



## Committee of the Whole Report For the Meeting of August 9, 2018

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**To:** Committee of the Whole **Date:** July 26, 2018

**From:** Jonathan Tinney, Director, Sustainable Planning and Community Development

**Subject:** Rezoning Application No. 00602 and Development Permit with Variance Application No. 00078 for 736 Princess Avenue

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### RECOMMENDATION

That Council decline Rezoning Application No. 00602 and Development Permit with Variances Application No. 00078 for 736 Princess Avenue.

### EXECUTIVE SUMMARY

The purpose of this report is to present Council with an update regarding the Rezoning, Official Community Plan (OCP) Amendment, and Development Permit with Variances Applications for the property located at 736 Princess Avenue. The proposal is to rezone from the M-1 Zone, Limited Light Industrial District, to a new zone in order to construct a six-storey, mixed-use building consisting of ground-floor commercial and residential above with a floor space ratio of 4.51:1.

Council considered these applications at the Committee of the Whole meeting on January 25, 2018, and passed the following motion:

#### ***“Rezoning Application No. 00602***

*That Council direct staff to:*

- 1. Work with the applicant on a proposal that complies with the land use and density policies in the Official Community Plan and Downtown Core Area Plan.*
- 2. Work with the applicant to determine and secure a level of affordability in the project as a condition of the rezoning.*

#### ***Development Permit with Variances Application No. 00065***

*That Council direct staff to work with the applicant to revise the proposal to comply with the OCP and reduce the magnitude of the parking variance and refer the application to the Advisory Design Panel, with a request that the Panel pay particular attention to:*

- 1. The transition to the buildings along Princess Avenue.*

2. Overall massing, architectural elements and finishes to ensure the integration with the local neighbourhood.
3. Type of glazing on the building.”

## COMMENTS

### Land Use and Density

The applicant has provided three letters dated May 25, 2018, July 17, 2018, and July 19, 2018 (attached) addressing Council's motion above.

Council directed staff to work with the applicant on a proposal that complies with the land use and density policies in the Official Community Plan (OCP) and Downtown Core Area Plan (DCAP). In the applicant's letter, it mentions that the ground floor will be used for commercial purposes, which would include an amenity area for residents and a coffee shop for patrons. The applicant is also proposing a privately-run car-share program on-site, which would be available to residents in the building, as well as non-residents.

The OCP designates the subject property as Core Residential *and* envisions a density of up to 5:1 floor space ratio (FSR), in which the residential density must not exceed a 3:1 FSR. The proposed FSR is 4.51:1; however, the applicant is still proposing a residential density of 3.99:1 FSR, which would trigger an OCP Amendment. The reason for limiting the residential density in this urban place designation is to ensure there is still an emphasis on preserving and encouraging commercial and light industrial uses on the ground-level and increasing employment opportunities in this neighbourhood. The applicant has indicated to staff that reducing the residential density is not financially feasible.

As discussed in previous staff reports, amending the OCP designation to allow a higher residential density is not considered to be supportable for several reasons. Firstly, there are no existing Urban Place designations in the OCP that would fit this proposal; additionally, it is not in good legal practice to add a site specific OCP designation as this would transform the purpose of the OCP from a broad land use policy and categorization scheme, to a site-specific regulatory framework, more akin to a *Zoning Regulation Bylaw*. Secondly, the immediate neighbourhood (east of Store Street, west of Dowler Place, south of Bay Street, and north of Chatham Street) is designated either Core Employment, where residential densities are limited to 3:1, including the subject property; or Light Industrial, where residential uses are not supported. Lastly, a "one-off" OCP amendment mid-block to facilitate this development proposal deviates from the overall intent of the Core Employment designation, and may serve to erode this designation.

If the proposal included adjoining properties, there would be more site area and it would be less likely that an OCP amendment would be required as the density would be spread out over a larger area. There would likely be an opportunity for more commercial space at the street level, which meets the policy direction in the OCP. That said, the applicant is still not willing to make any changes to the proposal from a land use, density and design perspective.

### Housing Affordability

Council directed staff to work with the applicant to determine and secure a level of affordability in the project as a condition of rezoning. Staff asked the applicant if they would be willing to provide the following to address the affordability aspect of the proposal with the City's Housing Strategy in mind:

1. Register a section 219 covenant on title to ensure the building remains rental in perpetuity and not be strata titled.
2. Secure below market rents as required by CMHC for financing in perpetuity.

The applicant indicated in the attached letter, dated July 19, 2018, that all 75 residential dwelling units would be rented at 10% below market rates for ten years should CMHC financing be obtained. The applicant has not received confirmation from CMHC that this proposal will receive special financing at this time; however, if conventional financing is required then the applicant is willing to secure rents of 10% below market rates on eight of the 75 units (10% of the units in the building) in perpetuity. The applicant is also willing to register a section 219 covenant on title to ensure that all residential dwelling units would remain rental in perpetuity.

### Parking Variance

Accommodating a six-storey building with 75 residential dwelling units on a 556m<sup>2</sup> lot makes it challenging to provide adequate underground parking to serve the parking demand on-site. The applicant is proposing to provide zero parking on-site. Under the new draft Schedule C, 38 parking spaces (0.5 spaces per dwelling unit) would be required, provided that the applicant is willing to register a legal agreement on title to ensure the dwelling units would remain rental in perpetuity.

To off-set a parking shortfall, the applicant is proposing to own and operate an electric vehicle car share program on-site, available to building residents and non-building residents, to maximize vehicle utilization and ensure program success. The shared vehicle fleet would include:

- two full size cars (similar to Chevy Volt)
- four small Cars (similar to Smart Car)
- fourteen motorcycle/scooter type vehicles.

The applicant has indicated that the combination and number of vehicles would be adjusted as necessary to meet demand and to ensure there is an appropriate mix of vehicle types. No further details are available about monitoring shared vehicle demand or triggers for changes to vehicle composition.

Staff have cited several concerns with the abovementioned car share program, and is not aware of any other new developments of this size and scale and in a similar location, where zero on-site parking is provided. The applicant has declined to provide specific details on the proposed management of the car share program, booking systems, insurance details (and associated driver restrictions), usage costs to residents, vehicle maintenance, and replacement cycles. Specific details on the vehicle models are also not provided. The applicant does state that the ultimate composition of vehicles would be approved for use in BC and would give City staff the final approval of vehicle choices. The applicant has included information from their parking study which suggests that ten shared vehicles would be adequate to support a development of this size. The applicant is willing to guarantee a car share program based on the above composition of 20 shared vehicles on-site for a period of ten years. It is worth noting that there is no data or research provided that indicates demand for vehicle ownership is reduced equally through the provision of a shared electric motorcycle/scooter as it is for a shared passenger vehicle, nor is there research indicating the usage of shared motorcycle/scooter programs in the winter months. There is also no commitment on how the car share program would be secured for this length of time (such as registering a section 219 covenant on title). The applicant is

proposing to rely on market demand, and not be responsible for providing a car share program in perpetuity, if it is not successful.

If the applicant was willing to partner with an experienced car share provider in the city (such as Modo), purchase vehicles to add to their current fleet of small and large vehicles in the Burnside neighbourhood, locate the vehicles on-site / in close proximity to the subject property, and purchase car share memberships and usage credits for the residents living in the building, then staff may be more receptive to this proposed concept. There is still a risk that a car share arrangement with a company, such as Modo, will not continue for the life of a building; however, the involvement of a third-party dedicated car share organization with the experience, staff, proven track-record, infrastructure, and a large membership, reduces this risk.

Regardless of delivery model, any type of car share program on-site will not reduce the parking demand to zero. Due to the magnitude of the requested parking variance, anticipated parking shortfall, likely impacts to surrounding properties as it relates parking availability, and the risk that the proposed car share arrangement will cease to exist after the building is completed, staff recommends for Council's consideration to decline the parking variance.

### Bicycle Parking Variance

According to the new Schedule C, the applicant is required to provide 75 long-term (Class 1), and eight (Class 2) short-term bicycle parking spaces on-site; however, only 70 long-term and six short-term bicycle spaces are being provided. Of these, 100% are proposed to be vertically mounted. The applicant is proposing 75 residential dwelling units; therefore, not all residents living in the building would have access to a long-term bicycle parking space in the building. There is also a new requirement in Schedule C that states, at least 50% of the Class 1 – long term bicycle parking spaces must be ground-anchored (horizontal) for accessibility reasons. Given there is no parking on-site, the applicant should be providing, or exceeding, the bicycle parking space requirements, as well as providing adequate and accessible bicycle parking in the building for all residents, which would further off-set the parking shortfall. Staff recommend for Council's consideration that the bicycle parking variance is declined.

### Advisory Design Panel

In Council's motion for the Development Permit with Variance, it directed staff to refer the application to the Advisory Design Panel (ADP), with a request that the Panel pay particular attention to:

- the transition to the buildings along Princess Avenue
- overall massing, architectural elements and finishes to ensure the integration with the local neighbourhood
- type of glazing on the building.

Prior to taking the application to ADP, as per Council's first directive to comply with the land use and density policies in the OCP, staff would like further direction from Council regarding the Rezoning Application as the applicant has indicated to staff that they are not willing to make any changes, or reduce the magnitude of the parking variance, which if addressed, would in all likelihood impact the built form. If Council wishes to advance the application to a Public Hearing based on the current proposal, staff recommends for Council's consideration that the Development Permit with Variance Application is referred to ADP, as indicated in the alternate motion.

## CONCLUSIONS

The applicant is not willing to make any changes to the proposal from a land use, density, and design perspective, and the applications are not consistent with the OCP or DCAP policies. However, to address affordability concerns, the applicant is willing to secure rents (10% below market rates) for ten percent of the units (a total of eight), and ensure that all residential dwelling units remain rental in perpetuity.

The applicant is also requesting significant vehicle and bicycle parking variances, which could have a major impact on nearby streets; as well, the applicant is proposing a privately-run car share program that may not remain for the life of the building. Given the policies and concerns raised above, Staff recommend for Council's consideration that the Rezoning and Development Permit with Variances Applications be declined.

## ALTERNATE MOTION

### Rezoning Application No. 00602

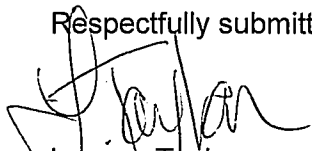
That Council direct staff to explore and report back on the feasibility of developing a new designation or mechanism to enable residential development in this location at densities above what is anticipated in the OCP.

### Development Permit with Variance Application No. 00065


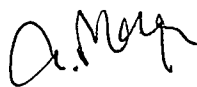
That Council direct staff to work with the applicant on the following and report back to Council:

1. Reduce the magnitude of the vehicle parking variance and ensure the underground parking spaces comply with the dimensions in Schedule C: Off-street Parking, and achieve required driveway access / aisle capacity dimensions in the Highway Access Bylaw.
2. Partner with a third-party car-share provider to provide a car share program on-site, to the satisfaction of City Staff.
3. Work with the applicant to provide at least 75 long-term (Class 1) bicycle parking spaces on-site, and ensure at least 50% of the long-term bicycle parking spaces are ground-anchored (horizontal), in accordance with Schedule C: Off-street Parking Regulations.
4. Refer the application to the Advisory Design Panel, and that the Panel pay particular attention to:
  - a. the transition to the buildings along Princess Avenue
  - b. overall massing, architectural elements and finishes to ensure the integration with the local neighbourhood
  - c. type of glazing on the building.

Respectfully submitted,



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Senior Planner  
Development Services Division



Jonathan Tinney, Director  
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Development Department

Report accepted and recommended by the City Manager.

*Josephine Jenkins*  
Date: *Aug 2, 2018*

**List of Attachments:**

- Attachment A: Plans dated May 25, 2018
- Attachment B: Letter to Mayor and Council dated July 17, 2018
- Attachment C: Letter to Mayor and Council dated July 19, 2018
- Attachment D: Council Minutes dated January 25, 2018
- Attachment E: Committee of the Whole Minutes dated January 25, 2018
- Attachment F: Committee of the Whole Reports dated January 11, 2018.