



## COUNCIL REPORT

Report Date: September 5, 2024  
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Meeting Date: September 24, 2024  
[Submit comments to Council](#)

TO: Vancouver City Council  
FROM: General Manager of Planning, Urban Design and Sustainability  
SUBJECT: West End Rezoning Policy: Interim Inclusionary Social Housing - Floor Area Reduction

### Recommendations

- A. THAT Council approve the amendments to the West End Rezoning Policy generally as presented in Appendix A.
- B. THAT Council approve the amendments to the West End Community Plan, generally as presented in Appendix B.

### Purpose and Executive Summary

This report presents the following changes to the West End Rezoning Policy (2013) (the “Rezoning Policy”):

- Reducing the inclusionary social housing requirements in inclusionary areas 1 and 2 from 25% of the residential floor area to 20% or one-for-one replacement of the existing rental housing, whichever is greater; and
- Introducing a cash-in-lieu option that reflects the costs for the City to deliver such social housing offsite, including land and construction, which will be determined on a case-by-case basis through the rezoning process.

These changes would be introduced on an interim basis of two years until December 31, 2026, or upon adoption of a new Inclusionary Zoning Bylaw, per the new authorities under Bill 16 Housing Statutes Amendment Act, 2024. This report also includes consequential amendments to the West End Community Plan (2013) (the “West End Plan”) to reflect the proposed changes to the Rezoning Policy.

### **Council Authority/Previous Decisions**

- West End Rezoning Policy – approved by Council on November 20, 2013. Last amended June 30, 2024.
- West End Community Plan – approved by Council on November 20, 2013.

### **City Manager's Comments**

The City Manager concurs with the foregoing recommendations.

### **Context and Background**

#### West End Community Plan

The West End Plan (the Plan) supports the delivery of housing, transportation and utility improvements, heritage retention, parks, open space, and other community amenities toward a livable and sustainable community. To prevent the net loss of existing rental housing, secure delivery of affordable replacement options in step with private development and grow the stock of affordable housing, in certain areas of the Plan, inclusionary housing policies were included. Under these policies, rezoning applications are required to replace existing market rental housing with social housing on a one-for-one basis or provide a certain percentage of residential floor space as social housing.

There are five distinct areas within the West End Plan that are subject to inclusionary requirements. In areas 3, 4 and 5, additional density is enabled in the zoning for projects delivering 20% of floor space as social housing. Projects in these areas can proceed on the basis of a Development Permit without requiring a rezoning process.

In areas 1 and 2, additional density is enabled for projects delivering 25% of floor space as social housing. However, in these two areas, projects must go through a rezoning process to achieve the additional density as outlined in the West End Rezoning Policy.

In November 2020, Council amended the inclusionary policy to enable a market rental option with an inclusionary below market rental (BMR) requirement. As a result, applicants currently have the option of developing a project with social housing units and strata-titled units or a project with BMR units and market rental units within Area 1 and 2.

**Figure 1. West End Plan Areas where Inclusionary Housing Policies Apply**

### Delivery of Social and Rental Housing in the West End and City-wide

The West End Plan and Housing Vancouver Strategy set local and city-wide targets for new social and rental housing respectively and some progress has been made toward achieving these targets. Since the adoption of the Plan, development permits have been issued for four projects situated in Areas 3, 4 and 5. Three of these four projects have been completed resulting in 178 social housing units.

In Areas 1 and 2 where 25% of floor space is required to be social housing, three projects have received rezoning approval. However, construction has not commenced on any of these three projects. The applicants are indicating that these projects, which are currently required to deliver a total of approximately 280 social housing units, are not viable in the current financial and construction environment.

## **Discussion**

### Proposed Requirements for Inclusionary Social Housing Applications

Staff are recommending that Council amend the West End Plan and Rezoning Policy to reduce the inclusionary social housing requirement in inclusionary areas 1 and 2 (also known as Areas 'D' and 'E' of the Rezoning Policy) from 25% to 20%. This proposed change is to address financial viability concerns of current projects in these areas which are not moving ahead due to current economic and market conditions. The change will also align the West End inclusionary requirements with recently approved inclusionary requirements in designated Transit-Oriented Areas (TOAs).

In addition, staff are recommending inclusion of an option for projects to provide cash-in-lieu of delivering the inclusionary social housing obligations on site. The cash-in-lieu option will reflect the costs for the City to deliver the equivalent amount of social housing offsite, including land and construction. Subject to Council approval, staff will develop a methodology to calculate the cash-in-lieu obligation which will be applied through the rezoning process where applicants express an interest to pursue that option. Staff will work towards a standardized approach that is simple and transparent to minimize negotiations and ensure timely processing of rezoning applications.

Staff note that the inclusionary social housing requirements for these projects are an important component to enable tenant relocation options for tenants affected by redevelopment. Applicants will continue to be expected to offer the full tenant relocation package to eligible tenants, including Right of First refusal to return at affordable rents.

The above-referenced reduction to the inclusionary social housing requirement is recommended as an interim measure for two years until December 31, 2026, or until adoption of a new Inclusionary Zoning By-law that would supersede this rezoning policy, per the new authorities under Bill 16 Housing Statutes Amendment Act, 2024.

For the three projects that have received rezoning approval that reflects an obligation to deliver 25% of floor space as social housing, an application to reduce that requirement to 20% will require consideration by Council at a new public hearing.

#### Bill 16, Housing Statutes Amendment Act

In April 2024, the Province introduced Bill 16, Housing Statutes Amendment Act which provided municipalities with new and updated tools to enact bylaws that support new housing development. This included the ability for municipalities to secure affordable housing through adoption of an Inclusionary Zoning By-law which would require a portion of units in a new development be allocated for affordable housing. As part of an Inclusionary Zoning By-law municipalities may allow developers to meet inclusionary requirements by providing cash-in-lieu of affordable housing, or by building affordable housing on another site. Introducing a cash-in-lieu option in the West End inclusionary zoning areas provides for an interim approach until work on a future Inclusionary Zoning By-law is completed and provides for case-by-case learning based on actual projects to help inform development of this By-law. It is anticipated that this future Inclusionary Zoning By-law will provide additional detail and expanded scope for a cash-in-lieu framework in Vancouver.

#### Bill 47, Housing Statute (Transit-Oriented Areas) Amendment Act

In November 2023, the Province introduced Bill 47, Housing Statute (Transit-Oriented Areas) Amendment Act. Bill 47 requires municipalities to designate TOAs and allow minimum heights and densities within prescribed distances of rapid transit stations. On June 26, 2024, Council approved the Transit-Oriented Areas Designation By-law and the Transit-Oriented Areas Rezoning Policy.

The TOA Rezoning Policy requires proposals seeking to maximize height and density in the TOAs to:

- Secure 100% of the residential floor area as rental housing with a minimum 20%

permanently secured as below-market rental; or

- Deliver 20% of the residential floor area to the City as turnkey social housing.

Amending the current West End inclusionary requirement from 25% to 20% of floor area would align with the recently adopted TOA Rezoning Policy and work toward simplifying and standardizing the City’s approach to inclusionary housing requirements.

Public Benefit Considerations

The current policy for inclusionary social housing (to be reduced from 25% to 20% of the floor area) and the proposed cash-in-lieu option would continue to deliver affordable housing as the main community benefit, while other rezoning areas of the West End deliver in-kind or cash Community Amenity Contributions (CACs).

The Rezoning Policy continues to allow rezoning for inclusionary social housing in the Burrard Corridor which, alongside inclusionary requirements in other parts of the city, will continue to provide opportunities for social housing to be delivered turnkey to the City.

Staff will continue to monitor the uptake of the Rezoning Policy, the impact to VAHEF over the long term and impact to the delivery of the West End Public Benefit Strategy and Housing Vancouver Strategy.

**Financial Implications**

Consistent with Council policies, all social housing projects are expected to be self-sustaining and not require further operating subsidies, property tax exemptions, and/or financial guarantees from the City.

Cash-in-lieu payments will be invested in social housing in Vancouver through VAHEF.

**Legal Implications**

If the Recommendations in this report are adopted, Council will amend the West End Community Plan and the West End Rezoning Policy. Implementation of the proposed changes may trigger Council approvals that will require new public hearings.

\* \* \* \* \*

**APPENDIX A**  
**WEST END REZONING POLICY AMENDMENTS (CHANGES IN RED)**

# Policy

## West End Rezoning Policy

Approved by Council November 20, 2013

Last amended **September 24**, 2024

*Note: Applications received between November 24, 2020 and December 31, 2022 will continue to be processed under the time-limited version of this policy.*

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# 1 APPLICATION AND INTENT

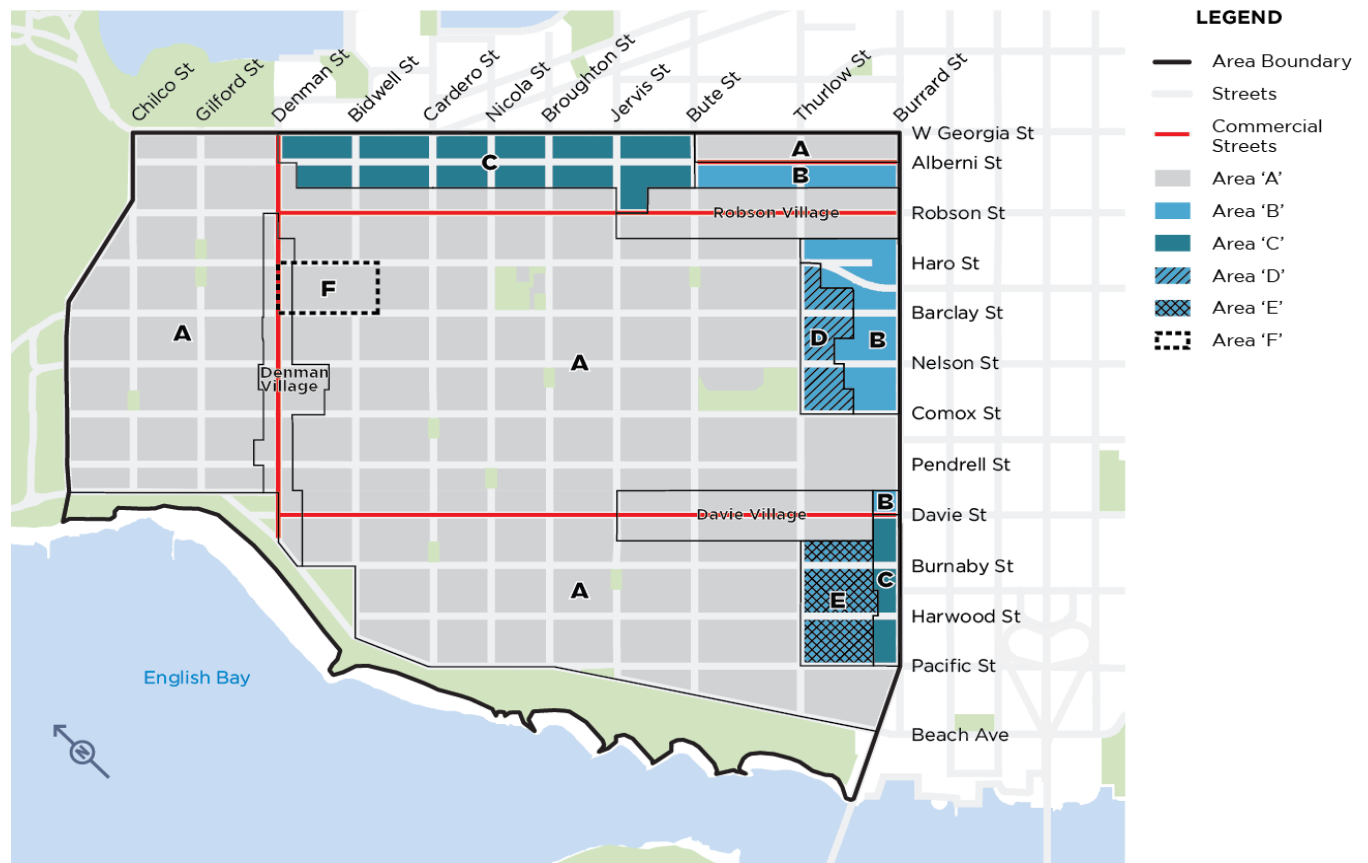
The intent of this rezoning policy is to provide guidance for the intensification of the West End to address long-term demand for job space, new housing opportunities and provision of public amenities.

The rezoning policy requires that new development be focused in specific areas identified for change through the West End Community Plan and it stipulates the conditions by which new development may be considered to achieve public objectives.

Development proposals under this policy will adhere to policies and guidelines contained in the *West End Community Plan*; *West End RM-5, RM-5A, RM-5B, RM-5C and RM-5D Guidelines*; *DD (except Downtown South) C-5, C-6, HA-1 and HA-2 Character Area Descriptions*; *General Policy for Higher Buildings Policy*, and in other relevant Council-approved policies, guidelines and by-laws.

This rezoning policy applies across the West End Local Area bounded by English Bay, Stanley Park, Burrard Street and West Georgia Street, as outlined in Map 1 below:

**Map 1: West End Rezoning Policy Areas**



*Note: Some areas may be subject to the Transit-Oriented Areas Designation By-law and the Transit-Oriented Areas Rezoning Policy.*



## 2 DEFINITIONS

For the purpose of this document:

“**Social Housing**” means social housing as defined in Vancouver Development Cost Levy By law 9755 and in Area Specific Development Cost Levy By-law 9418, except that the words “, for the purpose of section 523D(10)(d) of the Vancouver Charter,” shall not form part of this definition.

“**Public Benefits Strategy**” refers to Chapter 17, Public Benefits Strategy, of the West End Community Plan, which includes Social Housing and identifies other public benefits.

“**Heritage Building**” means a building listed on the Vancouver Heritage Register, or could qualify for listing on the Vancouver Heritage Register.

“**Site**” or “**Development Site**” means a contiguous, developable piece of land.

“**Non-residential**” means any land use permitted in the Downtown Official Development Plan (DODP) or RM-5, RM-5A, RM-5B, RM-5C, RM-5D, C-5, C-5A and C-6 District Schedules, except residential and parking.

“**Floor Plate**” means the total floor area of a single level of a building, excluding podium levels (including elevator cores, storage, stairs, enclosed balconies, etc., but excluding open balconies).

“**Market Residential**” means residential housing that is in strata-titled ownership.

“**Secured Market Rental Housing**” means a development or part of a development, used only as market rental housing, which has a covenant or housing agreement registered against title restricting its use to market rental housing, for the longer of 60 years or the life of the building, or for such other term as may be agreed upon by the City and the owner.

## 3 REZONING FOR RESIDENTIAL DEVELOPMENT

*Note: Some areas may be subject to the Transit-Oriented Areas Designation By-law and the Transit-Oriented Areas Rezoning Policy.*

### 3.1 Rezoning for Market Residential Development

In **Area ‘A’** of Map 1, rezoning applications will not be considered where the permitted density for market residential is increased from what is permitted in the zoning.

### 3.2 Rezoning for Non-market Residential Development

In Area 'A' of Map 1, excluding sites within the Central Business District (along West Georgia Street, east of Bute Street), rezoning applications will be considered for increases in density in cases where 100% of the residential is social housing.

### 3.3 In Areas 'B', 'C', 'D', and 'E' of Map 1, rezoning applications will be considered for increasing the permitted density, from what current zoning permits, for market residential where:

- (a) Sites have a minimum frontage of 39.6 m (130 ft.) (development proposals with frontages of less than 39.6 metres (130 ft.) can be considered at the discretion of the Director of Planning, where these proposals include contributions to the Public Benefits Strategy, including secured market rental or social housing); and
- (b) In Areas 'B' and 'C' of Map 1, applications contribute community benefits as defined in the West End Community Plan Public Benefits Strategy, where applications meet the requirements of relevant Council-approved policies, guidelines, and by-laws, and respond to urban design considerations, including not exceeding a typical tower floor plate of:
  - (i) 696.8 m<sup>2</sup> (7,500 sq. ft.) in Area 'B',
  - (ii) 603.9 m<sup>2</sup> (6,500 sq. ft.) in Area 'C' for sites east of Cardero Street, and
  - (iii) 511.0 m<sup>2</sup> (5,500 sq. ft.) in Area 'C' for sites west of Cardero Street and south of Davie Street; and
- (c) In Areas 'D' and 'E', applications include at least 20% of the total floor area as social housing, or replace existing market rental units one-for-one with social housing units, whichever results in the greater number of units, and where applications meet the requirements of relevant Council-approved policies, guidelines, and bylaws and respond to urban design considerations, including not exceeding a typical tower floor plate of:
  - (i) 696.8 m<sup>2</sup> (7,500 sq. ft) in Area 'D', and
  - (ii) 511.0 m<sup>2</sup> (5,500 sq. ft) in Area 'E';or
- (d) In Areas 'D' and 'E', an option to provide cash-in-lieu of the social housing requirement outlined in 3.3(c) may be considered. The cash-in-lieu payment should reflect the costs the City of Vancouver may incur to deliver such social housing off-site, including land and construction, and will be determined on a case-by-case basis through the rezoning process.

or

- (e) In Areas 'D' and 'E', rezoning applications will be considered that include 100% of residential floor area as secured rental housing with a minimum of 20% of the total floor area as below-market rental housing, or replace existing market rental units one-for-one with below-market rental units, whichever results in the greater number of below-market units, and where the below-market units meet the requirements of section 5 of this policy.

Moderate increases in floor area may be considered, to a maximum of 20% beyond what is enabled by the West End Community Plan. Proposals will be evaluated on an application- and site-specific basis to maintain the overall objectives of the West End Community Plan in terms of liveability, high quality urban design and public realm.

- (f) The portion of any new residential building which exceeds 18.3 m (60 ft.) in height should be spaced at least 24.3 m (80 ft.) from any other residential building exceeding 18.3 m (60 ft.) in height.

### **3.4 Heritage Building on the Site of the Proposed Rezoning**

Rezoning applications may be considered that include one or more heritage buildings, where there is a significant public interest in preservation of the heritage:

- (a) Where an application includes protection (through heritage designation and/or a heritage revitalization agreement) and rehabilitation of a heritage building;
- (b) Where the maximum density considered is the amount needed to cover the heritage rehabilitation costs and where the proposed form of development is deemed acceptable in urban design terms; and
- (c) In all areas excluding Davie, Denman and Robson Villages (see Map 1).

## **4 REZONING POLICIES REGARDING MINOR AMENDMENTS, LARGE SITES, AND LIVEABILITY**

### **4.1 Minor Amendments**

Rezoning applications will be considered in all areas for minor amendments to the uses permitted in existing zoning by-laws, provided that the amendments do not relate to height or density increases (for example: to permit a local cafe as part of a neighbourhood house, community centre, library, etc.).

## **4.2 Community Centre and School Site (Area 'F')**

Rezoning applications in Area 'F' will be considered where providing public benefits as defined in the West End Community Plan Public Benefits Strategy and shall include all of the lands identified within Area 'F' as part of a comprehensive land use study.

## **4.3 Liveability Impacts**

Many areas within the West End are close to areas with a high concentration of late-night businesses such as bars, dance clubs and restaurants, with or without patios. Therefore, rezonings that permit residential that are adjacent to these areas should include measures to mitigate anticipated noise levels. Acoustic and thermal comfort studies will be required for developments adjacent to areas with late-night businesses to ensure noise impacts are mitigated. Residents should be notified of these noise impacts (e.g. Information in Disclosure Statements).

# **5 BELOW-MARET RENTAL HOUSING REQUIREMENTS**

The following requirements apply to rezoning applications for 100% secured rental housing with a minimum of 20% below-market rental housing:

- (a) Average starting rents for below-market rental units will not exceed a percentage less than the Canada Mortgage Housing Corporation (CMHC) average market rents by unit type for the area, subject to agreement by the City, and:
  - (i) A target of 30% of the below-market rental units should have starting rents that are 50% below the CMHC average rents, subject to financial viability; and
  - (ii) The overall average starting rents for the below-market rental units must be at least 20% below the CMHC average rents; and
  - (iii) Proposals will be subject to a proforma review and financial analysis, and the required proportion of below-market rental units and/or their depth of affordability may be increased depending on the results; and
- (b) Following initial occupancy, rent increases for below-market rental units will be limited to those authorized by the Residential Tenancy Act. Upon a change in tenancy, the rent may be re-indexed to the current CMHC average market rent by unit type by less the same percentage discount rate as was secured at the time of rezoning approval; and
- (c) The unit type mix of below-market rental units should generally match that of the market rental units in the project, and should include at least 35% family-size units with 2 or more bedrooms. Delivery of 10% of units with 3 or more bedrooms is encouraged where possible; and

- (d) Tenure, affordability and operational requirements will be secured for the longer of 60 years or the life of the building, through a Housing Agreement, Section 219 Covenant and any other mechanism deemed necessary by the City.

Applicants should refer to the Rental Incentive Programs Bulletin for requirements related to the operation of below-market rental housing units and tenant eligibility.

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**APPENDIX B  
WEST END PLAN AMENDMENTS (CHANGES IN RED)**

- 8.1.4 In Areas '1' and '2' within the Burrard Corridor, additional density can be considered through rezoning for new developments that provide at least 20% of floor area as social housing, or one-for-one replacement of the existing market rental housing with social housing units, whichever is greater, or 100% secured market rental with 20% minimum of the floor area as below-market rental housing. Refer to the West End Rezoning Policy (2013) (see Figure 8.2).
- 8.1.5 In Areas '1' and '2' within the Burrard Corridor, an option to provide cash-in-lieu of the social housing requirement outlined in 8.1.4 may be considered. The cash-in-lieu payment should reflect the costs the City of Vancouver may incur to deliver such social housing offsite, including land and construction, and will be determined on a case-by-case basis through the rezoning process.

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