

REPORT

Climate Action, Planning and Development

To: Mayor Cote and Members of Council **Date:** November 15, 2021

From: Emilie K. Adin, Director, Climate Action, Planning and Development **File:** PAR01411

Item #: 2021-543

Subject: Preliminary Application Review: OCP Amendment and Rezoning - 1084 Tanaka Court

RECOMMENDATION

THAT Council direct staff to discourage the applicant's further consideration of submitting an OCP amendment application on this site, with respect to seeking residential land uses be permitted on a site-specific basis.

PURPOSE

The purpose of this report is to receive feedback from Council on an updated application for Pre-Application Review for the property at 1084 Tanaka Court which, if supported, would require an amendment to the Official Community Plan and zoning.

EXECUTIVE SUMMARY

The applicant has provided an updated Pre-Application Review (PAR) application that would require a subsequent formal application for an OCP amendment to change the designation of the subject property from QC (Queensborough Commercial) to ML (Mixed Use – Low Rise) in order to allow residential uses on the subject site. A concurrent rezoning would also be required to permit the construction of a mixed-use 6-storey development with a 2.1 floor space ratio (FSR).

The updated proposal incorporates commercial floor space, 79 market rental units, 20 affordable rental units and approximately 136 childcare spaces. The applicant has submitted a letter explaining the request and rationale (see Attachment 1). The applicant proposes that 100% (99) of the residential units would be provided as rental

housing, with ~20% (20) as affordable rental. All rental units would be secured for 60 years or the life of the building, whichever is longer. The developer has stated their intent is to sell the entire project once construction is completed.

The previous proposal submitted to the City and presented to the LUPC on July 12, 2021 did not include an affordable housing component. At the meeting, the applicant stated they planned to include this use, and since that time before LUPC, the applicant has made revisions to their proposal such that it now includes 20 affordable rental units (see Attachments 2 and 3 for details on the affordable rental component). At this time, fully detailed information about this affordable housing component has not been provided to the City. However, the information provided indicates that WINGS, which is a nonprofit charitable society with operations in New Westminster, would lease and operate 10 two-bedroom units. They would be rented at \$900-\$1100/month for a two-bedroom, which is a rate lower than the City's below market housing definition. The other 10 affordable units would be sold or leased to a nonprofit organization not yet determined, with the intention that these units be rented at no more than the maximum rate permitted under the Inclusionary Housing Policy (studio \$945; three bedroom \$1665).

Staff previously recommended to the LUPC, and continues to recommend to Council, that residential uses not be considered for the subject site at this time. The principle of the current Queensborough Community Plan (QCP) is that all residential use be located south of Boyd Street; any change to this approach would best be explored through a future QCP update.

This proposal falls outside of current City policy. Thus, in order to enable early feedback, a two-stage PAR process has been made available for this development application.

BACKGROUND

Previous Proposal and LUPC Feedback

The original PAR proposal submitted to the City and considered by the Land Use and Planning Committee (LUPC) on July 12, 2021 sought feedback on a proposal to change the land use designation to allow for a mixed-use development including a childcare, commercial space, and 99 residential market rental units. For the full project description of the previous proposal, please refer to Section 3.0 Background and 4.0 Proposal of the LUPC Report in Attachment 1.

During the LUPC meeting, the applicant stated they planned to include an affordable housing component. Given this, the LUPC endorsed:

THAT the Land Use and Planning Committee refer the application for 1084 Tanaka Court to Council for discussion.

PROPOSAL

Affordable Rental Units

Since originally considered by the LUPC, the proposal has been amended such that 20 of the market rental units be converted into affordable rental units. At this time, fully detailed information about the affordable housing component has not been provided to the City. However, the information provided indicates that WINGS, which is a nonprofit charitable society with operations in New Westminster, would lease and operate 10 two-bedroom units. They would be rented at \$900-\$1100/month for a two-bedroom, which is a rate lower than the City's policy definition of below market housing. The other 10 affordable units would be sold or leased to a nonprofit organization not yet determined, with the intention that these units of various bedroom sizes would be rented at the maximum amount permitted under the Inclusionary Housing Policy (current rate: studio \$945, 1 bed \$1057, 2 bed \$1350, 3 bed \$1665). Please refer to Attachment 1 and 2, which provide letters from the developer summarizing the proposal.

WINGS has a target client population of single parent families comprised of women and children under 18 years old with have low or moderate income levels, who are homeless and looking to rebuild their lives after leaving domestic violence. WINGS anticipates that rents could be established and maintained at a level approximately 40% below BC Housing's Housing Income Limits (HILs) rates and the CMHC Rental Housing average. WINGS anticipates that most of their potential clients would be in a lower than \$36,000 annual income range. In calculating 30% of their income, this would result in a rental figure of approximately \$900. Please refer to Table 1 below for a summary of the comparative rental rates. A letter from WINGS forms Attachment 3.

Table 1: 2 Bedroom Unit Rental Rate Comparison

Median Rent (New West)	BC Housing HILs Rate (Metro Vancouver)	WINGS Rental Rate (10 units)	Inclusionary Housing Policy Rental Rate (10 units)
\$1,500*	\$1,725**	\$900 - \$1100***	\$1350****

* Based on CMHC Housing Market Information Portal, October 2020.

** Based on max income of \$69,000 at 30%.

*** Minimum based on potential subsidy identified by WINGS of \$200 on an annual income of \$36,000.

****10% below median rent of \$1500 as identified by the Inclusionary Housing Policy.

DISCUSSION

Residential Land Use

Staff continue to recommend against the proposed OCP amendment on this site, even with the addition of affordable housing. The issues which led to the recommendation to LUPC regarding the previous application (see Attachment 1 Section 4.0 Considerations in Favour/Against the Proposal) continue to apply with the addition of affordable housing, as follows:

1. An OCP Amendment at this location is premature as it requires a broader planning process as part of an overall Queensborough Community Plan (QCP) update. Through that process the City and community would explore comprehensively any changes to how the neighbourhood will develop in the future. The QCP currently locates industrial, mixed employment, and commercial entertainment uses north of Boyd Street, except at the easternmost end of Queensborough. The intent of this is to clearly separate these uses from residential uses in the neighbourhood, to minimize the impacts of each use on the other.
2. The proposed project would locate residential uses north of Boyd Street on a site surrounded by properties designated and zoned for industrial, mixed employment, and commercial entertainment uses, which is problematic from a livability perspective. The City currently receives complaints from existing residents in other areas in the neighbourhood who experience a similar situation, and these complaints generally pertain to noise, light intrusion, and air quality issues.
3. The site is located directly adjacent to the Southern Railway spur line, which poses safety, vibration, and noise concerns, particularly to the child care and residential uses. The site is also adjacent to a major highway which could result in additional considerations for noise impact.
4. The City's Economic Development Plan identifies that retail, office, and institutional floor space will correspond with an estimated 21,000 jobs by 2041. It is therefore important to ensure that the supply of suitable industrial, office and retail floor space throughout the city is available to support this growth.
5. Locating residential uses on this site would not be consistent with the City's Bold Steps for Climate Action. While tenants would be living in close proximity to shopping, the building would be situated in a predominately highway-oriented commercial area. Staff expects that a development in this location would require residents to depend primarily on private vehicles for transportation.
6. The addition of 20 affordable residential rental units that fit the City's definition of affordable housing under the new Inclusionary Housing Policy corresponds with some of Council's strategic priorities. However, the above-noted issues apply equally to affordable residential as they do to the market residential uses proposed (both 80% of units in the current proposal and 100% of units in the previous proposal).

Additional considerations that have been identified since the discussion on July 12, 2021, at LUPC include:

7. Metro Vancouver recently partnered with Environment and Climate Change Canada to conduct a two-year Near-Road Air Quality Monitoring Study (2020) in the Metro Vancouver region. They found that residential uses in proximity to heavy-duty vehicle routes incurred impacts from emitted air contaminants. Further study on the impacts of situating additional density along highways has been identified for consideration in the future QCP update.

8. The City is in the process of developing a Retail Strategy which could inform City-wide changes including a future update to the QCP with regards to land uses in the Queensborough area. The findings will help the City understand if any lands should transition to other uses and inform recommendations to strengthen existing commercial uses. Until this work is complete there is no determination of how this area should develop or what uses would be supported.

Affordable Housing Information

Attachment 2 provides a letter from the developer summarizing the current proposal. A letter from WINGS, a partial operator who has been identified, forms Attachment 3.

The following information related to the affordable housing component has not yet been provided or clearly articulated to the required level of detail. Should Council wish the proposal to advance to the next stages of review, City policy would require further detail be provided:

1. The developer has not yet determined if these units would be retained or sold to a non-profit operator. However, WINGS has indicated they seek to lease their units from the ultimate owner. If ownership of some or all twenty units was retained by the developer, the units would not meet the requirements of the Inclusionary Housing Policy (IHP) as closely, given the policy requires the units be owned by a nonprofit or BC Housing.
2. As per the IHP for projects requesting an OCP Amendment, the non-profit housing partner would need to be determined in discussions between the City and BC Housing. As WINGS has already been identified as a partial provider, the current proposal does not follow current policy.
3. The developer has identified in their assumptions that all density bonus/voluntary amenity contribution payments would be waived. Consistent with City practice, the applicant would have to pay for the City to complete a financial analysis to determine if any amenities could be provided as part of the proposal.
4. The developer has provided a pro forma and summary letter which both require additional information and clarification, to the City's satisfaction.

INTERDEPARTMENTAL LIAISON

The City uses a project-based team approach for reviewing development applications.

OPTIONS

1. That Council direct staff to discourage the applicant's further consideration of submitting an OCP amendment application on this site.

This option would reflect Council's position that, given the significant diversion from the intended land-use in exchange for amenities that do not significantly exceed City policy expectations, an amendment process would not likely be supported at this

time. Staff would work with the applicant to explore other development options for the site that are in keeping with the existing QCP land use designation.

2. That Council direct staff to support the applicant in proceeding to Stage Two of the Preliminary Application Review process, with the qualification that the additional information from the applicant related to the pro forma, proposed ownership model, and relative conformity with the Inclusionary Housing Policy be provided as part of that application, in order for staff to more thoroughly evaluate the applicant's proposal.

This option would reflect Council's desire to more fully review a preliminary application before offering specific feedback regarding pursuing this development application any further. Staff does not advise this option given that the City's Strategic Plan identifies other policy work to be prioritized by the planning staff team. Staff advise that, in this case, a site-specific OCP amendment should not occur without some policy work taking place, even if this does not entail a full QCP update.

3. That Council provide other direction to staff.

Staff recommends Option 1.

ATTACHMENTS

Attachment 1: Report to LUPC dated July 12, 2021

Attachment 2: Letter from the Developer

Attachment 3: Letter from WINGS Nonprofit Society

APPROVALS

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