIRHPP units “in the dark”, all at lower levels, and the units segregated by ‘haves’ and ‘have-nots’? Is it possible to have the MIRHPP suites mixed in with the market suites?

AND Are the units at ground level below ground or at grade?

Staff Response: The MIRHP Program does not specify where moderate income rental (MIR) units are to be located in a building. In most cases, staff anticipate they will be mixed with the market rental units and will be outwardly indistinguishable.

Moderate income rental units will not be segregated or provided with separate access and circulation, including access to the indoor and outdoor amenity spaces. MIRHP Program projects are 100% rental across all the units, so there is no need for air space parcels, and

the cost and inefficiency of designing and building that kind of separation would be prohibitive.

Three lower level units front the lane. Two of these units are fully above the adjacent grade, and one at the southeast corner is 1 ft. below grade. The livability of these lower level units is similar to a typical ground floor unit in this area.

Rezoning condition 3 (a) in Appendix B requires further design development to improve the livability of the southeast corner unit by reducing below-grade portion, eliminating the sunken patio, and orienting all windows to the lane to fully above grade.

The economic viability of MIRHP Program projects depends largely on the rents collected in the market rate units offsetting the cost of the moderate income units. Requiring the MIR units to be located in certain parts of the building could have a negative effect on the viability of the project, as it could diminish the value of the market rate units, and potentially constrain the building design. However, the applicant has indicated openness to distributing the moderate income units throughout the building, and a condition could be added to the Housing Agreement rezoning condition to distribute the units throughout the building.

5. This building has applied for DCL waivers. Will future MIHRPP rental projects be eligible for DCL utilities waivers?

Staff Response: On November 26, 2019, Council directed staff to bring forward amendments to the *Vancouver Utilities Development Cost Levy By-law* (Utilities DCL By-law) to remove the Utilities DCL waiver for “for-profit affordable rental housing”, effective September 30, 2020.

Rezoning applications submitted before this date, including MIRHP Program rezoning applications, will remain eligible for a waiver of the DCLs under the Utilities DCL By-law provided that a building permit is issued within 12 months of the effective date of the Utilities DCL By-law change.

6. How does the height of the building compare to neighbouring buildings?

AND One speaker said there is nothing as high as this project in the area. How close are the nearest buildings of an equal or greater height?

Staff Response:

Within 100 meters, there are two taller residential buildings:

- 6-storey at Larch St and W 3rd Ave, southeast from the site
- 11-storey on W 3rd Ave before Balsam St

Within 300m there are six additional taller residential buildings between 8 to 13 storeys.

7. What are some of the jobs that would be associated with the MIHRPP rents? Would any of the units be geared to the income of seniors?

Staff Response: Based on median incomes for Metro Vancouver, a one-bedroom moderate income rental unit would be affordable to a variety of occupations such as services workers, trades workers, entry-level researchers and non-profit workers. A three-bedroom moderate income rental unit would meet the needs of a two-income family employed in sectors such as trades, industrial arts, and human resources. We do not have data on the income of seniors, given the range of financial positions. Seniors with household income between \$30,000 to \$80,000 per year could be eligible for moderate income rental units.

Examples:

- Studio Unit: Graphic arts technician or health services assistant
- One-bedroom Unit: Automotive service technician or vocational instructor
- Two-bedroom Unit: Two income household including the following occupations: transit driver and administrative assistant
- Three-bedroom Unit: Two income household including the following occupations: maintenance worker and carpenter

8. Are there any plans to replace lost community amenities, such as meeting and day care facility?

AND How can the city address the loss of the community services including childcare offered by the church?

AND The former church has been used for meetings and events in the neighbourhood. What other facilities for community meetings exist in the neighbourhood? Please include both private, like the former St Mark's church, and public spaces, like libraries and community centres.

Staff Response: Staff recognize the importance of community-serving spaces and the programs and services they support. In 2018, Council approved the *Making Space for Arts and Culture – Cultural Infrastructure Plan*, which supports the development of policies for the retention and expansion of arts and cultural spaces.

It became clear through early staff discussions that seeking a childcare or community space on this site in addition to secured moderate income rental units would not result in a financially viable project. It is one of Council's priorities to achieve new below market rental units.

The applicant has offered to improve and maintain for neighbourhood use the play equipment partly located on the City-owned boulevard on W 2nd Ave immediately adjacent the site. Staff will work with the applicant at the development permit stage to consider the viability of the public play space.

This site is located within a 15 minute walk of the Kitsilano Yacht Club, Kitsilano Library, Kitsilano Neighbourhood House, Kitsilano Community Centre, as well as six public and independent schools and a number of churches and schools where similar community-serving activities take place.

9. What role has the building played in sheltering homeless people? Are there other facilities in the area that provide similar services or cold weather shelter?

Staff Response: Under the previous owner, the building often served as an Emergency Weather Response (EWR) shelter during cold weather events, providing space for up to 25 people experiencing homelessness. The majority of EWR shelter sites are located downtown, with one location at West 10th Avenue and Quebec St. The Kitsilano Community Centre and other nearby City facilities function as warming centres during cold weather events.

10. We have heard concerns about bedrooms without windows? Was the exception made because the building has sprinklers? Does this comply with the BC Building Code?

Staff Response: The MIRHP Program allows the consideration of some moderate income rental 3-bedroom units with no more than one in-board bedroom. The rezoning application submitted included 3-bedroom units in both the moderate income rental and market rental units proposing internal third bedrooms.

Rezoning conditions in Appendix B require the removal of all inboard bedrooms in the market units. One MIR inboard bedroom will include a clerestory window and glass doors to allow for borrowed light, internal ventilation, and flexible use. All units in the building will meet the City's building code requirements.

The support for an inboard bedroom is not linked to sprinklers, but rather the viability of the project and therefore Council's objective of delivering moderate income rental units.

11. Do cars exiting the parkade into the narrow lane and onto Larch Street pose a danger? What are the traffic management plans for this?

Staff Response: A transportation study was conducted for this proposal, and it was concluded the project will generate low traffic volumes. The study identified that these low volumes will have no meaningful impact on the operation and safety of the existing lane and roadway network.

While the lane width varies along the block, the lane immediately adjacent to the development access is a City-standard 20 ft. lane. In addition, Urban Design conditions of rezoning in Appendix B require a 10 ft. setback to the building from the lane, further improving lane access adjacent the site. Engineering conditions of rezoning in Appendix B to improve transportation safety at the site include but are not limited to the provision of asphalt paving in the lane adjacent the site, new sidewalks including a curb and gutter, a standard pedestrian lane crossing, and upgraded lighting for the roadway and sidewalks.

12. Have staff analyzed whether this project could push local rents up and lead to gentrification?

Staff Response: High demand and short supply are stronger drivers of upward pressure on rents. Rents have been increasing across Vancouver even in areas where there has been

no new market rental construction, and we know that our current supply of purpose built rental housing is not sufficient to meet demand amongst renter households that have incomes sufficient to afford rents for newer market rental. Not having enough new rental housing available means there is additional pressure and competition for the existing supply of older and more affordable rental.

While more research in this topic area is necessary and conclusive statements cannot be made about the influence of a single project on rents in its surrounding vicinity, there is evidence that new rental supply can alleviate pressure on existing rental stock and moderate overall rent increases at a city-wide level.

13. How does the FSR of the nearest highrises/mid-rises compare to this project?

Staff Response: The FSR for the high/mid-rises in the area are lower than the proposed FSR in this rezoning. With one exception, those properties were redeveloped under the provisions of the existing zones and did not require Council approval for rezoning. This proposal is a rezoning application to vary the zoning to consider a larger building, and a financially viable project, to deliver Council's priority of secured moderate income rental units.

14. In what specific ways does this project meet "neighbourhood fit", or not? Are there any specific criteria that determine appropriate transition to nearby homes and the neighbourhood?

Staff Response: The site is located in Kitsilano at the border of a duplex area and an apartment building area. The character of the Kitsilano neighbourhood includes both low-scale buildings and multi-storey apartment buildings, and this proposed multi-storey apartment building is an existing building typology which is appropriate in the Kitsilano neighbourhood.

The project application made initial attempts to address neighbourhood fit by achieving the following:

- Maintaining the distinct character of Kitsilano neighbourhood through retention of dense, maturing trees.
- Proposing a compatible building height (5 storeys instead of 6 storeys) with other buildings in surrounding context.
- Transitioning heights and setbacks to the immediate lower building context, and
- Continuing the established "garden" streetscape of the area through landscaped front yards and individual ground-oriented units.

Staff have received input from the public and the Urban Design Panel (UDP) and evaluated that the project should make further improvements. These improvements are reflected in the rezoning conditions in Appendix B and include:

- Decreasing the effective building height by 3 ft.
- Increasing the rear-yard setback to a minimum 10 ft.
- Enhancing landscape buffer and privacy screen at grade and the upper levels
- Design development to enrich the visual experience through finer detailing of the building.

The *Moderate Income Rental Housing Pilot Program* did not outline specific criteria for determining appropriate transitions to nearby homes and neighbourhoods. The proposal is generally aligned with the footprint of the existing building, and massing is carved back away from the rear property line and stepped down towards the adjacent buildings.

15. Is the fear of residents that this project sets a precedent for more height and density realistic?

Staff Response: The *Moderate Income Rental Housing Pilot Program* provides strong policy guidance to consider a proposal of up to 6 storeys in RS/RT on larger sites off arterials. This application is one such proposal submitted in direct response to this policy, and there is existing precedence for taller buildings in Kitsilano.

16. Is this considered a “large” site?

Staff Response: The term “larger site” was not specifically defined under the MIRHP Program, however the intent was to ensure that sites off of arterials, such as this 1,644 sq. m site, would provide opportunities for viable projects to be designed in a way that could also respond to the policy objectives around neighbourhood fit and transitions to the surrounding context. The intent was not to apply the standard “large site” definition established in other policies such as the *Rezoning Policy for Sustainable Large Developments* which applies to projects over 8,000 sq. m in size, or those proposing more than 45,000 sq. m of floor area.

17. Why did this community church not have any covenants in place?

Staff Response: There are no restrictive covenants registered on title to this property. The Vancouver Charter provides that land owned by a religious organization and used for the public worship of God and other public uses (like government use, daycare, teaching choral music and organ recitals) is exempt from property taxes. No covenant is required for this exemption from property taxes. The City does not have a mechanism to require such covenant to be in place, especially since the land is no longer owned by the church or used for public worship. Staff can’t speak for why the church or the province would have decided not to require that a covenant restricting future use be put on title prior to the sale.

18. Why did this church not contact the Provincial Government to inquire about partnering with a program to help house lower income people as other churches have done?

Staff Response: Staff can’t speak to this as this would have been entirely up to the church, who is not the applicant here.

- 19. Why is a church, which has not contributed financially to the city, allowed to sell it (were there capital gains on the sale?) without the city or the province having any say in how the land will be used in the future?**

Staff Response: The City has no involvement in the sale process for land owned by churches and would likely not even have been made aware of the proposed sale. The City currently has no means of prohibiting a sale by the church or dictating the future use of such land, although staff are considering policy for this.

- 20. In order to buy the land, the developer told the church they must end the leases for all of the tenants, including the Montessori Preschool. If the developer has such a great sense of community, as he spoke of on Thursday evening, why did he not allow the Montessori Preschool to stay - at least until there were approvals for redevelopment and rezoning permitting?**

Staff Response: Staff worked with the applicant to explore extension of the lease through the rezoning process, however an agreement could not be made. The applicant can speak further to this.