

REPORT

Climate Action, Planning and Development

To: Mayor Johnstone and Members of Council
Date: September 11, 2023

From: Serena Trachta, Acting Director,
Climate Action, Planning and
Development
File: 13.2605.40

Item #: 2023-569

Subject: **Heritage Revitalization Agreements in Queen’s Park Heritage Conservation Area**

RECOMMENDATION

THAT Council direct staff to remove the suspension of new Heritage Revitalization Agreement (HRA) applications in the Queen’s Park Heritage Conservation Area.

PURPOSE

To seek Council direction on the potential to lift the temporary suspension of new Heritage Revitalization Agreement (HRA) applications in the Queen’s Park Heritage Conservation Area, in place since June 21, 2021.

EXECUTIVE SUMMARY

New applications for HRAs in the Queen’s Park Heritage Conservation Area were suspended temporarily in June 2021 while the HRA Policy Refresh project (HRA Refresh) was undertaken. The HRA Refresh was anticipated to conclude in 2022. The temporary suspension was brought forward in response to feedback received from the community at that time. Since then, the outstanding work on the Heritage Conservation Area has been concluded, including the incentives program. However, the HRA Refresh has not proceeded as planned as it was put on hold in May 2022 due to staff shortages and resulting capacity issues. HRA applications in all other neighbourhoods have continued to be received and processed, using existing policy, procedures and processes.

With the completion of the new Council Strategic Priorities Plan 2023-2026, the Planning Division will be bringing forward a work plan that aligns with the Strategic Priorities Plan. It is anticipated that the goals of the HRA Refresh will be incorporated into the Infill Housing Program and other work rather than advanced as a standalone project, and subsequently will have a further extended timeline.

As the HRA Refresh has not been completed to the timeline anticipated, Council is asked to consider if the temporary suspension on new HRA applications in Queen's Park should be removed at this time or continue. If the temporary suspension is removed, HRAs would continue to be guided by the City's 2011 policy.

Removing the suspension would enable the benefits of HRA projects, both private and public, to be available in Queen's Park as in other neighbourhoods citywide. This includes the private benefit of development opportunity as well as the public benefits of achieving conservation of heritage assets, and a higher level of protection through heritage designation than is provided by the Heritage Conservation Area. HRAs can enable the addition of housing options through Zoning Bylaw relaxations such as subdivision and 'gentle density' with laneway and carriage houses. Lifting the suspension would also enable potential projects to submit applications that have now waited up to two years to do so including at least one that was at an advanced stage of preparation when the suspension was implemented. With the pause of the HRA Refresh and the timing of the Infill Housing Program work, the delay for this and other potential projects could extend to five years.

Continuing the suspension would provide opportunity to address the concerns raised regarding the balance of private and public benefits achieved through HRAs in the Heritage Conservation Area through the Infill Housing Program, which is anticipated to be launched in mid-2024 and to be concluded in summer/fall 2026.

BACKGROUND

Policy and Regulations

Further details of related City policies and regulations are provided in Attachment 1.

The Queen's Park Heritage Conservation Area was adopted by Council in 2017. Encompassing approximately 700 properties, it is an area management tool to retain and enhance the historic value and heritage character of the neighbourhood. This includes exterior heritage protection of the front, sides and visible roof for pre-1941 buildings (Protected properties) and design control for new construction using Heritage Alteration Permits and design guidelines. An incentive program for Protected properties provides a density bonus and flexibility for laneway and carriage houses.

A Heritage Revitalization Agreement (HRA) is a negotiated agreement between the City and a property owner for the purposes of heritage conservation. In exchange for long-term legal protection through a Heritage Designation Bylaw and exterior conservation, certain zoning relaxations are considered. An HRA achieves stronger heritage protection on an individual property than the Heritage Conservation Area as well as

securing restoration and/or rehabilitation of the property which supports long-term viability of heritage properties. The City's Heritage Policy for the Use of Heritage Revitalization Agreements was adopted in 2011 and guides the use of HRAs citywide.

HRA Policy Refresh

The HRA Refresh is intended to refine and update the City's Heritage Policy for the Use of HRAs (2011), building from the strong and long-standing existing framework. On June 21, 2021, Council directed staff to prepare a work plan for the update. The work plan was endorsed by Council in August 2021 with goals, milestones and a timeline. Draft Principles and the community consultation plan were endorsed in November 2021. The update focuses on small-scale residential applications, the project types most common in Queen's Park. Larger residential developments (six units and greater) or for other land uses (commercial, etc.) have continued per the existing policy framework. As part of the HRA Refresh work, staff provided a report on the post-implementation evaluation of the Heritage Conservation Area and also on the final incentives program.

On May 30, 2022, Council received a report for information regarding adjustments to work plans due to staff resourcing challenges. This included putting on hold the HRA Refresh policy/implementation.

Further information on the HRA Refresh is provided in Attachment 2.

Suspension of HRAs in the Queen's Park Heritage Conservation Area

Following feedback from the community and specifically from the Queen's Park Residents' Association, Council passed a resolution to implement a temporary suspension of HRAs in Queen's Park. Concerns expressed were principally that HRAs coming forward in Queen's Park were disproportionately in favour of the property owner or developer benefits, rather than an appropriate balance with the public benefits achieved through protection and conservation. On June 21, 2021, the Mayor introduced the following resolutions that were passed by Council:

THAT Council support a temporary suspension in the processing of heritage revitalization agreement applications in the Queen's Park heritage conservation area as of June 21, 2021 and until a revised HRA policy is in place, excepting those applications or pre-application reviews received prior to that date;

THAT Council direct staff to report back on the number and status of heritage revitalization agreement applications and pre-application reviews in the Queen's Park heritage conservation area received on or before June 21, 2021, with the general expectation that they would continue to be processed;

THAT Council direct staff to finalize a work plan for an update to the 2011 policy for the use of heritage revitalization agreements, which would integrate the development of the 2017 Official Community Plan and the heritage conservation area.

Following Council's direction, staff provided a report identifying in-stream projects where a full application had already been submitted. These projects were able to continue through the HRA process. Potential applicants working towards a full application were not included.

DISCUSSION

New applications for HRAs in the Queen's Park Heritage Conservation Area were suspended temporarily in June 2021 while the HRA Refresh was undertaken, anticipated to conclude in 2022. Since then, the HRA Refresh was put on hold in May 2022 due to staff shortages and resulting capacity issues. HRA applications in all other neighbourhoods have continued to be received and processed, guided by the City's 2011 policy.

Since the temporary suspension was implemented, several factors have changed:

- The Council Strategic Priorities Plan 2023-2026 has been completed and work plans are in development. The use of HRAs can support priority areas, particularly the 'Homes and Housing Options' priority *Outcomes* for Infill Housing to help provide "diverse housing options in all neighbourhoods of New Westminster", and for Climate Action with the opportunity for energy retrofits of heritage buildings.
- The HRA Policy Refresh project has not proceeded as planned. The goals of the HRA Refresh are anticipated to be addressed through other related projects including the Infill Housing Program rather than advance as a standalone project, and subsequently will have a further extended timeline to at least summer 2026.
- The outstanding items for the implementation of the Heritage Conservation Area have been completed. An incentives program is in place and the Heritage Conservation Area is working as intended with the balance of heritage protection with managing change and evolution of the neighbourhood. Additional incentives would only be available through an HRA.

Historically, Queen's Park has seen a larger number of HRAs than other neighbourhoods. Nine have been adopted since 2017 (36% of the total for the city in that time) and at least 20 since 1998. HRAs have been a valuable tool in achieving heritage conservation and long-term protection of heritage assets in Queen's Park and there are further properties that could be suitable candidates for an HRA in the future.

Options for Consideration

Two options are presented below for consideration, to remove the temporary suspension on new HRA applications in Queen's Park at this time or to continue the suspension until the Infill Housing Program work is concluded.

Option 1: Remove the temporary suspension of new HRA applications in Queen's Park

Removing the suspension would enable the benefits of HRA projects to be available in Queen's Park as in other neighbourhoods citywide. This includes the private benefit of development opportunity as well as the public benefits of achieving conservation of heritage assets, and a higher level of protection through heritage designation than is provided by the Heritage Conservation Area. HRAs can enable the addition of housing options through Zoning Bylaw relaxations such as subdivision and 'gentle density' with laneway and carriage houses. This could help towards the housing objective of diverse options in all neighbourhoods.

Removing the suspension would also enable potential projects to submit applications that have now waited up to two years to do so. At least one potential application was at an advanced stage when the suspension was put in place. Each HRA is unique and staff would work with the applicant on a case-by-case basis to achieve a balance of public and private benefits, appropriate to the context.

If the suspension is lifted, it is anticipated that more HRA applications overall will be received than at the current time. Such an increase would affect processing time although applications that most closely align with City priorities would be prioritized.

Staff recommends this option.

Option 2: Continue the temporary suspension of new HRA applications in Queen's Park

The temporary suspension was brought forward in response to feedback received from the community at that time. The concern raised was that HRAs coming forward in Queen's Park were disproportionately in favour of the property owner or developer benefits, rather than an appropriate balance with the public benefits achieved through protection and conservation. Since then, the outstanding work on the Heritage Conservation Area has been concluded, including the incentives program available, however, the HRA Refresh has not proceeded as planned.

In alignment with the Council Strategic Priorities Plan, staff propose to launch an Infill Housing Program that will explore allowing for diverse housing options in all neighbourhoods of New Westminster. The creation of this Program would consider direction from the Province that indicates that legislation will be introduced to allow up to four units on a traditional single detached dwelling property. Infill housing forms are often a feature of small scale HRAs and staff sees value in incorporating the goals of the HRA Refresh and the concerns raised by the community into the Infill Housing Program rather than advancing the HRA Refresh as a standalone project.

The Planning Division will be bringing forward a work plan that aligns with the new Council Strategic Priorities Plan, and that outlines the timing of the Infill Housing Program, currently anticipated to be launched in mid-2024 and completed in mid-2026. Council could decide to continue the suspension of new HRA applications in Queen's

Park until this work is completed. This would further impact at least one potential applicant that has been waiting to submit an application. It is not known how many more HRA applications have not been submitted due to the suspension.

NEXT STEPS

If Council endorses removing the suspension, new applications for HRAs in the Queen’s Park Heritage Conservation Area could be submitted starting immediately and would follow the current policy and established process for all HRAs in New Westminster.

If Council continues the suspension, the opportunity to review it would be brought to Council when the Infill Housing Program and other related work is complete.

FINANCIAL IMPLICATIONS

While there are no immediate direct financial implications associated with lifting the suspension of new HRA applications in the Queen’s Park Heritage Conservation Area, there is potential for minor additional permit revenue from new applications.

The funding necessary to support the Homes and Housing strategic priority, including the Infill Housing Program, will be presented and discussed during the 2024 budget deliberations. This will ensure that the City has the necessary resources to effectively implement housing initiatives in alignment with its strategic objectives.

OPTIONS

The following options are presented for Council’s consideration:

- 1. That Council direct staff to remove the suspension on new Heritage Revitalization Agreement (HRA) applications in the Queen’s Park Heritage Conservation Area.
- 2. That Council direct staff to continue the suspension of new Heritage Revitalization Agreement (HRA) applications in the Queen’s Park Heritage Conservation Area until the Infill Housing Program is complete.
- 3. That Council provide staff with alternative direction.

Staff recommends Option 1.

ATTACHMENTS

- Attachment 1: Summary of Related City Policy and Regulations
- Attachment 2: Summary of Heritage Revitalization Agreement Policy Refresh

APPROVALS

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