



## REPORT

Report Date: June 23, 2022  
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Meeting Date: July 5, 2022  
[Submit comments to Council](#)

TO: Vancouver City Council

FROM: General Manager of Planning, Urban Design and Sustainability

SUBJECT: Policy Enquiry Process Directions Report - Addressing Social Housing and Secured Rental Housing Priorities in the Hastings East Sub Area Between Clark Drive and Campbell Avenue

### **RECOMMENDATION**

- A. THAT Council direct staff to consider future rezoning applications for the redevelopment of 1030-1070, 1115 -1127, 1168-1180 E Hastings Street, and 1220 E Hastings Street and 560 Raymur Avenue, allowing additional height and density in order to deliver new secured market rental housing, with a minimum of 20% social housing on these sites, as well as additional public benefits, as set out in the baseline criteria for the Policy Enquiry Process.
- B. THAT Council direct staff to consider other future proposals in the Hastings East sub area between Clark Drive and Campbell Avenue as outlined in this report, through enhanced rezoning processes for increased height and density to enable the provision of more social housing and rental housing.
- C. THAT the passage of the above resolutions will not fetter Council's discretion in considering any rezoning applications or referral of any rezoning applications to public hearing, and does not create any legal rights for any person or obligation on the part of the City; any expenditures of funds or incurring of costs is at the risk of the person making the expenditure or incurring the costs.

### **REPORT SUMMARY**

This report seeks Council direction for staff to consider rezoning proposals for secured market rental with inclusionary social housing that significantly exceed the current maximum height and density provisions in the Downtown Eastside Plan. Specifically, the report seeks Council's approval for staff:

- To consider a future rezoning application for 1030-1070, 1115-1127, 1168-1180 E Hastings Street to replace the existing SRA designated rooms with shelter-rate social housing, and to add additional social housing and new secured market rental housing; and
- To consider a future rezoning application for 1220 E Hastings Street and 560 Raymur Avenue to add new social housing and new secured market rental housing.

Additionally, staff are seeking Council's direction on whether to consider other future rezoning enquiries in the Hastings East sub area between Clark Drive and Campbell Avenue, as outlined in this report, for increased height and density to enable the provision of more social housing and rental housing.

### **COUNCIL AUTHORITY/PREVIOUS DECISIONS**

- *Policy Enquiry Process: Approach and Criteria (2021)*
- *Downtown Eastside Plan (2014)*
- *Rezoning Policy for the Downtown Eastside (2014)*
- *SRA (Single Room Accommodation) By-law (2003, last amended 2020)*
- *SRO Revitalization Action Plan (2017)*
- *Housing Vancouver Strategy (2017)*

### **POLICY ENQUIRY PROCESS: APPROACH AND CRITERIA**

The policy enquiry process is a new review process endorsed by Council in July 2021 that enables staff to consider and process applications for proposals that are not compliant with adopted Council policy. The intent is to advance applications that may offer opportunities and benefits warranting further consideration by Council that further Council priorities and goals. Proposals are assessed against established criteria approved by Council.

Proposals that meet one or more of the Baseline Criteria are prioritized through the policy enquiry process:

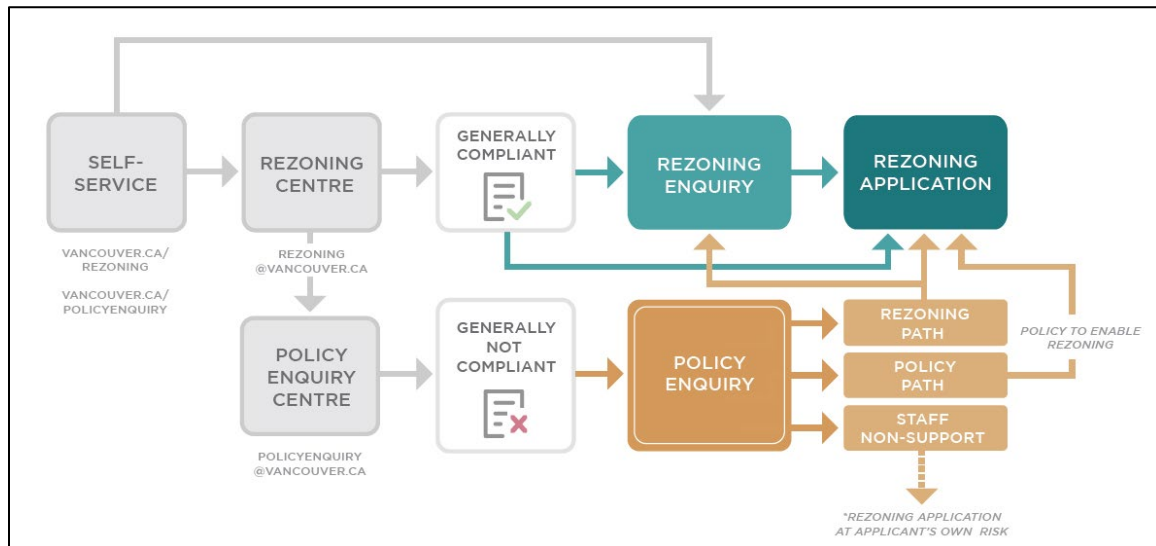
1. Reconciliation and Cultural Redress,
2. Housing,
3. Jobs / Economy, and
4. Other City-Serving Amenity.

Proposals are also assessed against additional Review Criteria in seven subject categories:

1. Housing,
2. Jobs,
3. Cultural, Social, and Other City-Serving Amenities,
4. Energy and Greenhouse Gases,
5. Neighbourhoods,
6. Ecology, and
7. Municipal Infrastructure.

Following the detailed assessment, three potential pathways would emerge out of the Policy Enquiry Process: rezoning path, policy path, or staff non-support (Figure 1).

**Figure 1: Policy Enquiry and Rezoning Enquiry**



The rezoning path is recommended for proposals where discretion or modest variance is needed. In cases where competing policies or significant departures from policy are encountered, staff would seek direction from Council through a Directions Report, before continuing to advise the applicant through the rezoning enquiry process or an enhanced rezoning process.

## **REPORT**

### **Background/Context**

#### **1. Site and Neighbourhood Context**

The two Policy Enquiry Process proposals at 1030-1070, 1115-1127, 1168-1180 E Hastings Street, and 1220 E Hastings Street and 560 Raymur Avenue are located within the Downtown Eastside Plan (DTES Plan) area, with four sites in the Hastings East sub area between Clark Drive and Campbell Avenue, and one site in the Kiwassa West sub area. The proposals are seeking to exceed the maximum height and density for the four sites on Hastings Street. There is no policy deviation being considered for the site in the Kiwassa West sub area.

**Figure 2: Policy Enquiry Process proposals at 1030-1070, 1115-1127, 1168-1180 E Hastings Street, and 1220 E Hastings Street and 560 Raymur Avenue.**



For the Hastings East sub area between Clark Drive and Campbell Avenue, form of development policies include a building height range of 45 feet to 120 feet, and a density of 2.5 FSR to 6.0 FSR. Within this mid-rise building envelope, the requirement is to include a mix of up to 80 per cent market strata or market rental housing, and between 20 to 30 per cent social housing.

The DTES Plan Hastings sub area further west between Campbell Avenue and Heatley Avenue have lower recommended heights from 45 feet to 75 feet, taking into account protection of views to the north from the McLean Park area, and a lower density range of 2.5 FSR to 4.5 FSR. Within the Hastings East sub area there are two sites where higher heights and densities were contemplated; these are the flat-iron sites at Hasting Street and Vernon Drive, which recommend heights between 45 feet to 150 feet and density between 2.5 FSR to 7.0 FSR.

Clark Drive is the boundary between the Grandview Woodland Community Plan (GWCP) and the DTES Plan. The GWCP Hastings Plateau sub area is located on East Hastings Street from Clark Drive to Commercial Drive. Within this sub area, the section from Clark Drive to McLean Drive is intended to have the highest buildings on East Hastings Street, with a range of heights between 10 and 18 storeys (approximately 185 feet), and a maximum density of 4.8 FSR, with consideration for additional height and density for the redevelopment of identified existing community serving and not-for-profit owned sites within the sub area.

A Future Rapid Transit Corridor – Hastings Street is currently a TransLink Rapid Bus corridor, connecting to Frequent Transit networks from Downtown Vancouver to Burnaby. Transport 2050, TransLink’s newly adopted long-term strategy, identifies East Hastings Street within one of their New Regional Priorities as an Express/Interregional

route. The Draft Vancouver Plan, which is aligned with the TransLink Transport 2050 Plan, identifies East Hastings Street as a Rapid Transit Area neighbourhood. The Draft Vancouver Plan Rapid Transit Areas are within a 10 minute walk of an existing or future rapid transit station, and will grow to accommodate more employment uses and a wide range of housing options, with an emphasis on purpose-built market and below-market rental, and social housing. The Draft Plan envisions mid- to high-rise buildings of up to 18 storeys close to stations and 25+ storeys in strategic locations or major project sites.

An Industrial 'let go' Area – This particular area was designated as “let go” in the 1995 Industrial Lands Policies meaning that it could be considered for residential development when supporting policy, such as the DTES Plan, was brought forward. As described above the DTES Plan enables residential development along East Hastings Street. An objective of the Plan is to create vibrant hubs along different sections of East Hastings Street to meet the needs of the communities through which it passes.

## **2. Policy Context**

Downtown Eastside Plan and Downtown Eastside Rezoning Policy (2014) – The Downtown Eastside (DTES) Plan provides a vision, policies, and strategies for the DTES that focuses on ways to improve the lives of low-income residents and community members; the Plan prioritises actions and strategies related to social housing, community health and well-being, heritage conservation, and local economic development. The development of the Plan involved extensive community engagement with residents, business, community groups, and stakeholders.

The DTES Public Benefits Strategy, which provides strategic direction for future capital investments in a community over the long term (30 years), has a primary public benefit direction to create new affordable housing, and replace existing SRO rooms with self-contained affordable housing units. This focus on affordable housing is in response to the Downtown Eastside having the highest housing need of any community in Vancouver. It is recognized that many redevelopment sites will require senior government partner contributions in order to develop and achieve diverse housing options and improve affordability. Although there is a focus on affordable housing, it is important to note that there remains a significant need in the neighbourhood for other public benefits for the additional residents, including: childcare; community amenities such as social, recreational and cultural facilities; and parks and open spaces.

SRO Revitalization Action Plan (2017) – This Plan was developed by an interdisciplinary SRO Task Force made up of key stakeholders from the City of Vancouver, BC Housing, community partners, as well as SRO owners, building managers, and tenants. From this six-month process, a set of strategies was developed to accelerate SRO replacement, while in the interim securing and improving the existing stock to meet the housing, healing and community needs of very low-income and marginalized residents.

Housing Vancouver Strategy – The *Housing Vancouver Strategy (2018-2027)* includes a target of 12,000 new social, supportive, and co-op homes by 2027. As of March 31, 2022, 7,129 units were approved towards this target. Since the approval of the *DTES Plan* in 2014, there has been an increasing number of people experiencing sheltered and unsheltered homelessness and a continued urgent need for supportive and shelter

rate homes. The continued need and support for more social housing was also expressed by the community at the DTES Plan Community Fair in June 2019.

The Housing Vancouver Strategy embedded the SRO revitalization actions into a citywide framework to address housing affordability. The current Council-approved goal is to replace SROs with self-contained, shelter-rate social housing for singles, with an accelerated replacement target of 2,000 new units over 10 years. Recognizing the important role of existing SRO housing in combatting homelessness, the Strategy also calls for improving and protecting the remaining stock for low-income residents through regulatory tools and investment, capacity building efforts, and enhanced partnerships with senior levels of government.

There is significant need for more social housing within and outside of the DTES. The DTES Plan calls for two-thirds of DTES housing need to be built within the DTES and one-third to be built outside the DTES. This provides greater housing choice for people who wish to live in other neighbourhoods. The Broadway Plan and Draft Vancouver Plan provide directions and policy to enable opportunities to increase social and supportive housing in new areas of the city. In addition, recent policy work including 2021 updates to the RM-4 and RM-3A zoning districts to allow social housing of up to six storeys also creates opportunities for social and supportive housing outside the DTES.

The Housing Vancouver Strategy has set a target of 20,000 new secured purpose-built rental units over ten years. As of March 31, 2022, 10,002 units were approved towards this target. Average market rents in newer rental buildings on the east side of Vancouver serve households with an average household income of approximately \$63,920 (studio unit) to \$130,880 (three-bedroom unit). Market rental housing provides options which are significantly more affordable than home ownership.

### **3. Strategic Analysis**

The DTES Plan housing policy for the Hastings East sub area enables rezonings that include up to 80% of the units as either secured rental housing, or strata ownership housing, and a minimum of 20% of the units as social housing. Preliminary economic analysis of select inclusionary sites in the sub area has shown that strata ownership housing with inclusionary social housing under the maximum density set out in the Plan is not viable. The results of the economic analysis is supported by the fact that no inclusionary projects have proceeded in this area since the Plan was adopted in 2014. Strathcona Village, the inclusionary strata and social housing project at 941 E Hastings, was approved by Council before the adoption of the DTES Plan. Secured market rental housing with inclusionary social housing is even less viable at the densities enabled under the Plan since the value of rental floor space is significantly lower than strata ownership. In order to deliver inclusionary social housing, in particular with a mix that shifts the market supply towards rental housing, additional density is required, and/or significant senior government investment and partnership.

1030-1070, 1115-1127, and 1168-1180 E Hastings Street – The Policy Enquiry proposal from Westbank Development Corporation, BC Housing, and Promerita is to rezone 1030-1070, 1115-1127, and 1168-1180 E Hastings Street from M-1 and RT-3 to CD-1 to permit the development of three towers exceeding the height and density provisions set

out in existing policy. The proposal is for the social housing building to be delivered turn-key to BC Housing, in advance of the secured market rental building.

The proposal meets the Policy Enquiry Process ‘Housing’ Baseline criteria; this proposal offers a mix of secured market rental housing, replacement of existing SRA designated rooms with shelter-rate social housing, and new units of social housing. The social housing would be delivered in a stand alone turn-key building to BC Housing. The proposal was also evaluated against the Review Criteria, and there are elements of the proposal which meet criteria expectations, including ground floor commercial-retail space in the two secured market rental buildings, and ground floor social enterprise space in the social housing building. The proposal does not otherwise include significant public benefits beyond what would be expected through the Plan.

The project proposes deviating from the DTES Plan maximum building heights and densities by proposing building heights between 183 feet (19 storeys) and 260 feet (27 storeys), and density from 10.7 FSR to 16.7 FSR. The maximum height and density contemplated in the Plan for these three sites is 120 feet and 6.0 FSR.

**Figure3: East Village Project (1030-1070, 1115-1127, and 1168-1180 E Hastings Street) proposed height and density, and comparison to the DTES Plan**

Building/ Site	Address	Proposed density (FSR)	DTES Plan maximum density (FSR)	Proposed building height (ft.)	DTES Plan maximum height (ft.)
East 1	1030-1070 E Hastings St.	12.0	6.0	249 ft.	120 ft.
East 2	1115-1127 E Hastings St.	16.7	6.0	260 ft.	120 ft.
East 3	1168-1180 E. Hastings St.	10.7	6.0	183 ft.	120 ft.

The current proposal does not adhere to typical citywide urban design standards for tower forms. The proposed site frontages range from approximately 75 ft. to 132 ft., which is less than the 130 ft. to 200 ft. typically expected to develop a tower in other areas of the City. Staff note that the proposal must achieve specific urban design objectives, as outlined in the Criteria for Reviewing Inclusionary Sites in the Hastings East sub-area from Clark Drive to Campbell Avenue. As part of the enhanced process, staff would work with the applicant to address urban design requirements, while seeking to maintain a viable project.

1220 E Hastings Street and 560 Raymur Avenue Proposal - The proposal from Onni Group is to rezone 1220 E Hastings Street and 560 Raymur Avenue from M-1 and I-2 to CD-1 to permit the development of two secured market rental towers on top of a podium at 1220 East Hastings which exceeds the height and density provisions set out in existing policy, and one six storey mixed use social housing building at 560 Raymur Avenue.

In addition to the proposed uses, the applicant would sign a lease agreement with Community Impact Real Estate Society (CIRES), which would create opportunities for more affordable retail space for local small businesses; sign a voluntary Community Benefit Agreement with the City of Vancouver; and sign an agreement with the East Side Art Society who will be the project's Public Art Consultant.

The proposal meets the Policy Enquiry Process 'Housing' Baseline criteria; this proposal offers secured market rental housing, and new units of social housing. The proposal was also evaluated against the Review Criteria, and there are elements of the proposal which met and/or exceeded criteria expectations including ground floor commercial-retail space in the secured market rental building, ground floor light industrial space in the social housing building, a voluntary Community Benefits Agreement, and agreements with CIRES and East Side Arts Society. The proposal does not otherwise include any other significant public benefits beyond what would be expected through the Plan.

The project proposes deviating from the DTES Plan maximum building height and density for the building at 1220 E Hastings Street with a height of 210 feet, and 8.56 FSR. The maximum height and density contemplated in the Plan for this site is 120 feet and 6 FSR. The current proposal, although it exceeds the plan maximum height and density, adheres to typical citywide urban design standards for tower forms.

**Figure 4: Onni Project (1220 E Hastings Street, and 560 Raymur Avenue) proposed height and density, and comparison to the DTES Plan**

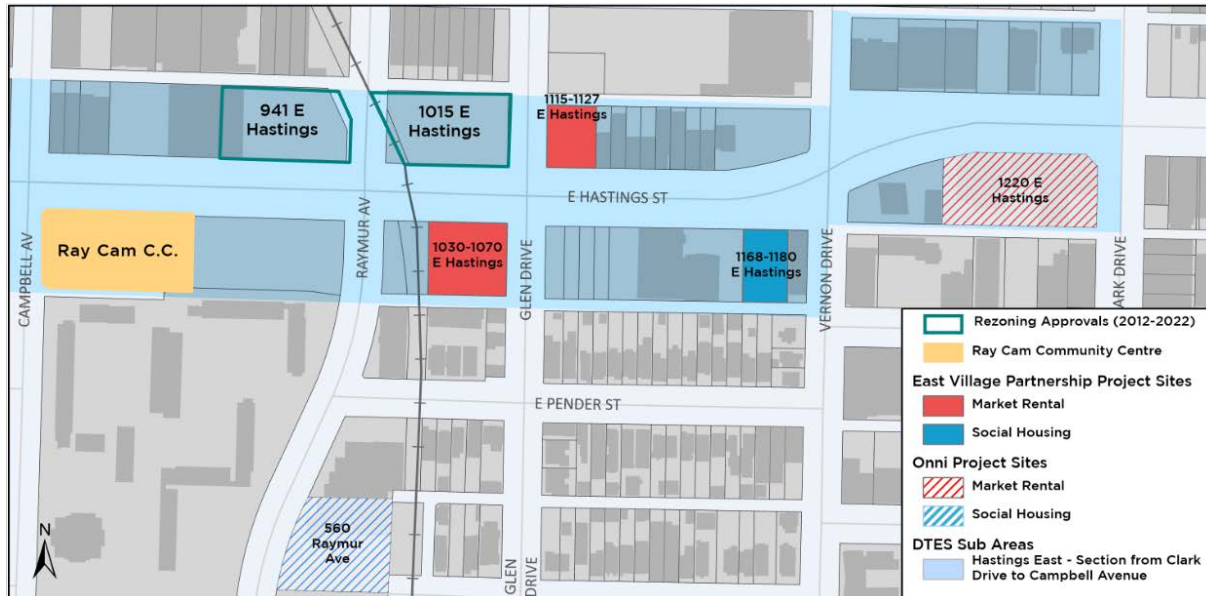
Building/ Site	Address	Proposed density (FSR)	DTES Plan maximum density (FSR)	Proposed building height (ft.)	DTES Plan maximum height (ft.)
Hastings Site	1220 E Hastings St.	8.65	6.0	210 ft.	120 ft.
Raymur Site	560 Raymur Ave.	3.0	3.0	70 ft.	70 ft.

As part of the enhanced rezoning process the proposal will need to respond and adhere to urban design objectives as outlined in the Criteria for Reviewing Inclusionary Sites in the Hastings East sub-area from Clark Drive to Campbell Avenue.

Other Inclusionary Social Housing Sites, and RayCam Community Centre – Applicants for other sites in the Hastings East sub area may also express interest in exploring additional height beyond what may be considered under the DTES Plan in order to achieve rental housing and more social housing. Should Council direct staff to consider other future proposals in the Hastings East sub area between Clark Drive and Campbell Avenue through enhanced rezoning processes for increased height and density to enable the provision of more social housing and rental housing, staff recommend that any applications will be limited to inclusionary policy sites in the section of the sub area from Clark Drive to Campbell Avenue, and the RayCam Community Centre site. This area is labelled in Figure 5 as 'Hastings East- section from Clark Drive to Campbell Avenue'.



**Figure 5: Hastings East sub area between Clark Drive and Campbell Avenue, including sites that received rezoning approval within the last ten years, Policy Enquiry Process proposal sites, and the RayCam Community Centre**



To note, on East Hastings Street between Clark Drive and Campbell Avenue, there are two properties that are SRA designated (see Figure 6).

**Figure 6: SRA designated properties on East Hastings Street (from Clark Drive to Campbell Avenue)**

Address	Building Name	Ownership	Number of SRA Rooms
1168 E Hastings St	Vernon Apartments	BC Housing	32
1190 E Hastings St	St. Claire's No. 2	Private	30

Policy Enquiry Process – Based on staff’s assessment of two Policy Enquiry proposals against the criteria for the Policy Enquiry Process, there appears to be rationale for the proposed development concepts to warrant Council’s consideration for deviating from existing policy in order to advance the Council’s priorities and objectives, particularly around housing. However, given that the proposed departures from policy are significant, staff are seeking direction from Council, before continuing to advise the applicant through the enhanced rezoning process.

The purpose of the enhanced rezoning process is to address outstanding policy considerations / project issues through a collaborative process between staff and the applicant, including additional public engagement, in order to inform a rezoning application. A comprehensive interdepartmental review would be undertaken to identify and explore site objectives, and to start addressing issues in order to facilitate a rezoning application. The goal of the enhanced rezoning process is to arrive at a common understanding between the applicant, staff, and the public on development expectations on a given site, where additional policy consideration is required. The

outcome of the enhanced rezoning process will include preferred concept(s) that will form the basis for a future rezoning application.

#### **4. Criteria for Reviewing Inclusionary Sites in the Hastings East sub-area from Clark Drive to Campbell Avenue**

Pending Council's direction, the following considerations would be used as a framework to evaluate any rezoning proposal for the two Policy Enquiry proposals, as well as any other Inclusionary sites through the rezoning process.

Housing Tenure and Affordability: Inclusionary sites that propose exceeding 6 FSR must include a tenure mix of secured market rental and social housing, including a minimum 20% of the total project's proposed units as social housing units, and up to a maximum of 80% secured market rental housing units. The housing tenure and level of affordability which complies with the Zoning and Development Bylaw and the DTES Plan will be secured through a Housing Agreement and Section 219 Covenant for the longer of 60 years and the life of the building.

SRA Replacement: Sites with existing SRA designated rooms must replace the SRA rooms with fully self-contained social housing units, secured at the shelter rate of income assistance. If proposals cannot achieve one-for-one room to unit replacement due to project limitations, Council could consider a lesser replacement rate through an SRA Permit.

Building Heights and Form: An increase in height and density beyond what the community plan originally anticipated may be achievable for the sites while respecting livability objectives. Density should be located to preserve livability, open space, sunlight on public space, pedestrian scale, and pedestrian experience. In all cases, a detailed review is required to determine the appropriate form of development, height, and density, with particular regard to urban design performance including:

- Site size and frontage width shall determine tower form (including floor plate size) to achieve appropriate location and spacing;
- Accommodating future development of a tower on an adjacent site by providing sufficient interior property line setbacks to address separation between towers;
- Creating a defined podium with setbacks above to achieve a clear street wall;
- Shaping buildings so they read as point towers rather than 'slab' towers including reduced tower dimensions for higher buildings; and
- Ensuring the design of residential uses adjacent to the rail line mitigates noise, and pollution, and ensures unit and amenity spaces are livable and appropriately sited.

Shadow Impacts: Evaluation of rezoning proposals for additional height and density should consider any potential shadow impacts on adjacent sites and the surrounding area. Urban design analysis should be performed to understand cumulative shadow impacts in the Hastings Street neighbourhood for any new development proposed, with direction given to minimize any adverse shadowing impacts on public parks, childcare centre outdoor play areas, key public open spaces, and important retail sidewalks.

Public Realm Improvements, and Public Amenities: The Downtown Eastside Plan includes high level policy directions for public realm improvements, and a Public Benefits Strategy (PBS) with strategic directions for public amenities to be achieved through rezoning applications and redevelopment. As the Hastings East sub area continues to transition to a high-density, mixed use neighbourhood, any new development that proposes additional height and density is still required to meet the objectives of the Downtown Eastside Plan, and other policies if applicable, such as Making Space for Arts and Culture. In addition, individual projects being considered for rezoning will be analysed to determine if additional on-site public amenities and open spaces, beyond the provision of affordable housing, can be achieved to support a growing population.

Financial Review: As part of the rezoning process, there will be a financial assessment of the additional floor area, consistent with standard practice to determine if there is a CAC. If a CAC is generated it could be used to deepen affordability or be utilized for other public amenities identified in City policies. Secured market rental housing units may be eligible for a DCL waiver, subject to the requirements of the DCL by-law.

Other Site Specific Considerations: A comprehensive review of each site will be completed as part of the rezoning process to understand potential impacts and mitigation measures on planned utility upgrades, transportation network, groundwater, and/or other considerations.

### ***Implications/Related Issues/Risk***

#### **Financial**

Subject to Council direction and as part of the rezoning process, staff will report back at the time of any rezoning referral report on applicable developer contributions (e.g. Development Cost Levies, Community Amenity Contributions, and Public Art), as well as proposals for on-site and/or off-site amenities for Council's consideration.

### ***CONCLUSION***

The purpose of this report is to seek Council's approval to consider rezoning applications for additional social housing and secured market rental housing for 1030-1070, 1115-1127, 1168-1180 E Hastings Street, and 1220 E Hastings Street and 560 Raymur Avenue, which includes heights and densities that exceed what was set out in the Downtown Eastside Plan. This report also seeks Council direction to consider other enhanced rezoning applications for increased height and density in the Hastings East sub area between Clark Drive and Campbell Avenue to enable the provision of more social housing and rental housing on inclusionary housing policy sites, and the RayCam Community Centre site.

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