

## **REPORT**

### ***Climate Action, Planning and Development***

**To:** Mayor Johnstone and Members of Council  
**Date:** February 13, 2023

**From:** Jackie Teed,  
Acting Director, Climate Action,  
Planning and Development  
**File:** HA000016

**Item #:** 2023-62

**Subject:** **Housing Agreement Bylaw No. 8376, 2023 for 612 Seventh Avenue – Bylaw for Three Readings**

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#### **RECOMMENDATION**

**THAT** Council consider Housing Agreement Bylaw No. 8376, 2023 to authorize the City to enter into a Housing Agreement with the property owner to require that all residential units at 612 Seventh Avenue be secured as rental housing, including 10 below-market rental units and 328 market rental units, for 60 years or the life of the building (whichever is longer)

**THAT** Council consider Housing Agreement Bylaw No. 8376, 2023 for First, Second and Third Readings; and,

**THAT** Council, should the Housing Agreement Bylaw No. 8376, 2023 be adopted, direct the Mayor and Corporate Officer to execute the Housing Agreement.

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#### **PURPOSE**

To request that Council: 1) consider Housing Agreement Bylaw No. 8376, 2023 for First, Second and Third Readings, and 2) direct the Mayor and Corporate Officer to sign and execute the Housing Agreement, should it be adopted, to facilitate a secured market rental housing development inclusive of 10 below-market rental units.

## **SUMMARY**

A rezoning and Development Variance Permit have been approved to allow a 29-storey, mixed-use development at 612 Seventh Avenue (formerly addressed as 616-640 Sixth Street). The building will include 338 rental units, inclusive of 10 below-market units and 328 market rental units, and retail at grade fronting Sixth Street. The proposed Housing Agreement will secure the units for 60 years or the life of the building (whichever is longer), and provide the legal framework for operating and maintaining the rental units.

## **BACKGROUND**

### **Previous Applications**

Zoning Amendment Bylaw No. 7997, 2019 was approved by Council on October 7, 2019. The rezoning application changed the subject property to a new Comprehensive Development (CD) zone, and permitted a 29-storey, mixed-use development with a total FSR of 6.46, at-grade commercial space, 142 strata units, and 95 secured market rental units. The rental units were secured by Housing Agreement Bylaw No. 8131, 2019, adopted by Council on September 20, 2019 and registered on title.

A Development Variance Permit (DVP) was approved by Council on December 14, 2020. The DVP facilitated conversion of all previously approved residential units to 100% secured market rental, and permitted variances to increase the maximum tower floorplate and regularize the proposed parking with rates permitted for secured market rental units. The original Housing Agreement was amended by Council on November 30, 2020 to secure all units as market rental.

### **Current Proposal**

On September 29, 2022 Council adopted Zoning Amendment Bylaw No. 8348, 2022, which amends the Comprehensive Development (CD) zoning of 612 Seventh Avenue. The amendment permits the following:

- Increase in the number of rental housing units from 237 to 338;
- Increase in density from 6.46 FSR to 7.41 FSR;
- Increase in the maximum tower floorplate size by 8.9%;
- Increase in the height of the podium from three to four storeys; and,
- Decrease in the off-street parking from 313 to 271 parking stalls.

As part of the 2022 proposal, the applicant committed to provide:

- 10 below-market rental units and 328 market rental units;
- 46.4 square metres (500 square feet) of below-market commercial space for lease by a non-profit organization; and,
- A Transportation Demand Management (TDM) Strategy.

A No Build Covenant was registered on title to secure the above commitments, among other project requirements. Included in this covenant is a requirement that the applicant enter into a Housing Agreement with the City, relating to the operation and maintenance of the 338 secured rental units, inclusive of 10 below-market units and 328 market rental units. The previous Housing Agreement Bylaw was rescinded by Council in light of this requirement.

## **HOUSING AGREEMENT**

Through the proposed Housing Agreement, 10 units would be secured at below-market rents. Although these units were not secured through the City's Inclusionary Housing Policy, given that this policy does not apply to 100% secured market rental projects, the applicant has proposed rental rates and income limits for these units that are consistent with the policy's definition of below-market rental units.

Income limits and rents would be controlled by the Housing Agreement. Potential tenants would be required to demonstrate household incomes of less than \$75,000. Rents would be less than or equal to "10% below the currently reported Canada Mortgage and Housing Corporation (CMHC) rental market median rent, all years, for New Westminster" as defined by the Inclusionary Housing Policy for below-market units.

The calculation methodology used by this Policy to determine median rents is different than the standard methodology used by CMHC. As a result, rent for these units would be approximately 25% below that calculated using the standard CMHC methodology.

As reflected in the Housing Agreement Principles Letter, and in addition to the above, the Housing Agreement would secure aspects of the project's TDM Strategy, including provision of the following:

- 50% subsidy towards the cost of a Zone 1 or Zone 2 monthly transit pass for any unit without a designated parking space (for a period of two years from Occupancy);
- Car share membership for each unit, to be tied to the unit and transferred to new tenants;
- Semi-annual on-site bicycle maintenance/repair days for a period of 10 years. On this day, the Building Owner would subsidize 100% of labour costs for bicycle tune-ups and repair services; and,
- Use of provided long-term bicycle parking spaces at no cost.

The Housing Agreement Principles Letter (Attachment 2) has been used for structuring the Housing Agreement Bylaw and agreed to by the applicant. The Housing Agreement Bylaw is included in Attachment 1.

## **APPLICATION REVIEW PROCESS**

The application is proceeding through the following steps:

1. Preliminary Report to the Land Use and Planning Committee (LUPC) (March 28, 2022);
2. Report to Council from the LUPC (April 11, 2022);
3. Applicant-led public information/consultation on the revised project (April 21 to 26, 2022);
4. New Westminster Design Panel Review of the revised project (May 24, 2022);
5. Council consideration of the Zoning Bylaw text amendment application and issuance of notice of no Public Hearing held (July 11, 2022);
6. Council consideration of First, Second and Third Reading (August 29, 2022);
7. Council consideration of Adoption of the Zoning Text Amendment Bylaw (September 29, 2022);
8. Issuance of the Development Variance Permit by the Director of Climate Action, Planning and Development (December 14, 2022);
9. Council consideration of First, Second and Third Reading of the Housing Agreement Bylaw **(WE ARE HERE)**;
10. Council consideration of adoption of the Housing Agreement Bylaw;
11. Issuance of the Development Permit by the Director of Climate Action, Planning, and Development;
12. Issuance of Building Permit.

## **INTERDEPARTMENTAL LIAISON**

The City's Solicitor prepared the proposed Housing Agreement Bylaw to which is appended to the Housing Agreement.

## **OPTIONS**

The following options are presented for Council's consideration:

1. That Council consider Housing Agreement Bylaw No. 8376, 2023 to authorize the City to enter into a Housing Agreement with the property owner to require that all residential units at 612 Seventh Avenue be secured as rental housing, including 10 below-market rental units and 328 market rental units, for 60 years or the life of the building (whichever is longer).
2. That Council consider Housing Agreement Bylaw No. 8376, 2023 for First, Second and Third Readings.
3. That Council, should the Housing Agreement Bylaw No. 8376, 2023 be adopted, direct the Mayor and Corporate Officer to execute the Housing Agreement.
4. That Council give staff other direction.

Staff recommends Options 1, 2, and 3.

## **ATTACHMENTS**

Attachment 1: Housing Agreement Bylaw (612 Seventh Avenue) No. 8376, 2023

Attachment 2: Housing Agreement Principles Letter

## **APPROVALS**

This report was prepared by:

Tristan Johnson, Senior Planning Analyst

Wendee Lang, Development Planner

This report was reviewed by:

Demian Rueter, Acting Manager of Planning

This report was approved by:

Jackie Teed, Acting Director of Climate Action, Planning and Development

Lisa Spitale, Chief Administrative Officer