

REPORT

Climate Action, Planning and Development

To: Land Use and Planning Committee **Date:** March 9, 2023

From: Jackie Teed, Acting Director, Climate Action, Planning and Development **File:** PAR01416

Item #: 2023-149

Subject: Preliminary Application Review: 63 Merivale Street & 250 Agnes Street

RECOMMENDATION

THAT the Land Use and Planning Committee endorse the recommendations summarized in Section 8 of this report, and instruct staff to include the recommendations and other feedback from the Land Use and Planning Committee in the preliminary application review letter to the applicant.

EXECUTIVE SUMMARY

A Pre-Application Review (PAR) enquiry for a future Heritage Revitalization Agreement proposal has been received for 63 Merivale Street and 250 Agnes Street in the Downtown. Proposed is the retention and on-site relocation of the Catherine Armstrong House, which is listed on the City's Heritage Register, as well as the replacement of a purpose-built rental building. The proposed redevelopment includes a new six storey multiple-unit residential building addition to the heritage house.

A total of 66 units are proposed, 33 of which would be stratified and for sale. The remaining 33 units (50%) would be secured market rental units. Of the secured market rental units, a minimum of 10% (four units) would be secured at below-market rents. Drawings indicate an overall floor space ratio (FSR) of 3.4. The heritage values of the site's existing buildings were recently reviewed by the Community Heritage Commission. Generally, based on the preliminary information submitted, the proposal is consistent with related City policies.

1. PURPOSE

To elicit preliminary feedback from the Land Use and Planning Committee regarding the redevelopment proposal.

2. POLICY AND REGULATIONS

The subject properties are designated Residential – Low Rise Apartment in the City's Downtown Community Plan. One lot, 63 Merivale Street, is currently zoned Single Detached Residential (RS-2), and the second lot, 250 Agnes Street, is zoned Multiple Dwelling (Low Rise) (RM-2). A summary of these and other related City policies and regulations is included in Appendix A.

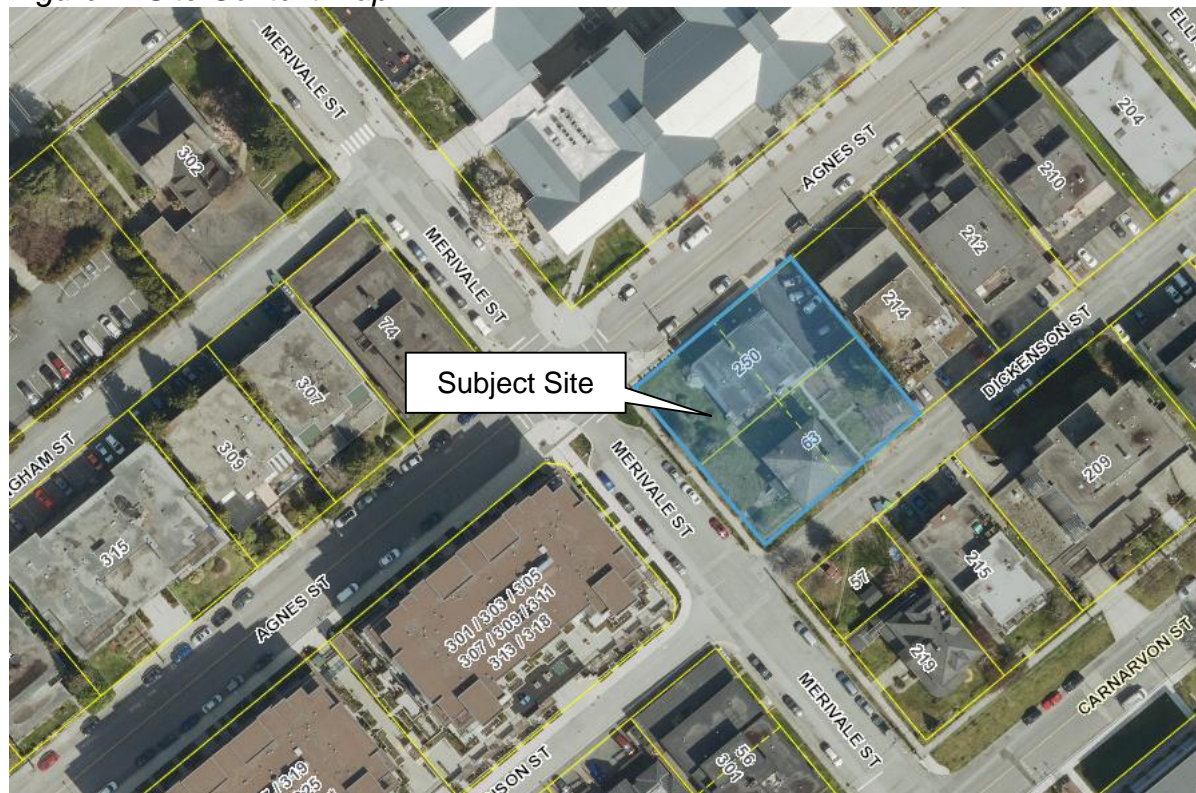
As the site contains an existing, purpose-built rental building (nine units), the project would be reviewed under the City's draft Rental Replacement Policy. This policy applies to all existing purpose-built market rental housing sites where redevelopment would remove more than six rental units. Applicants are expected to provide 100% secure market rental units including 10% of total units secured as below-market units.

3. BACKGROUND

3.1 Site Characteristics and Context

The subject site (1,618 sq. m. (17,424 sq. ft.)), which includes two properties, is located in the Downtown Albert Crescent Precinct. The property at 63 Merivale Street contains a 1916 residence known as the Catherine Armstrong House, which is listed on the Heritage Register. The property at 250 Agnes Street includes a two storey rental apartment building that contains nine rental units, and is currently tenanted. To the north is Ecole Qayqayt Elementary School, and to the south is another Heritage Register-listed residence. Additional site context information is provided in Appendix A.

Figure 1. Site Context Map



3.2 Community Heritage Commission Review

It has been the City's practice to forward applications for changes to or demolition of properties listed on the Heritage Register, such as the Catherine Armstrong House, to the Community Heritage Commission (CHC). On December 7, 2022, the proposal was reviewed by the CHC. CHC provided feedback on retention of the heritage house, the heritage value of the building at 250 Agnes Street, and compatibility of the new low-rise apartment building addition. Overall, CHC did not express support for the proposed building addition, with members of the committee advising that the approach was not consistent with the Standards and Guidelines for the Conservation of Historic Places in Canada. This feedback is contained within the extract of the CHC meeting minutes, included as Appendix B.

The December 7, 2022 staff report can be found here:

<https://pub-newwestcity.escrimemeetings.com/filestream.ashx?DocumentId=12606>

4. PROJECT DESCRIPTION

Based on the PAR submission, the project proposes retention and on-site relocation of the Catherine Armstrong House. The building is valued as a surviving reflection of the early, single-family, residential character of the Downtown Albert Crescent precinct. It is also a significant early residential design by architects Townley and Matheson, and reflects the influence of the Arts and Crafts movement through its design and finishes. The building has remained largely unaltered, both on the exterior and the interior, and is considered to be in good condition overall. To facilitate the retention, restoration, and long-term protection of the heritage house, a new six storey multi-unit residential building is proposed as an addition to the relocated heritage house.

A total of 66 units are proposed, including ground oriented units. Thirty-three of the units would be stratified and for sale. The remaining 33 units (50%) would be secured market rental. Of the secured market rental units, a minimum of 10% (four units) would be secured at below-market rents, and nine units would be made available for existing tenants to return to the new building following completion of construction. Drawings indicate an overall FSR of 3.4.

Preliminary project statistics are provided in Appendix A. The applicant's Project Summary Letter and preliminary drawings are included as Appendix C.

5. DISCUSSION

5.1 Rental Replacement and Tenant Assistance

As part of the proposed project, the applicant has committed to the following with regard to tenant assistance and relocation of existing tenants at 250 Agnes Street, which is consistent with the City's expectations. These benefits were previously included in Part 6 of the City's Business Regulations and Licensing (Rental Units) Bylaw, protecting tenants who are being evicted due to construction in their building and/or unit.

For all units currently paying rents less than or equal to the City's definition of below-market rents, the following would be provided:

- Relocation: Arrangements will be made for the tenant's temporary accommodation at a similar rental rate, and in a similar unit during the full term of construction. Upon completion of construction, tenants will be able to return to the original rental unit under the terms of the existing tenancy agreement; and,
- Rent control: The rent payable by the tenant upon return to their unit will not be increased, except as an inflationary rent increase permitted by the Residential Tenancy Act (RTA).

For all units, regardless of rent levels, provision of tenant assistance and relocation supports that are consistent with City expectations, (e.g., four months' notice, a communications plan and tenant assistance strategy, moving expenses), would be provided.

Does the LUPC support staff advising the applicant that a development application could be further explored, provided the above tenant assistance and relocation supports are a component of a formal submission?

5.2 Rental Housing and Heritage Priorities

The PAR proposal is ambitious in its intention to provide the following, which touches upon the City's housing objectives:

- Retain, restore, and provide long-term protection of the Catherine Armstrong House;
- Replace the existing nine rental units on site;
- Rehouse existing below-market tenants at equivalent rental rates, during construction and in the new building (adjusted for inflation, per the RTA);
- Provide tenant assistance to all existing tenants;
- Deliver 50% of new units as rental housing (33 rental units proposed), with a minimum of 10% of units offered at below-market rents consistent with the intent of the Rental Replacement Policy, and nine units reserved for returning tenants; and,
- Secure all rental units in perpetuity.

The City's Rental Replacement Policy intentionally incentivizes the retention of existing rental stock and has financial implications and tenant accommodation expectations for such projects. The City has not received a large number of applications to replace aging rental stock under this policy, however the potential benefits of such a proposal, particularly one that commits to rehouse those paying below-market rents at equivalent rates in new construction, are considerable.

The current project, which proposes the six storey multi-unit building as an addition to the heritage house, was not supported by the CHC, who felt it was inconsistent with the Standards and Guidelines for the Conservation of Historic Places in Canada. However, the applicant has stated that fully separating the new construction from the heritage house would make the proposed project unviable due to loss of buildable area.

Should the project be unable to accommodate feedback from the CHC that recommends the separation of the heritage house from new construction, and deliver the full scope of proposed benefits as outlined in this report, staff would support a six storey addition to the heritage house, as currently proposed. Staff would additionally work with the applicant's heritage consultant to maximize alignment of the project with heritage best practices, wherever possible.

Does the LUPC support staff advising the applicant that a formal Heritage Revitalization Agreement for a six-storey multiple-unit residential addition to the Catherine Armstrong house could be considered, should the project:

- *Include 50% of total proposed units as rental housing including no less than 10% of those as below-market units, and tenant assistance and relocation as currently described by the proposal; and,*
- *Maximize alignment with heritage best practices, wherever possible.*

6. REVIEW PROCESS

The PAR inquiry has been circulated to appropriate City departments for review and comment. Feedback from the LUPC and staff will be incorporated into a PAR letter that would be forwarded to the applicant. The PAR letter would also outline the application requirements from other City departments. Should the applicant choose to proceed with formal applications, the proposed project will be reviewed in accordance with the City's development review process.

7. INTERDEPARTMENTAL LIAISON

The City has a team-based approach for reviewing development proposals. Staff from appropriate departments, including Climate Action, Planning and Development; Engineering Services; and Parks and Recreation, has conducted an initial review of the PAR inquiry.

8. FEEDBACK FROM THE LAND USE AND PLANNING COMMITTEE

Staff is seeking general feedback and direction from the LUPC on the proposal, direction as to which aspects of the proposal should be prioritized for delivery through a formal application, and support from the LUPC on the following recommendations.

That the LUPC direct staff to advise the applicant that:

- 1. A development application could be further explored, provided the tenant assistance and relocation supports detailed in Section 5.1 are a component of a formal submission; and,*
- 2. A formal Heritage Revitalization Agreement for a six-storey multiple-unit residential addition to the Catherine Armstrong house could be considered, should the project:*
 - Include 50% of total proposed units as rental housing including no less than 10% of those as below-market units, and tenant assistance and relocation as currently described by the proposal; and,*
 - Maximize alignment with heritage best practices, wherever possible.*

9. OPTIONS

The following options are offered for consideration of the Land Use and Planning Committee:

1. That the Land Use and Planning Committee endorse the recommendations summarized in Section 8 of this report, and instruct staff to include the recommendations and other feedback from the Land Use and Planning Committee in the preliminary application review letter to the applicant.
2. That the Land Use and Planning Committee provide staff with alternative feedback.

Staff recommends Option 1.

ATTACHMENTS

Appendix A: Background Information

Appendix B: Extract of December 7, 2022 CHC Meeting Minutes

Appendix C: Applicant's Project Summary Letter and Preliminary Drawings (Select)

APPROVALS

This report was prepared by:

Wendee Lang, Development Planner

Dilys Huang, Development Planner

This report was reviewed by:

Judith Mosley, Senior Heritage Planner

Mike Watson, Acting Supervisor, Development Planning

Demian Rueter, Acting Manager, Planning

This report was approved by:

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