

**Refers to Referral Report Item #3  
Public Hearing of March 5, 2026**

## **YELLOW MEMORANDUM**

February 20, 2026

**TO:** Mayor and Council

**CC:** Donny van Dyk, City Manager  
Armin Amrolia, Deputy City Manager  
Karen Levitt, Deputy City Manager  
Sandra Singh, Deputy City Manager  
Katrina Leckovic, City Clerk  
Maria Pontikis, Chief Communications Officer, CEC  
Teresa Jong, Administration Services Manager, City Manager's Office  
Mellisa Morphy, Director of Policy, Mayor's Office  
Trevor Ford, Chief of Staff, Mayor's Office  
Jeff Greenberg, Assistant Director of Legal Services  
Matt Shillito, Director, Special Projects Office, Planning Urban Design and Sustainability  
Templar Tsang-Trinaistich, Director, Rezoning Centre, Planning Urban Design and Sustainability  
Dan Garrison, Director, Housing Policy and Regulation, Planning, Urban Design and Sustainability

**FROM:** Josh White, General Manager, Planning, Urban Design and Sustainability

**SUBJECT:** CD-1 Rezoning: 4911-5255 Heather Street, 637-657 West 37th Avenue, and 620-689 West 35th Avenue – Minor Amendments to Draft By-laws and Conditions to Align with Terms of Heather Lands AHI Program

**RTS #:** 18425

On February 3, 2026, Council referred the above-mentioned rezoning application to a Public Hearing. The application included CD-1 By-law provisions and conditions of approval related to the Attainable Housing Initiative (AHI) Heather Lands program, which is a partnership between the Province and the Musqueam Indian Band, Squamish and Tsleil-Waututh Nations. The AHI Heather Lands program aims to provide attainable leasehold homes at an initial 40% below market value at the Heather Lands site.

Since the time of referral, the applicant team provided further details clarifying how the AHI Heather Lands program is to be administered. This identified a misalignment between the proposed by-laws and conditions of approval language in the referral report and the terms of the AHI program. The misalignment related to the potential scenarios in which the alternate housing tenure mix (“non-AHI scenario”) is enabled for a given sub-area of the site. The by-laws and conditions language make reference simply to the AHI program ceasing or being terminated by the Province, which does not capture the nuances of the program. In response, changes are proposed to acknowledge that a sub-area may not be eligible to participate in the AHI program if AHI funding is not approved, or if the terms of the AHI program do not apply to the particular sub-area.

It is important to highlight that the applicant team is committed to advancing the AHI program at the Heather Lands; however, should sub-areas become ineligible for the AHI program, the non-AHI scenario alternate housing tenure mix can be pursued. The changes do not impact the proposed density, buildings heights, land uses, public benefits, or form of development.

This memorandum recommends amendments to the proposed by-laws and conditions of approval language refining the details related to the AHI Heather Lands program as follows:

### **AMENDMENTS TO APPENDIX A – PROPOSED CD-1 SOUTH BY-LAW PROVISIONS**

1. Council replaces Section 3 with the following:

#### **“Definitions**

3. Words in this by-law have the meaning given to them in the Zoning and Development By-law, except that:
  - (a) for the purposes of calculating the total dwelling unit area for section 6.2 of this by-law, “Dwelling Unit Area” is the floor area of each dwelling unit, measured to the inside of all perimeter walls, excluding any floor area as required by section 7.7 of this by-law;
  - (b) “Attainable Housing Initiative Units” means dwelling units which have been offered for sale under the Provincial Attainable Housing Initiative Heather Lands at a minimum 60%/40% purchase financing arrangement for qualified middle income homebuyers as secured by a covenant registered on title to the property; and
  - (c) “Below-Market Rental Units” means dwelling units where the maximum starting rents are set at least 20% less than the average rents for all private rental apartment units city-wide, as published by the Canada Mortgage and Housing Corporation in the Rental Market Report, all as secured by a housing agreement registered on title to the property.
  - (d) “Ineligible” means any of the following:

- (i) the Province has not approved, or has withdrawn funding for, the Provincial Attainable Housing Initiative Heather Lands program for an applicable sub-area; or
- (ii) the applicable sub-area is not eligible under the terms of the Provincial Attainable Housing Initiative Heather Lands program.”

2. Council replaces Section 6.2 with the following:

“6.2 In each of sub-areas B, C and F, 100% of the total dwelling unit area must be attainable housing initiative units, except that if the Provincial Attainable Housing Initiative Heather Lands program is terminated, or if the applicable sub-area becomes ineligible under the Provincial Attainable Housing Initiative Heather Lands program:

- (a) a minimum of 15% of the total dwelling unit area must be secured market rental dwelling units, of which 25% must be below-market rental units; and
- (b) the Director of Planning may permit the units referred to in subsection (a) to be consolidated in any one or more of sub-areas B, C or F, if subsection (a) applies to that sub-area.”

### **AMENDMENTS TO APPENDIX B – PROPOSED CD-1 NORTH BY-LAW PROVISIONS**

1. Council replaces Section 3 with the following:

#### **“Definitions**

3. Words in this by-law have the meaning given to them in the Zoning and Development By-law, except that:
- (a) for the purposes of calculating the total dwelling unit area for section 6.1 of this by-law, “Dwelling Unit Area” is the floor area of each dwelling unit, measured to the inside of all perimeter walls, excluding any floor area as required by section 7.8 of this by-law;
  - (b) “Attainable Housing Initiative Units” means dwelling units which have been offered for sale under the Provincial Attainable Housing Initiative Heather Lands at a minimum 60%/40% purchase financing arrangement for qualified middle income homebuyers as secured by a covenant registered on title to the property; and
  - (c) “Below-Market Rental Units” means dwelling units where the maximum starting rents are set at least 20% less than the average rents for all private rental apartment units city-wide, as published by the Canada Mortgage and Housing

Corporation in the Rental Market Report, all as secured by a housing agreement registered on title to the property.

- (d) “Ineligible” means any of the following:
- (i) the Province has not approved, or has withdrawn funding for, the Provincial Attainable Housing Initiative Heather Lands program for an applicable sub-area; or
  - (ii) the applicable sub-area is not eligible under the terms of the Provincial Attainable Housing Initiative Heather Lands program.”

2. Council replaces Section 6.1 with the following:

“6.2 In each of sub-areas G, H and I1, 100% of the total dwelling unit area must be attainable housing initiative units, except that if the Provincial Attainable Housing Initiative Heather Lands program is terminated, or if the applicable sub-area becomes ineligible under the Provincial Attainable Housing Initiative Heather Lands program:

- (a) a minimum of 15% of the total dwelling unit area must be secured market rental dwelling units, of which 25% must be below-market rental units;
- (b) if subsection (a) applies to sub-area I1, in each of sub-areas I2 and J, a minimum of 15% of the total dwelling unit area must be secured market rental dwelling units, of which 25% must be below-market units; and
- (c) the Director of Planning may permit the units required under (a) or (b) to be consolidated in any one or more of sub-areas G, H, I1, I2 and J, if subsection (a) or (b) applies to that sub-area.”

### **AMENDMENTS TO APPENDIX C – CD-1 SOUTH – CONDITIONS OF APPROVAL**

Council strikes out enactment condition 2.9(b) of Appendix C, and replaces it with the following, with amended sections shown in bold:

- “(b) **In the event that the Provincial Attainable Housing Initiative for Heather Lands (“AHI”) program is terminated outright for the Lands, or if the applicable sub-area becomes Ineligible for the AHI program, as more particularly set out below**, the development of secured market rental housing units is proposed in lieu of those residential units intended for development under the AHI program, the applicant shall enter into a Housing Agreement and a Section 219 Covenant to secure 15% of the floorspace as class A for profit affordable rental housing, excluding Seniors Supportive or Independent Living Housing, and including at least 25% of the residential floor area that is counted in the calculation of the dwelling unit area per the CD-1 By-law to be secured as below-market rental dwelling housing units, and the remaining units to be

secured as market rental units, subject to the conditions set out below for such units, for a term equal to the longer of 60 years and the life of the building and such other terms and conditions as the General Manager of Planning, Urban Design and Sustainability and the Director of Legal Services may require. The agreement or agreements will include but not be limited to the following terms and conditions:

- (i) **“Ineligible” means any of the following:**
  - (a) **The Province has not approved, or has withdrawn funding for, the AHI program for an applicable sub-area; or**
  - (b) **The applicable sub-area is not eligible under the terms of the AHI program.**
- (ii) **Provided that, the Owner will be required to demonstrate, to the satisfaction of the City, that to the extent it was within the Owner’s control, the Owner has acted in good faith and used commercially reasonable efforts to pursue the AHI program prior to a sub-area becoming Ineligible. The City acknowledges it will not be within the Owner’s control to pursue AHI if the Owner is not party to the AHI program with the Province.**
- (iii) A no separate sales covenant;
- (iv) A no stratification covenant;
- (v) A provision that none of the units will be rented for less than 90 consecutive days at a time;
- (vi) That the average initial starting monthly rents by unit type for the below-market rental housing dwelling units in the project will be at least 20% below the average market rent for private rental apartment units city-wide as published by the most recent Canada Mortgage and Housing Corporation in the Rental Market Survey Data Tables for Vancouver at the time when the occupancy permit is issued;
- (vii) That a rent roll indicating the agreed maximum average initial monthly rents for the below-market rental housing dwelling units will be required prior issuance of an occupancy permit, to the satisfaction of the General Manager of Planning, Urban Design or Sustainability (or successor in function) and the Director of Legal Services;
- (viii) Following initial occupancy, on a change in tenancy for a below-market rental housing dwelling unit, the starting rent for such new tenancy will be at least 20% below the rent for private rental apartment units city-wide as published by the Canada Mortgage and Housing Corporation in the most recent Rental Market Survey Data Tables for Vancouver for that unit type at the time of the change in tenancy;
- (ix) That the applicant will verify eligibility of new tenants for the below-market rental housing dwelling units, based on the following:

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

Note to Applicant: This condition will be secured by a Section 219 Covenant and, in respect of 3(b), a Housing Agreement to be entered into by the City by by-law enacted pursuant to section 565.2 of the Vancouver Charter prior to enactment of the rezoning by-law.”

#### **AMENDMENTS TO APPENDIX D – CD-1 NORTH – CONDITIONS OF APPROVAL**

Council strikes out enactment condition 2.13(b) of Appendix D, and replaces it with the following, with amended sections shown in bold:

- “(b) **In the event that the Provincial Attainable Housing Initiative for Heather Lands (“AHI”) program is terminated outright for the Lands, or if the applicable sub-area becomes Ineligible for the AHI program, as more particularly set out below**, the development of secured market rental housing units is proposed in lieu of those residential units intended for development under the AHI program, the applicant shall enter into a Housing Agreement and a Section 219 Covenant to secure 15% of the floorspace as class A for profit affordable rental housing, excluding Seniors Supportive or Independent Living Housing, and including at least 25% of the residential floor area that is counted in the calculation of the dwelling unit area per the CD-1 By-law to be secured as below-market rental dwelling housing units, and the remaining units to be secured as market rental units, subject to the conditions set out below for such units, for a term equal to the longer of 60 years and the life of the building and such other terms

and conditions as the General Manager of Planning, Urban Design and Sustainability and the Director of Legal Services may require. The agreement or agreements will include but not be limited to the following terms and conditions:

- (i) **“Ineligible” means any of the following:**
  - (a) **The Province has not approved, or has withdrawn funding for, the AHI program for an applicable sub-area; or**
  - (b) **The applicable sub-area is not eligible under the terms of the AHI program.**
- (ii) **Provided that, the Owner will be required to demonstrate, to the satisfaction of the City, that to the extent it was within the Owner’s control, the Owner has acted in good faith and used commercially reasonable efforts to pursue the AHI program prior to a sub-area becoming Ineligible. The City acknowledges it will not be within the Owner’s control to pursue AHI if the Owner is not party to the AHI program with the Province.**
- (iii) A no separate sales covenant;
- (iv) A no stratification covenant;
- (v) A provision that none of the units will be rented for less than 90 consecutive days at a time;
- (vi) That the average initial starting monthly rents by unit type for the below-market rental housing dwelling units in the project will be at least 20% below the average market rent for private rental apartment units city-wide as published by the most recent Canada Mortgage and Housing Corporation in the Rental Market Survey Data Tables for Vancouver at the time when the occupancy permit is issued;
- (vii) That a rent roll indicating the agreed maximum average initial monthly rents for the below-market rental housing dwelling units will be required prior issuance of an occupancy permit, to the satisfaction of the General Manager of Planning, Urban Design or Sustainability (or successor in function) and the Director of Legal Services;
- (viii) Following initial occupancy, on a change in tenancy for a below-market rental housing dwelling unit, the starting rent for such new tenancy will be at least 20% below the rent for private rental apartment units city-wide as published by the Canada Mortgage and Housing Corporation in the most recent Rental Market Survey Data Tables for Vancouver for that unit type at the time of the change in tenancy;
- (ix) That the applicant will verify eligibility of new tenants for the below-market rental housing dwelling units, based on the following:

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

Note to Applicant: This condition will be secured by a Section 219 Covenant and, in respect of 1(b), a Housing Agreement to be entered into by the City by by-law enacted pursuant to section 565.2 of the Vancouver Charter prior to enactment of the rezoning by-law.”

This memo will form part of the March 5, 2026, Public Hearing agenda package and be available for public viewing.

Regards,



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