

Refers to Referral Report Item #5
Public Hearing of May 24th, 2022

MEMORANDUM

May 20, 2022

TO: Mayor and Council

CC: Paul Mochrie, City Manager
Karen Levitt, Deputy City Manager
Armin Amrolia, Deputy City Manager
Katrina Leckovic, City Clerk
Lynda Graves, Administration Services Manager, City Manager's Office
Maria Pontikis, Director, Civic Engagement and Communications
Anita Zaenker, Chief of Staff, Mayor's Office
Neil Monckton, Chief of Staff, Mayor's Office
Alvin Singh, Communications Director, Mayor's Office
Jeff Greenberg, Assistant Director of Legal Services
Yardley McNeill, Assistant Director, Rezoning Centre, Planning, Urban Design and Sustainability
Dan Garrison, Assistant Director, Housing Policy and Regulation

FROM: Theresa O'Donnell
General Manager, Planning, Urban Design and Sustainability

SUBJECT: CD-1 Rezoning: 4949-5255 Heather St and 657 W 37th Ave (Heather Lands) –
Amendment to Conditions of Approval in Appendix C and Appendix D

RTS #: 15100

Following referral of the above item to public hearing on April 12, 2022, an error was identified in the Referral Report. Housing condition 2.15 contained in Appendix C and Housing condition 2.19 in Appendix D incorrectly reference the Below Market Rental unit eligibility criteria and rent criteria; the reference should be to the CMHC **city-wide average market rents**. This memo contains the correct conditions and the changes are noted in red for clarification.

The changes do not create any material difference to the public benefits described in the Referral Report. The applicant is aware of the reference error and proposed changes and does not have any concerns.

Staff recommend that the following wording be added to the end of Recommendation B in the Summary and Recommendation.

RECOMMENDATION

FURTHER THAT Housing condition 2.15 in Part 2 of Appendix C, and Housing condition 2.19 in Part 2 of Appendix D of the Referral Report be replaced with the following:

Appendix C – PART 2: CONDITIONS OF BY-LAW ENACTMENT

“2.15 Make arrangements to the satisfaction of the General Manager of Planning, Urban Design and Sustainability and the Director of Legal Services to enter into one or more Housing Agreements and/or Section 219 Covenants to secure a minimum of 33,543 sq. m. (361,059 sq. ft.) of residential floor space, and approximately 373 residential units located on Parcels B and F combined, as secured rental housing, including at least 25 per cent of the residential floor area that is counted in the calculation of the market rental dwelling unit area per the CD-1 By-law (at least 8,385 sq. m. [90,265] sq. ft.) as below market rental units (“below-market rental units”). The below-market rental units are to be rented at 25% below the CMHC city-wide average market rents, and the remaining units to be secured as market rental units, subject to the conditions set out below for such units, for a term equal to the longer of 60 years and the life of the respective building. The agreement or agreements will include, but not be limited to, the following conditions, and requirements:

at

- (a) A no separate sales covenant;
- (b) A no stratification covenant;
- (c) A provision that none of such units will be rented for less than one month a time;
- (d) A provision that none of such units will be Seniors Supportive or Assisted Housing;
- (e) That a rent roll will be provided indicating the agreed initial monthly rents for each below market rental unit at time of the respective occupancy permit application;
- (f) That the average initial starting monthly rents for all below market rental housing units in the project will be at or below 25% below the CMHC city-wide average market rent;
- (g) That rent increases for the below market rental units will be capped at the Residential Tenancy Act maximum annual allowable increase, as published by the Province of British Columbia, regardless of a change in occupancy;
- (h) That the applicant will verify eligibility of new tenants for the units secured at below market rates, based on the following:

- i) For new tenants, annual household income cannot exceed (4) four times the annual rent for the unit (i.e. at least 25% of household income is spent on rent); and
 - ii) There should be at least one occupant per bedroom in the unit.
- (i) That the applicant will verify the ongoing eligibility of existing tenants in the units secured at below market rates every five (5) years after initial occupancy:
 - i) For such tenants, annual household income cannot exceed 5 times the annual rent for the unit (i.e. at least 20% of income is spent on rent); and
 - ii) There should be at least one occupant per bedroom in the unit.
- (j) On an annual basis, or at the request of the City, the applicant will report to the City of Vancouver on the operation of the below market rental units which will ensure that the City can confirm that the units are being operated as agreed, and will include a rent roll for the below market rental units, and a summary of the results of eligibility testing for these units; and
- (k) Such other terms and conditions as the General Manager of Planning, Urban Design and Sustainability and the Director of Legal Services may require in their sole discretion.

Note to Applicant: This condition will be secured by one or more Housing Agreements to be entered into by the City at by-law enactment pursuant to Section 565.2 of the Vancouver Charter and/or Section 219 Covenants.”

Appendix D – PART 2: CONDITIONS OF BY-LAW ENACTMENT

“2.19 Make arrangements to the satisfaction of the General Manager of Planning, Urban Design and Sustainability and the Director of Legal Services to enter into one or more Housing Agreements and/or Section 219 Covenants to secure a minimum of 2,312 sq. m. (24,893 sq. ft.) of the residential floor space on Parcel I, and approximately 27 residential units, as secured rental housing in Parcel I, including at least 25 per cent of the residential floor area that is counted in the calculation of the market rental dwelling unit area per the CD-1 By-law (at least 579 sq. m. [6,233 sq. ft.]) as below-market rental units (“below market rental units”). The below-market rental units are to be rented at 25% below the CMHC **city-wide average market rents**, and the remaining units to be secured as market rental units, subject to the conditions set out below for such units, for a term equal to the longer of 60 years and the life of the respective building. The agreement or agreements will include, but not be limited to, the following conditions, and requirements:

- (a) A no separate sales covenant;
- (b) A no stratification covenant;
- (c) A provision that none of such units will be rented for less than one month at a time;
- (d) A provision that none of such units will be Seniors Supportive or Assisted Housing;
- (e) That a rent roll will be provided indicating the agreed initial monthly rents for each below market rental unit at time of occupancy permit application;
- (e) That the average initial starting monthly rents for all below market rental housing units in the project will be at or below 25% below the CMHC city-wide average market rent;
- (g) That rent increases for the below market rental units will be capped at the Residential Tenancy Act maximum annual allowable increase, as published by the Province of British Columbia, regardless of a change in occupancy;
- (h) That the applicant will verify eligibility of new tenants for the units secured at below market rates, based on the following:
 - i) For new tenants, annual household income cannot exceed (4) four times the annual rent for the unit (i.e. at least 25% of household income is spent on rent); and
 - ii) There should be at least one occupant per bedroom in the unit.
- (i) That the applicant will verify the ongoing eligibility of existing tenants in the units secured at below market rates every five (5) years after initial occupancy:
 - i) For such tenants, annual household income cannot exceed 5 times the annual rent for the unit (i.e. at least 20% of income is spent on rent); and
 - ii) There should be at least one occupant per bedroom in the unit.
- (j) On an annual basis, or at the request of the City, the applicant will report to the City of Vancouver on the operation of the below market rental units which will ensure that the City can confirm that the units are being operated as agreed, and will include a rent roll for the below market rental units, and a summary of the results of eligibility testing for these units;

- (k) Such other terms and conditions as the General Manager of Planning, Urban Design and Sustainability and the Director of Legal Services may require in their sole discretion.

Note to Applicant: This condition will be secured by one or more Housing Agreements to be entered into by the City at by-law enactment pursuant to Section 565.2 of the Vancouver Charter and/or Section 219 Covenants.”

This memo will form part of the May 24, 2022 Public Hearing agenda package and be available for public viewing.

Action is required by Council.

Regards,



Theresa O'Donnell
General Manager, Planning, Urban Design and Sustainability

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