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Tuesday, October 25, 2016

Victoria City Council  
October 27, 2016 Meeting  
Council Chambers, City Hall  
1 Centennial Square  
Victoria, B.C.

Re' Public Hearing for 1016 Southgate Street to Rezone  
(No. 00493) & Develop (No. 000441):

- Since September, absolutely none of the concerns about heritage, streetscape, & adaptive reuse of the extant buildings have been addressed. Neither have the issues of affordability or rental replacement been considered. See next page.
- The renters (55-60%) in Fairfield will end up homeless if the city doesn't say no to these developers who one property at a time are displacing us with gentrified, hugely unaffordable strata properties.
- This October, both Fairfield & Gonzales Community Associations are in the midst of major planning meetings, & this process will be undermined by approval of this project.
- Please reject both the rezoning & the development permit applications. Consider designating Fairfield a "Heritage Conservation Area" instead. People before profits!!

Sharon Keen

Attachments: Elizabeth Murphy. Sept. 14, 2015. Heritage (3pp)  
Kerry Gold. Sept. 10, 2016 & Oct. 8, 2016. (2pp)  
(1/3)



SEPT. 8, 2015

## THE PROPOSAL: 1016 SOUTHGATE

This proposal is to change the current land use, description and zone:

From: R-K

To: new zone

Applicant name: Roger Tinney

Phone: 250-360-6311

Briefly explain your proposal: Remove existing house and construct a three storey, seven unit, strata condo

Changes are proposed that affect the following: (check all that apply)

[NOTE UNMARKED ONES]

- |   |   |
|---|---|
| <input type="checkbox"/> Official Community Plan Amendment: rentals & affordability | <input checked="" type="checkbox"/> New zone being requested [NO]     |
| <input checked="" type="checkbox"/> Remove or demolish existing building(s)         | <input checked="" type="checkbox"/> Use of land or buildings          |
| <input type="checkbox"/> Renovate existing building(s)                              | <input checked="" type="checkbox"/> Number of units/residences        |
| <input type="checkbox"/> Number of buildings on the property                        | <input type="checkbox"/> Basement with separate entrance              |
| <input checked="" type="checkbox"/> Height  | <input type="checkbox"/> Garage in yard                               |
| <input checked="" type="checkbox"/> Number of storeys                               | <input type="checkbox"/> Blasting                                     |
| <input checked="" type="checkbox"/> Floor area                                      | <input checked="" type="checkbox"/> Green space/open space            |
| <input type="checkbox"/> Site coverage (%)  | <input type="checkbox"/> Existing trees: GONE                         |
| <input type="checkbox"/> Strata subdivision   | <input checked="" type="checkbox"/> Views from surrounding properties |
| <input type="checkbox"/> Number of rental units: GONE                               | <input type="checkbox"/> Heritage values: GONE                        |

☐ Variances(s) being requested: [NO]

- Setbacks on:
- ☒ Street frontage
  - ☒ One or both sides
  - ☒ Rear

Parking on site:

YARD GONE

- ☒ Number of spaces: 7
- ☒ Location on site
- ☐ Underground parking

Traffic: ☐ Volumes

☐ Patterns

HARLING LANE & VANCOUVER

## HOW THE PROCESS WORKS

**STEP 1** This Community Meeting is the first step in the process and is required by the City of Victoria.

**STEP 2** Applicant and Land Use Committee Chair agree on meeting date, time and location. Chair to review and initial this notice.

**STEP 3** The City of Victoria mails out this Community Meeting Notice to the neighbours (owners and occupiers) approximately two weeks prior to the meeting.

**STEP 4** The applicant will consider the feedback received at the Community Meeting and may revise the application before formally submitting it to the City. [NOT REVISED]

**STEP 5** The applicant submits their rezoning application to the City.

**STEP 6** The application is then reviewed by City staff and presented to Council at a Committee Meeting. At this point Council will decide to either decline, refer or advance the application for consideration at a public hearing.

**STEP 7** If the application advances to a public hearing, the public is invited to speak at the hearing. After the hearing, Council usually makes their decision to support or decline the application. [Oct. 27, 2016 @ 6:30 pm]

## ABOUT THE COMMUNITY MEETING

Community Meetings are hosted by volunteers from your Community Association Land Use Committee. The Land Use Committee is a voluntary organization not affiliated with the applicant or the City.

At this meeting, the applicant will present information about the proposal and will answer questions.

Volunteers will make notes and will provide comments to the City. If you have strong feelings about the proposal, you should also provide a written submission to the City.







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## Heritage retention a priority

Posted on September 14, 2015

# Opinion: Retaining our character and heritage homes must be a priority

By Elizabeth Murphy, Special to The Vancouver Sun September 14, 2015



*Elizabeth Murphy believes that Vancouver needs a balance of incentives to encourage retention that is fair to homeowners, so that home like the Walkem house can be preserved. Photograph by: Gerry Kahrman , Vancouver Sun*



To their credit, the city of Vancouver has been working on a heritage action plan. Although Shaughnessy has a moratorium on demolitions until a heritage conservation area is established, character houses continue to be demolished at a record rate across the city. It is critical that measures are put in place soon to protect heritage and character homes before this important housing stock is further depleted.

However, the devil is in the details. We need a balance of incentives to encourage retention that is fair to homeowners. There are ways this can be done. The city has many tools it can use, but the city also needs support from senior governments.

In addition to enhancing neighbourhood character and livability, retention of character and heritage homes aligns with the city's stated goals of sustainability, affordability and family housing.

### Sustainability

The best way to divert waste from the landfill is to adaptively reuse buildings. Less new material is used for a renovation than for new development. It therefore has a much lower environmental footprint.

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### **Affordability**

The existing older character and heritage housing stock is generally valued at close to land value. Renovation provides an opportunity for owners to add sweat equity to adapt to current needs at a relatively modest cost.

With incentives such as rental suites for mortgage helpers or extended family, this can provide economic advantages over owning a single strata unit. New houses are typically twice as expensive as the older stock.

When reviewing the single family (RS) zones, it should be kept in mind that there is no such thing as real single family zoning in the city. Now every RS lot can have up to three units; the main house, a secondary suite and a laneway house. This just needs to be rebalanced as an incentive to retain the character and heritage houses over demolition and new development.

Also, the RS zones are non-strata rental zones. There are a huge number of secondary suites across the city, mostly in the older character houses; these are some of Vancouver's most affordable housing. If strata is allowed in RS zones this rental stock could be lost. Although strata can work well in some areas, this should be very selectively applied.

### **Family Housing**

The RS zones are the city's current family housing zone. They have the majority of the larger family sized units.

The older stock is more adaptable and can be further improved by adding another secondary suite as a mortgage helper when character houses are retained. This would give families the option of having more mortgage helpers when they need it when they first purchase; it could also allow for the family to take over more of the house as they need it; or rent out more as they downsize and need less.

Retention provides options for owners to age in place while still providing more rental housing.

### **Zoning Review**

Rebalancing the RS zones to incentivize retaining character and heritage houses offers an opportunity to meet many of the city's policy objectives. As many character houses as possible should be retained covering these zones. Currently the Heritage Action Plan is only looking at RS3 and RS5. This only covers nine per cent of the 68,282 lots in the RS zones. RS1 in particular should be considered as a priority, since it covers most of the city.

For instance, the West Point Grey Community Vision was approved by council in 2010. Retaining heritage and character buildings was highly approved by the neighbourhood-wide city survey at 82 per cent and 76 per cent respectively, and included as directions in the community plan. Multi-family conversion dwellings to retain character houses was also highly supported. But because West Point Grey is zoned RS1 it is not part of the current RS review even though it is also being hit hard by demolitions.

In 2009 a number of critical changes were made to RS zones. Increases were made to square footage FSR and building height, while design guidelines were effectively eliminated from conditional zones. This resulted in much larger new house development, lower quality design that doesn't fit in, and increased demolitions. Allowing laneway housing as an outright option with new houses, rather than as an incentive to retain heritage and character further added to the incentive for demolition. These problematic zoning changes should be reconsidered and rectified.

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The current proposals for the Shaughnessy Heritage Conservation Area have a number of incentives for retention. However, it is important that a proper economic balance is achieved in fairness to current owners. Unfortunately, because of the impending end to the demolition moratorium, extending the public hearing to make further changes may be impractical. If that is the case, the city should order a review with a report back to council within six months of zoning approval to propose further amendments. One thing for reconsideration might be to allow exemptions from FSR for basements only in retention options rather than new development. Another amendment could require full basements to the size of the main floor footprint to encourage less bulk and smaller footprints.

### Federal Incentives

In addition to property tax incentives for the city to consider, the federal government could provide support to the city.

Since part of the incentives for retention could be conversion for more than one secondary suite or a laneway house, it would be advantageous to make changes to capital gains taxes to allow this without penalty to the principle residence exemption as long as the owner occupied the main unit. This way there is an incentive for producing more rentals rather than just building monster houses that are left empty.

The federal government could also resurrect the former RRAP program under CMHC that previously provided grants for low income homeowners to help upgrade older character homes for maintenance and safety. These included roofs, drainage, electrical, fire exits and the like.

There are many options that could be considered to incentivize retention of heritage and character buildings. Getting on with this work is essential before there is nothing left to save, as the city becomes overwhelmed by demolitions and empty monster houses that make Vancouver less livable, affordable or sustainable.

*Elizabeth Murphy is a private sector project manager and was formerly a property development officer for the City of Vancouver's housing & properties department and for BC Housing.*

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## Real Estate

REAL ESTATE EDITOR: D'ARCY MCGOVERN

## THE MARKET

## Supply isn't the issue, affordability is

Data specialist at SFU says there has not been enough focus by policy makers on this type of demand for housing in Metro Vancouver



KERRY GOLD  
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New data show that simply throwing more supply at Vancouver's affordability problem will not solve the housing crisis. Instead, we need supply that is directly targeting the needs of residents – and not wealthy buyers who aren't earning incomes locally.

Too often, the argument for supply focuses on a shortage of housing units as a response to increased demand. But if we are to look at the number of housing units being created and the net population growth that is occurring in the region, supply in itself is not the issue. There is an average of 35,842 newcomers into Metro Vancouver every year and 16,332 housing starts.

That means for every unit of housing started each year – purpose-built rentals included – there is an average of 2.4 people arriving in Metro Vancouver. That's a lower ratio than Toronto (2.9) or Calgary (2.6).

And that average ratio for Metro Vancouver spans the past 25 years, according to data supplied by planner Andy Yan, acting director of Simon Fraser University's City Program. Mr. Yan was in Ottawa this week to take part in a round-table discussion on real estate data as part of the federal government's Let's Talk Housing conference, which is doing the early groundwork for a new national housing strategy. Mr. Yan's data are also part of an upcoming book to be released by the University of British Columbia's School of Community and Regional Planning.

"The supply argument would be that population is outstripping housing development," Mr. Yan says. "What we are saying here is that no, it hasn't. Housing development has reached a certain production level that's been pretty consistent over the last 10 years, with the exception of 2009."

The problem then is not a question of production, but the type of housing that is being supplied – and the wealthy demographic that is being targeted. Mr. Yan uses a car analogy.

"I enter a car dealership and there are 10 Ferraris, and I have a Honda budget. We aren't producing enough Hondas."

The West End of Vancouver, for example, has long been considered a worldwide success in terms of being a walkable, highly livable neighbourhood, rich in affordable rental and condo stock. However, demand from wealthy buyers threatens to change that status because the supply that is coming onto the market is out of reach for the average-income resident. Redevelopment is pushing the Honda budgets out to make way for the Ferrari buyers. Existing low-income housing stock is also under pressure because demand has made the land so much more expensive.

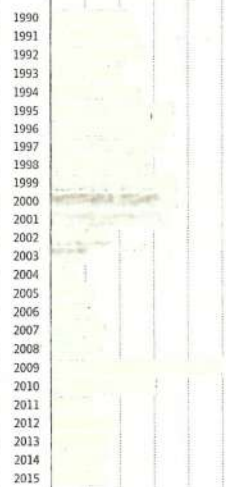
"The presale is definitely not geared towards locals," says realtor Ian Watt, who specializes in downtown condo sales. "It's geared towards people bringing



When it comes to the sort of housing demand to which developers are responding, data specialist Andy Yan puts it this way: "I enter a car dealership and there are 10 Ferraris, and I have a Honda budget. We aren't producing enough Hondas." DARRYL DYCK FOR THE GLOBE AND MAIL

## SUPPLY AND DEMAND

Ratio of new residents to new housing starts, Metro Vancouver



THE GLOBE AND MAIL SOURCE: ANDY YAN, CMHC AND BC STATS POPULATION NUMBERS ARE NET, SO NUMBERS LEAVING THE PROVINCE HAVE BEEN ACCOUNTED FOR

money in from offshore."

Trump Tower developer Holborn Group set a precedent in the spring, when it averaged sales of \$1,615 a square foot. Bosa Properties' luxury Cardero project in Coal Harbour sold more than 100 units in a month for an average of \$1,700 per square foot. That means a three-bedroom unit sells for close to \$3-million. And supply can't keep up with the demand for luxury downtown condo units.

"Pretty much everything that comes on the market sells," says Jon Bennet, analyst at Urban Analytics, which works on behalf of the development community.

Mr. Bennet says developers are forced to ask the high prices because the land costs are so high.

"In order to make any money based on what people are asking for in terms of the land price you'd have to pay for the site, you'd need to have prices like that to purchase today, based on expectations of land owners."

The only way to address affordability, then, is by looking at the demand that is driving those prices. But the focus from governments and the development industry is too often squarely on boosting supply, without addressing demand.

"Something else is happening," Mr. Yan says. "That's why we need to talk about global capital, the professionalization of Airbnb and condo units being used as holding investments."

"We need to ask, 'What kind of demand is being met by the supply? The problem is when housing becomes investment housing, as opposed to full-time homes.'"

Josh Gordon, assistant professor at Simon Fraser University's School of Public Policy, says he's never seen convincing evidence to suggest there isn't enough development. And the argument for more supply as a panacea has been around for several years, to no avail.

Supply is necessary because it lowers prices, he says, as long as

it's in line with demographic demand and growth. In order to curtail outside demand, he and several other academics have proposed a property surtax that could be deductible against income taxes paid, while broadly exempting seniors. Foreign owners that own expensive houses left empty as investments, declaring little or no income, would be hardest hit. The 15-per-cent foreign-buyers tax is also addressing demand.

"We have already been building at a healthy or rapid rate relative to population growth, as Andy Yan's data show, so the idea that supply alone can solve this is implausible," he says. "That doesn't mean that we don't need to keep on building and, in some cases, rezone some areas."

"The point is simply that the main cause of the affordability crisis, the decoupling of incomes and housing prices that we've seen, is foreign capital."

"Bob Rennie sort of recognized this back in a 2010 [Globe and Mail] article you wrote, where he agreed that an emerging wave of foreign money would cause affordability issues. His solution then, as now, was to increase supply. But as we've seen, even sharply increasing supply hasn't been sufficient to counteract the affordability effects of foreign capital. So it makes little sense to think that it will now after having failed for five years or more. That's why we need to address the demand side, as the recent foreign-buyer tax does."

He argues that municipalities need to address the foreign money piece before attempting to rezone entire communities. He believes city officials might be finally getting the message.

"I will say the city has been very open to rapid redevelopment and rezoning, and yet prices have gone up," Dr. Gordon says. "For a long, long time, that was the strategy: Let's build as much as we can and this will address affordability. And that never really paid off, which seems to have prompted a rethink on the part of municip-

pal government. For a long time, they did think that the path to affordability was rapid supply expansion and that would solve the problem, but I think they are now seeing that in absence of tackling foreign demand, you might not get that."

"That's where policy levers come into play, like the progressive surtax, because then you are making sure the demand is local. You are reattaching, or recoupling, the housing market to the local labour market. Developers ... are going to build to what the clientele is, and if that makes more money than other projects, that's what they will tailor their projects to. So if you shift the demand in a sense by taxing foreign demand and elite demand, you better create the buildings that are going to house the local population, for more affordable prices."

UBC associate professor and economist Tom Davidoff believes Vancouver is vastly lacking in supply, but he agrees the data show the need for more answers.

"I actually think there is a significant role for supply, but to deny the demand side is crazy," he says.

Dr. Davidoff wonders if Mr. Yan's findings indicate a lower population growth because of a lack of housing.

Mr. Yan used Canada Mortgage and Housing Corp. data. He says the data have their limitations, but he believes they offer an accurate snapshot of the housing landscape.

As for the 15-per-cent foreign-buyers tax chasing away demand, Dr. Davidoff has a few reservations, but over all says it's a good idea.

"Moving the tax system around so that if you are working here means you do better – and if you are buying a house here just as [an] investment means you do worse – is unquestionably good policy. It's not the exact step I would have taken, but I have not heard any economist say, 'This sucks.'"

Special to The Globe and Mail



## Real Estate

REAL ESTATE EDITOR: D'ARCY MCGOVERN

## HOUSING RIGHTS

## The boom sets off human-rights alarm

In Vancouver, low-income residents are being routinely displaced. A UN investigator says more effective regulation is needed



KERRY GOLD  
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Vancouver's housing crisis is more than a question of real estate prices — there's the bigger issue of housing as a human right.

"Housing is the core to well being and to life. It affects us in so many ways, emotionally and physically. That's why it is a human right," says Leilani Farha, special rapporteur on the right to housing for the United Nations Human Rights Council. "We are talking life and death issues. We are talking health issues. It's very serious. All tend to compromise one's dignity, and one's being."

Ms. Farha, a lawyer by trade, was in Vancouver recently as part of her research on a paper she will present at the UN, on the commodification of housing. As part of her research, she toured the Lower Mainland and attended the first Larry Bell Urban Forum, an international housing conference at Simon Fraser University.

If there's a cautionary tale of what happens when houses become commodities instead of homes, it is Vancouver. It's not an isolated phenomenon, nor is it new. It's happening in other gateway cities, such as London, New York and Sydney. Rich people have always gentrified neighbourhoods and displaced low-income groups.

But Ms. Farha, who is also executive director of Ottawa-based Canada Without Poverty, says the scale of the phenomenon has changed, and the sudden benefactors of this wealth aren't as concerned as they should be. While the widening gap between rich and low-income is leading to an increase in displacement and homelessness, we're not responding to the crisis with enough concern or haste.

"There's something different," she says. "It's the amount of wealth, and the intensification of housing as a commodity and the incredible emphasis right now on housing as an investment."

"If we took the North American context, or even the Vancouver context, where people are in a few years doubling the equity and value in their homes, I think people are chuffed. You bought it for \$500,000 and now it's worth \$3-million in a short period of time. I don't see people embarrassed by that or worried about what that means for the poorest people in [the] country. They are chuffed. They know what they are sitting on."

"This is because of the intensification of the drive to own property and real estate, to invest in it, to flip it to make money — that has created a culture where people are being harassed and forcibly evicted, or evicted unfairly, so that landlords can sell properties and make a big quick buck."

"The human-rights alarm bells go off for me. The question is, should subnational governments be regulating this stuff? From a human-rights perspective, the answer is, absolutely. Subnational-level governments are all equally responsible. I don't think there's been enough attention



Ingrid Steenhuisen, spokeswoman for Little Mountain, stands near a boarded-up house. About 700 low-income residents at the housing project were displaced when the province sold the six hectares to Holborn, the same developer behind the downtown Trump tower. LYLE STAFFORD FOR THE GLOBE AND MAIL

"In Sydney, there is some trophy home investment, but not to the scale of Vancouver or London, where you are abstracting the home so far from a place that you live in, have kids and send them to school, to this place where you store capital."

Dallas Rogers  
Urban studies professor at the University of Western Sydney

paid to the necessary regulations that could control this."

The right to housing is found in Article 25 of the International Covenant on Economic, Social and Cultural Rights, which was adopted by the United Nations and signed and ratified by Canada. Adequate housing is defined as living "in security, peace and dignity," at reasonable cost, with secure tenure. That makes forced evictions and skyrocketing rents a human-rights concern.

In Vancouver, low-income residents are being routinely displaced from rental buildings because landlords know they can get higher rents. At Little Mountain, our oldest social-housing project, about 700 low-income residents were displaced when the province sold the six hectares to developer Holborn, the same developer behind the luxury downtown Trump tower, which sold for an average of \$1,615 a square foot.

And in Burnaby, hundreds of low-income renters have been given the boot from their rental buildings because the city rezoned the area around Sky-Train for greater density.

"The international human-rights community has decided forced evictions constitute a gross violation of human rights and should never happen," says Ms. Farha.

"But the human-rights world is also realistic. It does happen. And if it does, what rules should govern? It's been decided that there has to be a pretty long and involved process before people in a community should ever be forced to leave. It involves meaningful consultation and exploring every alternative to the displacement. There are many more criteria."

"But just ask yourself, were those criteria met for the folks in Burnaby, who are being displaced as a result of the Canada

Line? Have they been meaningfully consulted and has every alternative been pursued?"

"Of course not. So that answers the question. Under human-rights law, you do everything you can to keep communities intact, because families set up homes in certain locations for a reason, and once they do that they become very rooted."

Ms. Farha attended the Urban Forum to hear academics such as Dallas Rogers, urban studies professor at the University of Western Sydney. His book, *The Geopolitics of Real Estate*, is out this month, and it looks at the history of the global wealth driving the housing crisis.

Dr. Rogers says foreign wealth grew in part because governments in China and Russia privatized previously state-owned assets. Wealth in those countries became global and mobile.

But not all foreign capital is equal. Sydney, he says, is seeing a more middle-class type of Chinese foreign capital, where buyers are interested in housing for their children while they attend university. That's different from the rich buyer in London or Vancouver, who purchases a luxury house or condo as a means to build the investment portfolio.

The result of that sort of capital is felt on the ground, as in the empty neighbourhoods. Dr. Rogers says he saw signs of emptiness in Vancouver.

"That is when you have neighbourhoods where nobody lives in them, businesses die, no one is servicing them — you are seeing that maybe in Vancouver," says Dr. Rogers. "It certainly looked that way when I was there. We're not seeing that in Sydney yet, but this [situation] is the dead end. We don't want Sydney to become Vancouver, in that sense."

"The real estate is so detached from the physical environment

because they are just putting their cash in and knowing they can get it out later. They are more interested in diversifying than capital gain — that is the most worrying progression in this. That is the end game that we all need to be worrying about."

"In Sydney, there is some trophy home investment, but not to the scale of Vancouver or London, where you are abstracting the home so far from a place that you live in, have kids and send them to school, to this place where you store capital."

As well, he says it's tougher to get citizenship in Australia than it is in Canada, which is a significant difference. Also, foreign investors in Australia are mostly limited to new housing stock.

"Because of differences like that, you get the footloose capital into Vancouver, but we get more strategic capital. It's investment for a purpose, and that is directly related to our foreign-investment rule."

Both Ms. Farha and Dr. Rogers argue for intervention that aims to close the widening gap. Government needs to step up.

"The government is going to have their pro-foreign agenda, and their rules, and if we accept all those things, we need to be arguing for affordable housing," says Dr. Rogers. "If you provide it in all suburbs of the city, then you protect against that absentee landlordism because you are building communities."

Ms. Farha says it's simply government's job to regulate the housing market and uphold human-rights laws. It's also government's job to regulate developers, she adds.

"I'm talking about recognizing the dignity of every person, and making sure we are doing everything we can to ensure that dignity remains intact — that's not too much to ask of government."