

COUNCIL REPORT

Report Date:April 25, 2023Contact:Theresa O'DonnellContact No.:604.673.8434RTS No.:15586VanRIMS No.:08-2000-20Meeting Date:May 9, 2023Submit comments to Council

TO: Vancouver City Council

- FROM: General Manager of Planning, Urban Design and Sustainability
- SUBJECT: Prioritization Framework for Planning Policy and Processing Applications

Recommendations

- A. THAT Council receive this report for information.
- B. THAT Council endorse the Prioritization Framework for Rezoning Applications as outlined in Appendix A to inform the processing of rezoning enquiries and rezoning applications over the short term.
- C. THAT Council endorse the Policy Prioritization Framework as outlined in Appendix B, to inform the development of a 4-year work plan for the Planning, Urban Design and Sustainability department to 2026, for consideration as part of a future report back.

Consideration

D. THAT Council direct staff to report back on refined criteria for the Policy Enquiry Process, aligned with the Housing Vancouver Strategy and the Vancouver Plan land use framework, Big Ideas and Foundational Principles, as well as the Prioritization Framework for Rezoning Applications as outlined in this report.

Purpose and Executive Summary

The purpose of this report is to seek Council's direction to guide the Planning, Urban Design and Sustainability (PDS) department's work plan both in the short term to manage the backlog of current applications, and in the longer term to establish goals, objectives, priorities and desired outcomes over the next 4 years. Council's endorsements of the recommendations contained in this report will provide staff and the public with the clarity and necessary direction to achieve the City Council's vision for city building as implemented through a 4-year work plan.

Specifically, staff seek direction on

- Prioritizing instream Rezoning Enquiries and Applications
- Refining the Criteria for the Policy Enquiry Process (PEP) and application evaluation
- Prioritizing new requests for Enhanced Rezoning Applications
- Establishing Council priorities for new policy for Major Land Use Studies and/or Housing Policy initiatives

For ease of understanding, this report is structured to present background information and recommended approaches for each of these work streams. The table below (Figure 1) is a roll up that summarizes key issues and proposed strategies to address each over the short, medium and long term, as described further in this report.

	Proposed Strategies			
lssue	Short-term (6-9 mos.)	Medium-term (9-18 months)	Long-term (18+ months)	
Housing Crisis: housing supply, affordability, homelessness	Prioritize Rezoning Enquiries and Applications proposing social, below- market, and supportive housing units Prioritize applications that contribute to HAF funding opportunities	Prioritize applications with secured government / partner funding Initiate a New Housing Vancouver 3-Year Action Plan	Policy work aimed at increasing the right supply to meet the high existing and new demand *And other actions noted in the Policy Prioritization Framework	
High volume of Rezoning Enquiries and Applications impacting staff capacity and processing timelines	Apply Prioritization Framework to advance priority applications; extend target processing timelines for non-priority applications Modifications to Public Hearing schedule and procedures to optimize Council's consideration of priority projects	Monitor the impacts on processing times and the results of the Prioritization Framework for Rezoning Applications Hire additional staff to support ongoing application volume needs	Policy and regulatory changes directed at identifying more areas of the city for "pre-zoning", reducing the reliance / need for site-specific rezonings	
Compliant and non- compliant applications impacting processing timelines	Prioritize processing policy compliant proposals that increase housing approval numbers Reviews for policy non- compliant proposals will be delayed as lower priority Wait list new Policy Enquiry (PEP) applications that require Enhanced Rezoning until criteria is revised and aligned with Council direction	Council Report adopting Council revised PEP criteria, and public launch	City-wide land use plan / Official Community Plan, together with other policy and regulatory changes	
Providing clarity and predictability to the PDS policy work plan	Endorsement of the Policy Prioritization Framework and Council Report with	Initiate scoping of policy work and future report backs to Council, per PDS 4-Year Work Plan	Report back to Council on various policy initiatives from the PDS 4-Year Work Plan	

Figure 1: Summary of Proposed Strategies resulting from the Prioritization Frameworks in Appendix A and Appendix B*

	PDS 4-Year Work Plan to 2026		Continue to advance Vancouver Plan Implementation actions
Improvements to the application processing system	Ongoing operational improvements (noted in Appendix D)	Ongoing operational improvements	Vancouver Plan Implementation + City-wide OCP;
	Advancing other processing improvements through Permitting Improvement Program and Development Process Redesign		Digital Transformation project

*Note – this is intended to be a summary of the key strategies, and is not an exhaustive list of potential strategies and improvements being considered. Please refer to the balance of this report and appendices for further details.

Council Authority/Previous Decisions

- Policy Enquiry Process: Approach and Criteria: In <u>July 2021</u>, Council endorsed Guiding Principles and Criteria for policy non-compliant development enquiries, and directed staff to utilize these in assessing applications.
- Vancouver Plan: On July 22, 2022, Council adopted a visionary, long-range land use plan to guide growth over the next 30 years to create a more liveable, affordable, and sustainable city. The Vancouver Plan manages change in an intentional way, ensuring growth and capital investment are aligned to optimize resources allocation and enhance quality of life for residents.
- Housing Vancouver Strategy Implementation, 2022 Housing Progress Update: On April 26, 2023, Council received for information a presentation laying out the City's track record on housing approvals, housing construction and further policy and regulatory initiatives to increase the right supply of housing.

City Manager's Comments

The City Manager concurs with the foregoing recommendations.

Context and Background

Provincial and Federal Leadership on Housing

Premier David Eby has begun to roll out a new aggressive housing policy and funding agenda to tackle the persistent housing supply challenges facing residents and newcomers across the Province. Over the fall and winter of 2022, the Premier created a new Housing Ministry, appointed a Cabinet Minister, Ravi Kahlon, and introduced the Housing Supply Act to increase the pace of housing development by allowing the Province to set housing targets for municipalities with the highest demand and projected growth.

Earlier this month, the Homes for People Plan was unveiled, committing \$4.2 B investment in housing over the next three years and \$12 B over the next decade, including:

- \$1.7B for Building BC Programs;
- \$1.5 B for new and expanded responses to address homelessness and encampments;
- \$588 M to increase supports to income and disability assistance.

Later this Spring, staff anticipate the Province will make further announcements aimed at increasing the supply and timely delivery of housing.

Additionally, the Federal Government has announced a \$4 B fund for the Housing Accelerator Fund.

Economic Climate and Market Conditions

Recently released Statistics Canada data and the Federal government's new immigration policies forecast strong, consistent growth across the Province and the Lower Mainland for the foreseeable future. Both population and job growth will continue to increase above recent trends, creating a greater demand for housing and job space. The City of Vancouver, as a dynamic center of a rapidly growing metropolitan region, will face growing pressure to deliver more housing opportunities, meet the needs of an evolving economy, and maintain the high quality of life our residents enjoy and have come to expect.

Notwithstanding these forecasts, the current economic climate is characterized by **high inflation**, supply chain shortages, and significant **job vacancies** – a combination not seen in recent decades. All these factors contribute to the challenges facing the development industry and frustrating the construction and delivery of greatly needed housing.

Role of Municipalities and Opportunities for Vancouver

The strong leadership and committed actions from senior levels of government present a unique opportunity for Vancouver to align our policies, programs and investment decisions and make significant progress towards combating the pernicious housing supply crisis.

On April 26, 2023 Council received the <u>2022 Housing Progress Update to the Housing</u> <u>Vancouver Strategy</u>. This report highlighted important work that is planned / underway to advance the City's housing objectives. The data presented in that report verifies Vancouver has delivered record housing approvals over the last ten years, with particular increases in the past five years. The proven success of the strategies and policies contained within the Housing Vancouver Strategy, community plans, and other housing policies, have achieved impressive outcomes for total number of until totals with the appropriate housing mix to advance City goals.

While the 2022 Housing Progress Update sets out recent and historical trends, the City's rezoning, development, and building permitting processes are important indicators of future construction activity and completions. Streamlining and improving these processes and work streams continues to be a primary focus of the City Manager's Office and General Managers of the development related departments. Quarterly updates provided to City Council over the past 2 years report improvements and track progress towards the ambitious goals set by this Council.

Recognizing that rezoning is often the first regulatory step in the bringing much needed housing to market, it is important to note that the current volume and types of rezoning applications have overloaded staff operating capacity. This has resulted in slower processing times, delayed responses times, staff burnout, and customer frustrations. Experts and data indicate this increased volume does not necessarily represent a new trend, but rather a temporary spike resulting from (1) approval of the Broadway Plan, and (2) economic and financial market conditions that have driven many development companies to reposition assets, restructure the financial terms of projects, or delay projects until market conditions return to normal levels.

Therefore it is incumbent upon staff to efficiently and effectively manage resources to clear the backlog and maximize opportunities to bring housing to market as quickly as possible. Staff are proposing a short term, mid-term and longer term prioritization framework to manage application volumes and mitigate challenges and impacts for the industry.

This report also includes recommendations to prioritize of current and future policy work, which will open opportunities to support growth to meet the new housing supply and job needs.

Analysis and Assessment

Rezoning Enquiries and Application Volumes (Appendix C)

As of the writing of this report, the Rezoning Centre is processing approximately 120 rezoning enquiries and 100 rezoning applications. This volume is more than double normal workload.

These applications collectively represent:

- 1. 35,000+ housing units
- 2. 8.7+ million sq. ft. of job space

Based on current housing targets, these proposals represent approximately 3 to 4 years of housing supply based on past housing approval trends. The application volume is also in excess of what staff and Council can process through Public Hearings in a single year. This being the case, staff recommend a prioritization framework that elevates applications that contribute to achieving housing targets and that are likely to proceed to construction.

Policy Enquiry Process (PEP) and Application Volumes

The PEP stream, designed to precede a formal rezoning application, enables staff to consider rezoning proposals that do not comply with adopted policies or plans, but offer unique opportunities to further Council goals and objectives. Through this process, a high-level conceptual review is conducted by an interdepartmental staff team, assessing the proposal against the established criteria and guiding principles endorsed by Council.

Forty six (46) Policy Enquiry applications have been received since October 1, 2021. Eleven (11) of the proposals met or exceeded the minimum criteria and represent:

- 4,000 total housing units
- over 120,000 sq. ft. of job space

Although Policy Enquiries can be innovative and responsive to economic conditions/trends, they are also resource-intensive, time consuming and an inefficient way to achieve desired outcomes.

Prioritization Framework for Rezoning Applications and PEPs

Staff recommend maintaining consistency with the goals and objectives set out in the Housing Vancouver Strategy and the Vancouver Plan that emphasize adding more housing options in complete and connected neighbourhoods, addressing the climate crisis, and supporting businesses of all sizes.

Building upon these goals and objectives, a prioritization framework is outlined in Appendix A, prioritizing applications that:

- provide housing supply and demonstrate the ability to bring those units to market in the near term;
- increase job space and promote a vibrant economy;
- optimize funding from Senior levels of government;
- work with governmental and non profit partners to deliver housing serving low and moderate income households, critical infrastructure, housing, and other quality of life amenities; and
- advance climate action through complete communities.

Establishing these priorities will create clarity and certainty for staff, the public and applicants. It will help ensure staff have the guidance to prioritize application processing in such a way that normalizes service level expectations for high priority applications, and deliver outcomes needed to achieve our housing and jobs targets.

Processing Implications & Operational Improvements

Applying the Prioritization Framework for Rezoning Applications will result in some projects moving faster through the City's approvals process than others. Projects that are lower in priority will experience slower review timelines in the short term until new staff are hired, the backlog of cases is cleared, and performance standards return to acceptable levels. Proposed target processing timelines are set out in Figure 2 below.

Category	SHORT ³	Priority – Compliant ⁴	Non-priority – Compliant ⁵	Enhanced Rezonings in-stream	Non- compliant
Enquiries ¹ (Historic)	12 weeks	12-16 weeks	n/a	Varies depending on	Undetermined
Applications ² (Historic)	8 months	12 months	n/a	proposal / complexity	for rezoning applications
Enquiries ¹ (Proposed)	12 weeks	12-16 weeks	18-20 weeks	Suspend additional new	Suspend processing of
Applications ² (Proposed)	8 months	12-14 months	16-18 months	Enhanced Rezonings until 2024	new PEPs

Figure 2: Target Processing Timelines

¹ Rezoning enquiry processing times are based on fee payment to issuance of Letter of Response

² Rezoning application processing times are based on fee payment to decision at Public Hearing

³ Approximately 3-5% of rezoning applications are currently already expedited through the established SHORT program (Social Housing or Rental Tenure, "SHORT") for social housing projects. No changes to the program are proposed.

⁴ Priority applications would include proposals for social, supportive, and below market rental housing, as well as proposals with significant / new job space.

⁵ Non-priority applications would generally refer to strata/market housing, small floor area commercial proposals, and Zoning District Change applications.

The "Priority" category would include approximately 45% of rezoning applications and enquiries based on in-steam applications, while the "Non-priority" category would account for the remaining 50%.

Enhanced rezoning and policy non-compliant applications processing times vary widely depending on project complexity. Processing time estimates will not be established until future notice.

Notwithstanding these interim performance metrics, a proposal's complexity – indicated by scale, scope, in-kind amenities, tenant relocation requirements and/or significant infrastructure implications – will affect processing times. In addition, applicant responsiveness will continue to play an impactful role in overall processing times, notably:

- Completeness of application submissions Staff will process application only after a complete application is submitted and accepted with payment of the application fee.
- Policy compliance Proposals that align with Council-approved regulations and policies move much more quickly through the processing stream and are an efficient use of staff time and resources. To secure the highest number of possible housing unit and job space approvals, these compliant applications will be prioritized.
- Applicant responsiveness Incomplete submittals, prolonged applicant response times, incomplete responses, and/or multiple revisions to applications require multiple staff reviews, extenuate timeframes, and impede other cases from moving forward. These applications will be assigned a low priority status until staff capacity becomes available, the backlog is cleared, and performance metrics normalize.

Staff will monitor processing implications and make further adjustments as needed with regular reporting updates to Council on workload measures and performance targets.

In addition to this prioritization framework, staff are advancing a number of operational strategies to improve processing times and efficiencies (Appendix D). These include adjusting the Public Hearing schedule, improving online accessibility and guidance for applicants, simplifying and streamlining engagement, by-law changes, and hiring more staff.

Revisions to the Policy Enquiry Process (PEP) Criteria

The Policy Enquiry Process has been effective in advancing exceptional proposals with innovative approaches, particularly in areas of the city with outdated or ineffective policy that fails to achieve City goals and objectives. These proposals have successfully demonstrated:

- Provision of additional below market / social housing
- Expansion or intensification of job space
- Contextual fit
- Significant amenities
- Efforts toward reconciliation

Conversely, a many applications were submitted that fell short of the approved criteria. Some common threads have been observed, including:

- Erosion of, or intrusion into, industrial/employment lands with residential uses
- Locations with insufficient utilities and/or transportation infrastructure
- Tenant displacement without adequate replacement units
- Market rental without commensurate below-market rental units
- Increases in density without proportional increases in amenities
- Erosion of heritage character/lack of adequate retention or conservation

- Individual sites seeking exceptions in community plan areas that are successfully achieving desired outcomes
- Exceptions to housing policies that have a proven successful in achieving anticipated outcomes
- Poor contextual fit with surrounding neighbourhoods

For those exceptional applications that have met or exceeded the minimum thresholds set out in the current PEP criteria, staff have presented a *Policy Enquiry Process Directions Report* to Council for consideration. Council has given staff direction to proceed on four of these PEPs to the next step, an Enhanced Rezoning process. These cases are time consuming, labor intensive, and require dedicated staff teams. This caseload maximizes current staff capacity at this time. Any additional Enhanced Rezoning applications will be waitlisted until new staff are brought on board and processing capacity is available.

PEP Criteria Refinements and Process Considerations (Appendix E)

Since the Policy Enquiry Process was established, the Vancouver Plan has been adopted, and it is anticipated that Council will provide staff direction on a refresh of the Housing Vancouver Strategy goals and objectives through the upcoming work of the 3-year Action Plan. Staff recommend refining the PEP Criteria to align with both the Vancouver Plan and new Housing Vancouver Strategy goals and objectives. In addition, staff will present Council with options and recommendations to clarify desired outcomes and intended expectations for the PEP criteria to improve the quality of submissions and increase the likelihood of successful applications proceeding.

Staff will coordinate the timing of updated PEP criteria and report back in Fall 2023. In the interim, staff will wait list new PEP applications that require dedicated staff teams. Applications that meet or exceed the minimum criteria and can be processed through the normal rezoning work stream will continue to be processed.

Additionally, staff have identified a number of operational and process improvements and continue to make modifications to ensure an effective and efficient process (Appendix D). Some of these improvements include encouraging revisions/resubmissions, more robust policy analysis and rationale, and working more closely with applicants before and after application. Staff will also be reporting back later this year with proposed modifications to the Zoning and Development Fee By-law to ensure the appropriate fees are applied to ensure cost recovery of the PEP application process.

Enhanced Rezonings

The Enhanced Rezoning process is often the next step following a successful PEP application and is intended to identify site-specific issues and outstanding policy gaps through collaboration between staff, the applicant team, and the public with the goal of arriving at a preferred project concept to inform the rezoning application. The process precedes the submission of a formal rezoning application and will include extensive public consultation over what is typically required in a rezoning process.

Staff currently have the capacity to process 3 to 4 enhanced rezoning applications at a time (Appendix F). Based on the current in-stream and anticipated enhanced rezoning projects, project volumes are currently over capacity. For this reason, all new applications for enhanced rezoning applications will be waitlisted until such time as staffing capacity is available.

Priorities, Goals, Objectives for 4-Year Work Plan for Planning, Urban Design and Sustainability (PDS) Department

Background

Finally, this report seeks to establish a PDS 4-year work plan to ensure the work undertaken produces the desired outcomes necessary to further Council's vision, goals and objectives for this term. To this end, staff are preparing a work plan that identifies new opportunities to increase the supply of housing and jobs while enhancing liveability and maintaining the quality of life Vancouver residents enjoy and expect. Additionally, work will continue on streamlining our processes, simplifying the regulatory environment, and shifting housing approvals to pre-zoning as much as possible.

Policy Prioritization Framework

Vancouver Plan proposes to add more housing options in complete and connected neighbourhoods, address the climate crisis, and support businesses of all sizes. Staff will be reporting back in the upcoming months with updates and specifics regarding the Vancouver Plan implementation work, including the Phasing Plan. Staff have developed priorities and goals for Council's consideration (Appendix B), to inform the development of the 4-year work plan.

Outcomes

Staff have established a series of anticipated outcomes based on the prioritization framework set out in this report (Figure 3).

Short Term (6 months to 1 year)	Mid-Term (2-4 years)
 Resources hired / fees updated Priority applications return to normal processing times Lower priority applications delayed until processing levels normalize Potential Vancouver Charter changes to streamline processing and increase number of housing unit approvals Policy and regulatory changes necessary to implement new authorities granted under the Charter Initiate Housing Vancouver Refresh Progress Vancouver Plan OCP policies to implement future area planning 	 Years 2-3 Identify and launch major projects/policy delivered Implement current policy work Year 4 Consideration of Council's next "Big Moves" New Land Use Plan / Official Development Plan for Council's consideration

Figure 3: Anticipated Outcomes

Next steps - Upcoming Reports

Subject to Council's direction, staff will implement the actions contained in this report, including the preparation of the following report backs or memos to Council:

- 1. Vancouver Plan implementation (memo Q2 2023), as well as future report backs with a Phasing Plan and terms of reference for area planning initiatives and other matters;
- 2. PDS 4-Year Policy Work Plan (Q3 2023);

- Policy Enquiry Process (PEP) report back to Council with new / modified criteria, as required (Q4 2023);
- 4. Housing Vancouver Strategy 3-year action plan (2024).

Financial Implications

There are no financial implications associated with this report's recommendations.

Legal Implications

This report speaks to the prioritization of rezoning applications (include enquiries) and policy enquiry applications. At this preliminary stage of the development process, staff advise Council to refrain from evaluating the merits of projects prior to staff review and analysis. Council's primary role in these early stages is to establish policy and provide direction to staff.

As with any rezoning application, Council should evaluate the merits of any rezoning application or enquiry as part of the formal regulatory/quasi-judicial function at the Referral Report and at Public Hearing. Prior to the exercise of Council's regulatory function, Council must maintain an "open mind" and seek to avoid any "apprehension of bias" arguments being raised by the public or applicants. Council should seek to avoid any legal challenges that Council pre-approved applications outside of the public hearing process and that Council based or considered in their deliberation any information that was not available to the public as part of the public hearing.

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APPENDIX A

Prioritization Framework for Rezoning Enquiries and Applications

To maintain service level expectations for priority applications, staff recommend the following prioritization framework for rezoning enquiries and applications. These priorities are aligned with the goals and objectives of the Housing Vancouver Strategy and the Vancouver Plan and will create clarity and certainty for staff, the public and applicants.

Priority	Priority Objective	Other Considerations
Housing	Projects where 100% of residential floor area is:	Projects approaching a BCH/CMHC funding/ financing deadline
	 secured rental housing units with a minimum 20% of the floor space 	Projects delivered through Housing Accelerator Fund (HAF)
	dedicated for below market rental units. These rents are aligned with Class A below-market rates within	Projects with co-location of childcare / amenity / social space
	the <u>Rental Incentive Programs</u> <u>bulletin;</u>	Projects that minimize tenant displacement / projects with high ratio of new below market housing to existing below market units.
	 social and supportive housing; or 	below market units.
	co-operative housing	
Jobs & Vibrant Economy	Significant office space in high demand locations such as Downtown, Broadway	Projects that surpass what would typically be anticipated under existing policy – varies by area.
	and Oakridge.	Projects that provide spaces suitable for technology businesses (e.g. larger floorplates, design elements that support bio-technology research and development).
	New hotel supply in both downtown and in areas outside downtown with good transit access.	Projects that help to diversify the range of short term accommodation options in the city (location, amenity, price point).
	Significant stacked industrial space in industrial and employment areas.	Projects that deliver more industrial floor area than would typically be anticipated under existing policy.
		Projects that ensure operational viability for a wide range of industrial users and do not include residential use in industrial and employment areas.
	New commercial retail space to serve a growing population and employment base	Projects that deliver commercial retail space in predominantly residential areas.
	across city neighbourhoods.	Projects that create a "net gain" in the amount of commercial retail space on the development site.
Key Partner or Critical Infrastructure	Key applicant partner (including Musqueam, Squamish and Tsleil- Waututh Nations, and Urban Indigenous- led projects, or BCH/VAHA project).	
	Capital Projects: critical infrastructure / amenity (e.g. community centres, day care, civic facilities, and Fire Halls, etc.).	Projects included in the City's 4-Year Capital Plan.
Climate Action	"Low embodied carbon" and/or Zero emissions buildings / projects, that meet one of the other priorities above.	Meeting the criteria of the City's Climate Emergency Action Plan and Climate Adaptation Strategy targets.

APPENDIX B

Policy Prioritization Framework for PDS 4 Year Work Plan

Priority	Objective	
Equitable Housing and Complete Neighbourhoods	Increasing the right supply to meet the high existing and new demand, including social housing, co-op housing, supportive housing and below market rental / inclusionary housing options	
	Creating homes and supports for people to access the right type of housing	
	Initiate a New Housing Vancouver 3-Year Action Plan, including a refresh of the City's 10 year housing targets, as well as prioritizing land-use changes that create new housing across the City	
Jobs & Vibrant Economy (An Economy	Supporting growth of office based employment in high demand areas such as Downtown, Broadway and Oakridge, including space for technology businesses.	
that Works for All)	Supporting new hotel supply in both downtown and in areas outside downtown that are well served by transit.	
	Protection and intensification of industrial areas.	
	Supporting new commercial retail space to serve a growing population and employment base across city neighbourhoods.	
	Modernizing home-based business regulations to allow a broader range of economic activities across city neighbourhoods.	
Climate Protection & Restored Ecosystems	Advancing policy, regulations and investments targeted at accelerating Climate Mitigation objectives	
	Advancing policy, regulations and investments targeted at accelerating Climate Adaptation objectives	
Creating Efficiencies	Advancing Vancouver Plan implementation to create a clearer policy framework – including the delivery of an OCP, review and streamlining of existing policies, and new area plan guidelines.	
	Developing a phasing plan to prioritize for future area planning, and undertaking new area planning work with a focus on key Neighbourhood Centres and Villages.	
	Advance opportunities for Pre-zoning work to support a more efficient delivery of new housing.	
	Staff Operational & Process Improvements	
General Guidance	Policies and plans that are based on financial sustainability & return on investment for the City	
	Available or planned engineering / infrastructure and amenities to support growth	
	Other emergent or specific policy and regulatory interventions that build upon Vancouver Plan's foundational principles - Reconciliation, Equity, Resilience	
	Other emergent or specific policy and regulatory interventions build upon Vancouver Plan's Big Ideas - Equitable Housing and Complete Neighbourhoods, An Economy that Works for All, and Climate Protection and Restored Ecosystems	

APPENDIX C

Rezoning and Policy Enquiry Volumes and Trends

Rezoning Enquiry and Application Volumes

The Rezoning Centre is currently processing 100 rezoning applications and 120 rezoning enquiries. Additional staff time (not recovered through fees) is also spent corresponding with applicants and discussing proposals prior to submission of rezoning enquiries and applications.

Current In-stream Volume*

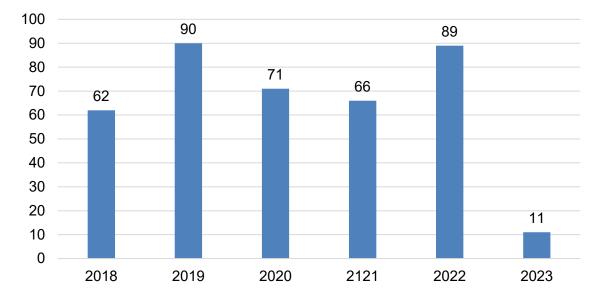
- 8,798,276 sq. ft. of job space (retail/service, industrial, office)
- Range of housing tenure aligned with housing needs
- Variety of in-kind (e.g. childcare) and cash CACs being delivered
- 3 to 4 year supply of units based on past trends

Tenure Type	Unit Count	% Total
Secured Market Rental	23,130	65%
Below Market Rental	4,125	12%
Social Housing	3,671	10%
Strata	4,761	13%
Total	35,687	100%

* Includes rezoning enquiries, with approximately 64% of enquiries turning into rezoning applications to-date.

Rezoning Applications Received Annually (2023 YTD)

• Applications in 2023 are expected to approach pre-pandemic trends.



Public Benefits Secured through Rezoning (2023 Q1)*

- \$21.3 M has been secured as cash
- **\$86.0 M** secured as in-kind benefits for **74** childcare spaces **730** housing units (consisting of secured rental, below market, or social housing)

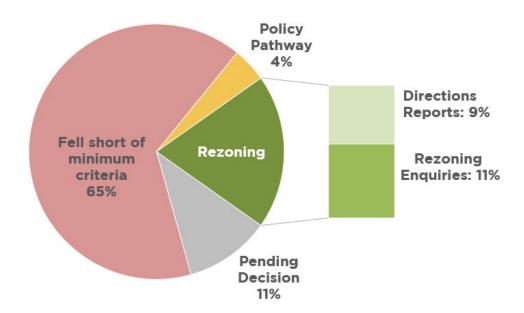
Benefit Type	Value	% Total
Cash	21.3 M	23.1%
In-kind		
Housing	59.4 M	64.4%
Childcare	11.5 M	12.5%
Cultural Facilities	0	0%
Parks and Open Space	0	0%
Other In-kind	0	0%
Total	92.2 M	100%

*These numbers are from rezoning approvals in principle, with the benefits to be realized through later stages of the development approvals process.

Policy Enquiry Volume and Trends

Policy Enquiry submissions are confidential and the specifics of individual proposals cannot be shared publicly. The pace of Policy Enquiry submissions remain steady with a total of 46 Policy Enquiry applications received since October 1, 2021.

Eleven proposals met or exceeded minimum criteria and have proceeded through either enhanced rezoning or a policy pathway. These proposals represented 3,999 total housing units and 123,748 sq. ft. of job space.



APPENDIX D

Operational Strategies

Staff are advancing a number of operational strategies to improve processing times and customer experience.

Rezoning

Adjusting the Public Hearing schedule

 Working with City Clerks to explore adding additional dates and times and increasing the efficiency of Public Hearings

Improving online accessibility and guidance for applicants

- Improving the detail and clarity of the steps associated with submitting a rezoning enquiry and application on <u>vancouver.ca.</u>
- Creating a PDF guide that describes application submission requirements and clarifying the criteria for when specific materials are needed.
- Placing the rezoning application form online and setting up a dedicated email (<u>rezoningapplications@vancouver.ca</u>) to receive and triage rezoning applications.

Simplifying and streamlining engagement

- Making fewer recommendations for applicants to consider pre-application engagement; when it is recommended, a pre-application engagement guide has been created.
- Removing requirements for applicants to create a PDF presentation for the engagement time period.
- Removing requirements for applicants to produce a 3D model/video flythrough for applications under 6 storeys.

By-law changes

- Further advancing more "pre-zoning" opportunities within Community Plan areas to reduce the need for individual rezoning applications (e.g. Cambie Corridor townhouses areas to allow direct development permit applications).
- Additional Z&D By-law changes through the implementation of the Broadway Plan.
- Recalibrating cost recovery through updates to the Fee By-law.
- Explore amending the Procedure By-law to clarify processes around rezoning application resubmissions, clearing dormant/inactive applications from the system, and processes around Public Hearings.

Hiring more staff

• Additional rezoning staff funded through the Fee By-law.

Policy Enquiry Process

- Engage in early discussions with applicant and staff to ensure awareness of the process, criteria, and objectives of PEP.
- Offer workshops for large/complex sites to flush out opportunities to align with Council's criteria.
- Streamline resubmission options where applicants seek to improve their proposal to align with council criteria.
- Engage in more robust policy analysis and rationale in the Letters of Response.
- Offer in-person/virtual meetings with applicants following the issuance of the Letter of Response to discuss staff perspective and response

APPENDIX E

Guiding Principles and Criteria for the Policy Enquiry Process

Approved by Council on July 7, 2021

Guiding Principles

- Respect the intent of Council-adopted policy while recognizing some policies may be outdated, others may conflict with other higher priority policies, and some policies may contain inherent limitations;
- Recognize that significant departures from Council-adopted policy will require public consultation to maintain public trust;
- Recommend outcomes based on sound planning principles and professional judgment, rooted in the public interest; comprehensive / area-related policy outcomes, versus siteby-site planning, will be prioritized above single site considerations.

Baseline Criteria

As part of the Policy Enquiry Process, proposals that meet one or more of these Baseline Criteria will be prioritized for consideration against other Policy Non-Compliant Enquires. A high level assessment against the **Baseline Criteria** is to be conducted at an early stage (Policy Early Advice).

- 1. **Reconciliation and Cultural Redress:** Provides for housing, employment opportunities, health and wellness strategies, and/or funding for projects that furthers Reconciliation work, with First Nations and Indigenous peoples/communities as partners/involved; and/or seeks to deliver outcomes that achieve objectives of cultural redress, equity, and social/cultural infrastructure needs of the First Nations, urban Indigenous people, or other systemically marginalized Ethno-Cultural communities.
- 2. **Housing:** Delivers 100% secured rental housing units with a component of belowmarket rental units.
- 3. **Jobs/Economy:** Provides and/or intensifies job space in alignment with the Employment Lands and Economy Review.
- 4. **Other City-Serving Amenity**: Includes a significant public amenity pursuant to the City's Community Amenity Contributions Policy for Rezonings.

Review Criteria

A more detailed assessment against the **Review Criteria** is to take place at the next Policy Enquiry stage. Proposals should strive to meet or exceed the goals(s) outlined below, as determined by an assessment of the associated criteria.

1. Housing

<u>Goal</u>: Provide a range of affordable housing choices by shifting towards a focus on rental, social, cooperative, and supportive housing as well as owner occupied homes for first-time buyers.

Criteria:

- If the proposal is located within the boundaries of a community / area plan, does it exceed the requirements of the plan (e.g. deeper affordability or a larger number of affordable units) or achieve the plan objectives in an all-rental development?
- Does the proposal retain existing purpose-built rental units, or if not possible, replaced with affordability retained and tenants supported?
- Does the proposal meet the City's housing affordability goals, focusing on households with incomes below \$80,000? Does it achieve deeper levels of affordability for households with lower incomes and/or other housing barriers and/or underserved tenant populations (e.g. lone-parent families, people with disabilities, etc.)?
- Does the proposal support the shift to the right supply of housing, with strong emphasis on rental housing and community-based housing?
- Does the proposal include strata floor area? (Note: strata developments that are not compliant with existing policy should be considered only in exceptional circumstances due to potential for speculative impacts on land value.)

2. Jobs

<u>Goal</u>: Ensure a resilient local economy that provides a broad range of employment opportunities for all with a particular focus on fostering a strong green, creative and tech sectors

Criteria:

- Does the proposal assist with addressing the challenges identified through the Employment Lands and Economy Review?
 - Provides major office or hotel space in high demand areas (DT West, Broadway Corridor, Oakridge)
 - Increases small office / retail-commercial space above what is typically delivered in residential or choice of use areas
 - Delivers stacked light industrial space
 - Provides secured space for non-profit operators / arts and culture / social services / social enterprise / childcare

• Does the proposal maintain capacity for jobs in industrial and other employment only areas (e.g. CBD) and does not introduce residential in these areas?

3. Cultural, Social, and Other City-Serving Amenities

<u>Goal</u>: Fulfill a City goal and/or meet City targets that is otherwise difficult to achieve through existing mechanisms or policy, including social or cultural infrastructure, i.e. Culture|Shift

Criteria:

- Does the proposal include a significant public amenity(ies), including social and/or cultural public amenity(ies), based on an identified need in the community and cannot be delivered through existing mechanisms (e.g. childcare, community facilities, cultural spaces, new park space)?
- Is there an immediacy of the opportunity based on funding / partnership opportunities?
- If the proposal is located within the boundaries of a community / area plan, does the proposal include a significant public amenity, pursuant to policy direction in the plan and/or the area Public Benefit Strategy, that is beyond what would be expected as a CAC in the proposed development under plan policy?
- Does the proposal meet a City goal and/or target, i.e. Culture|Shift goals, priorities and cultural space targets?
- Does the proposal secure significant cultural space and meet Reconciliation and/or Cultural Redress infrastructure needs of the community?

4. Energy and Greenhouse Gases

<u>Goal</u>: Eliminate dependence on fossil fuels, helping residents and local businesses survive and thrive in a post-carbon era

Criteria:

- Is the proposal in an area well-served by sustainable active transportation networks, such as pedestrian, public transit and bike infrastructure (or can be provided through development) to meet City goals for safety and sustainable transportation (including Transportation 2040 & Climate Emergency Action Plan)?
- Is the project light wood frame or mass timber? Will it be built to exceed building code energy requirements by at least 50%? Is there on-site renewable energy provided?

5. Neighbourhoods

<u>Goal</u>: Ensure our neighbourhoods are places where residents and workers have access to open space, shops and community amenities and where urban land use and street networks support everyone's ability to walk, roll, and take transit for their daily needs

- Is the proposal located in an area that has convenient access to shops, community centres or neighbourhood houses, childcare, parks, plazas, or other open space amenities?
- Will the proposal make a significant contribution to the completeness of the neighbourhood, through a combination of increased affordable housing, local-serving retail, and/or public amenities which meet a demonstrated community need?
- Does the proposal retain existing local-serving commercial or non-profit spaces, or if not possible, replace these with affordability retained and tenants supported?
- If the proposal is located within the boundaries of a recently approved community / area plan (2010 onward), are there other specific factors that need to be considered (will vary by plan area policies)?

6. Ecology

Goal: Enhance biodiversity and connect natural habitat areas and waterways

Criteria:

- Does the proposal offer opportunities to enhance a local environmental area, create a park connection, and/or create a biodiversity corridor?
- Is the proposal located within the Still Creek or Musqueam Creek catchment areas?

7. Municipal Infrastructure

<u>Goal</u>: Ensure existing infrastructure capacity is protected by analyzing the impact on water, wastewater, drainage services, transit/ transportation, structures and climate adaptation and enabling opportunities to create more resilience and ability to respond to climate change

Criteria:

- What is the City's understanding of infrastructure capacity to support the proposed development (e.g. potable water, sewer, drainage, roads, transportation, public safety)? What resources (\$, time, people) are needed to evaluate the proposal?
- Does the proposal deliver on the goals of climate adaptation, such as green infrastructure and onsite rainwater management or enabling increases in sustainable modes of transportation?
- Will it trigger additional technical analysis/review and funding needs and/or infrastructure planning discussions (and how much)? Are there off-site improvements, or other regional utilities implications?
- Is the proposal in an area well-served by the transportation network and transit capacity to meet City goals for safe and sustainable active transportation (including Transportation 2040 & CEAP)?

APPENDIX F

Enhanced Rezoning Proposals

A list of enhanced rezoning proposals being considered.

Project	Summary*	Image / Status
1030-1070, 1115-1127, 1168-1180 E Hastings St (East Village)	 36 replacement SRA 121 social housing units 605 secured market rental units 2,289 sq. ft. of social enterprise 10,825 sq. ft. commercial space 	Enhanced Rezoning Submitted
1220 E Hastings St & 560 Raymur Ave	 352 secured market rental units 93 social housing units Affordable retail space for local small businesses 	Enhanced Rezoning Pending
1055 W 41st Ave and 5650 Osler St (Louis Brier Home and Hospital)	 Renewal of long-term care facility 152 secured market rental units 50 below market rental units 508 strata units outdoor amenity space potential seniors centre/childcare 	Enhanced Rezoning Pending
5505-5585 Oak St (Shawn Oaks)	 451 strata units 180 social housing units childcare 	Enhanced Rezoning Pending
3200 E Broadway & 2625 Rupert St	 Market and below market rental units Industrial and retail space 	Enhanced Rezoning Pending
RayCam Community Centre	Social housing, childcare, community centre, and social enterprise space	Enhanced Rezoning Pending
Sinclair Centre	Commercial and office space	Enhanced Rezoning Pending

* Preliminary project statistics. Following staff review, final project statistics are documented within the referral report.