

REPORT

Planning and Development

To: Mayor Johnstone and Members of Council
Date: October 21, 2024

From: Jackie Teed, Director
Planning and Development
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REZ00249
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Item #: 2024-578

Subject: Rezoning and Special Development Permit: 65 First Street – Preliminary Report

RECOMMENDATION

THAT Council direct staff to work with the applicant to prepare a plan of development for 65 First Street suitable for consideration of First, Second and Third Readings, as outlined in the “Application Review Process” section of this report.

PURPOSE

To seek Council’s approval to process the rezoning application for a high-density, mixed-tenure residential development at 65 First Street as outlined within this report.

EXECUTIVE SUMMARY

Rezoning and Special Development Permit applications have been received to facilitate a mixed-tenure, mixed-income development at 65 First Street, located within Tier 3 of the Columbia Station Transit Oriented Development Area. The application proposes density and heights over those mandated under Tier 3. It is advancing under the City’s Interim Development Application Review Framework and Interim Density Bonus Policy, and proposes an in-kind contribution of 30 below-market rental housing units which will be evaluated using the latter policy. A total of 304 stratified condo units, 299 market rental units, and 30 below-market rental units (10% of condo units) are proposed within two residential towers located opposite Albert Crescent Park.

BACKGROUND

Site Characteristics and Context

The subject site is located in the Albert Crescent Precinct of the Downtown neighbourhood, in Tier 3 of the Columbia Station Transit Oriented Development Area. It is bounded by Agnes Street, Hastings Street, Wellington Street, First Street and Albert Crescent Park, and improved with a tenanted, 61-unit low-rise apartment building. Originally constructed in 1981 as a stratified condo building, the site was sold to the developer by the strata corporation in 2021. After the strata wound down, the building was transitioned to rental housing, the terms of which are controlled by a Housing Agreement registered on title. Additional site context information is included in Attachment 1.

Pre-Application Review

A Pre-Application review had been submitted for the subject site, and was presented to the Land Use and Planning Committee (LUPC) on February 4, 2019 ([report](#) / [minutes](#)). At that time, the proposal included a 24-storey residential tower and podium, inclusive of 60 secured market rental units, and a total FSR of 5.05. The LUPC endorsed consideration of the proposed density and height, on the condition that the following be clarified: 1) the proposed tenure and mix of missing middle housing units; 2) interaction of the development with Albert Crescent Park; and 3) the development’s tenant relocation plan.

Housing Agreement and Tenant Assistance Requirements

In 2019, Merchant House Capital (the developer) entered into an agreement with the strata corporation at 65 First Street to acquire the property, and advised the City of their desire to temporarily operate the building as rental housing following completion of sale, until the property’s redevelopment. However, in order to do so, the developer required clarity from the City as to: 1) their obligations to the building’s existing secondary market and future tenants, with respect to tenant relocation requirements at time of redevelopment; and, 2) how transitioning the building to rental housing would impact the site’s development potential.

The City recognized that collaboration with the developer would enable existing tenants to remain in their units following sale of the property, while temporarily adding additional rental housing to the city’s limited stock. Together, staff worked with the developer to craft a Housing Agreement that:

- Provides a legal framework for operating and maintaining the rental units;
- Requires the property owner adhere to the City’s Tenant Relocation Policy (2015), upon redevelopment; and,
- Clarifies that: 1) the City’s Rental Replacement Policy shall not apply, and 2) that the site is not subject to Rental Tenure Zoning.

The Housing Agreement Bylaw was considered by Council on February 24, 2020 ([report / minutes](#)) and adopted March 20, 2020. Sale of the property completed in 2021. The clarity provided through the Housing Agreement was critical to the developer’s decision to tenant the building, rather than leave units vacant until redevelopment.

POLICY AND REGULATIONS

Land Use Regulation

The proposed project is consistent with the Official Community Plan and Downtown Community Plan, which designates the site Residential – Tower Apartment. The site is located within the Downtown Development Permit Area and Albert Crescent Precinct. As the project is not consistent with existing zoning, a rezoning is required. A summary of relevant City policies and regulation is provided in Attachment 1.

Interim Development Review Framework and Interim Density Bonus Policy

The Provincial government has introduced wide ranging changes to housing legislation that governs how municipalities plan for and approve new development, and how growth is financed. The City is currently working to review and update its regulations, policies, and practices in light of these changes. In the interim, new policies, some of which overlap with existing City policy, have been introduced to facilitate development review.

Two key policies are the Interim Development Review Framework (IDRF) and the Interim Density Bonus Policy (IDBP). Per these policies, OCP-compliant rezoning projects that propose stratified multi-unit residential density have two financing growth contribution options:

1. Meet the requirements of the current Inclusionary Housing Policy, in which case, density bonus charges would not apply; or,
2. Provide a cash density bonus contribution per IDBP requirements. This policy also allows applicants to propose in-kind amenities, such as below-market housing units. As detailed in the IDBP the value of the in-kind amenity, as approved by the City, would offset all or a portion of the project’s cash density bonus charge.

PROJECT PROPOSAL

The current applications propose two residential towers at 65 First Street, at heights of 31 and 35 storeys, and preliminary drawings indicate an FSR of 10.55. Tower A would be rental tenure, comprising 299 market rental units and 30 below-market units. Tower B would contain 304 stratified market condo units. The two buildings would be connected by a podium and upper level amenity bridge, with both strata and rental ground-oriented townhouse units addressing each of the site’s frontages. The project would exceed the City’s Family Friendly Housing requirements.

Pedestrian, cyclist, and vehicle access is proposed from Hastings Street and First Street. While residential vehicle parking is not required per TOD Area legislation, with the exception of accessible parking, 410 resident (0.6 spaces per unit) and 63 visitor (0.1 spaces per unit) spaces are proposed. A total of 980 long-term bicycle and 14 short-term bicycle parking spaces would be provided, exceeding Zoning Bylaw requirements. Wellington Street, Albert Crescent, and a portion of Hastings Street, made redundant through the application, would be closed to vehicles. This land would remain in the City’s possession.

DISCUSSION

In-Kind Amenity Proposal

The proposal includes 30 below-market housing units (10% of strata units), which is less than that required by the Inclusionary Housing Policy (IHP) (20% of strata units). As a result, the project is instead subject to the Interim Density Bonus Policy (IDBP), and the below-market units would be considered an in-kind amenity.

The below-market units and overall development scheme would address Council’s Homes and Housing Options strategic priority through creation of a mixed-tenure, mixed-income community in a transit-oriented neighbourhood. These units would be owned and operated by the YWCA and available to low and moderate income earners, with rents targeted to meet below-market rates set out by the IHP. Additional details of the in-kind amenity proposal would be refined as the application progresses.

Tenant Assistance Plan

Tenant assistance requirements were negotiated with the applicant in 2021 and subsequently secured through the Housing Agreement Bylaw to which the site is subject. The terms of the Housing Agreement were critical to the applicant’s decision to transition the building to rental housing and has been attached to all tenancy agreements, thereby informing tenants of the site’s planned redevelopment.

The applicant has proposed tenant assistance measures that voluntarily exceed their legal requirements under both the Housing Agreement and the Residential Tenancy Act. In addition to the requisite four months’ termination notice and three months’ rent compensation required through the Housing Agreement, the proposal includes: 1) hiring a Tenant Relocation Coordinator to support tenants in locating new housing; 2) additional financial support for moving costs and deposits; and, 3) flexibility for tenants to terminate leases early, while retaining support benefits. Secondary rental market tenants (i.e., those who rented from a strata unit owner) who resided at the building prior to its sale would be provided an additional \$2,000 in financial support.

Staff anticipate that the application would not be compliant with an updated Tenant Relocation Policy. However, the applicant’s proposal is considered reasonable given that the subject tenant assistance requirements secured through the Housing Agreement were negotiated with the City in good faith, and the applicant’s current proposal exceeds these. Staff would work with the applicant to finalize the details of the Tenant Assistance Plan through the review process.

Building Height, Density and Massing

The site’s existing zoning permits an overall base density of 1.2 FSR and a maximum height of 10.67 m. (35 ft.). The project proposes an increase of 9.35 FSR and 111.3 m. (365.2 ft.) above existing entitlements. The proposed density and height are consistent with the site’s OCP land use designation, and exceed the minimum provisions of the Tier 3 Columbia Station TOD Area. The proposed massing is typical of tower and podium developments, and tower spacing and floorplates are consistent with relevant design guidelines. Evolution and refinement of the building massing and exterior expression would continue through the application review process.

Albert Crescent Park Interface

The development proposes ground-oriented, pedestrian-scale townhouse units along the Albert Crescent Park frontage. As part of the development’s off-site improvements Albert Crescent, Wellington Street, and a portion of Hastings Street, made redundant through the application, would be closed to vehicles. Albert Crescent would be replaced with a 4.0 m. (13.1 ft.) mixed-use path (MUP), which would connect Agnes Street to the new Pattullo Bridge cycling infrastructure. Repurposing the remaining closed roadways as park space would be considered through the Parks and Recreation Plan process. As the application progresses, the interface between the public and private realms would be refined.

Transportation Considerations

A comprehensive transportation study, detailing the proposed bicycle and vehicle parking, access, transportation demand management measures, and loading configuration and functionality has been provided by the applicant. This study is currently under review by Transportation staff and there are a number of considerations that will need to be refined as the application progresses.

APPLICATION REVIEW PROCESS

The anticipated next steps in the application review process are identified below. These steps are general in nature and are likely to be further refined and revised as the project advances.

1. Preliminary report to Council (October 21, 2024) **(WE ARE HERE)**;
2. Interdepartmental staff review towards a suitable plan of development (ongoing);
3. Applicant-led public consultation, including dissemination of information through the Downtown Residents’ Association;
4. Presentation to the New Westminster Design Panel;
5. Creation of a Be Heard New West webpage;
6. Comprehensive Report to Council and Council consideration of First, Second and Third Readings of the Rezoning and Housing Agreement Bylaws following issuance of Notice of Public Hearing not Held;
7. Completion of adoption requirements;

- 8. Council consideration of adoption of Zoning Amendment and Housing Agreement Bylaws;
- 9. Issuance of Special Development Permit by the Director of Planning and Development.

INTERDEPARTMENTAL LIAISON

The City has a project-based team approach for reviewing development applications, which facilitates interdepartmental review, providing comments to the applicant throughout the development review process. This project-based team includes staff from Engineering, Planning and Development, Parks and Recreation, Electrical and Fire Departments.

FINANCIAL IMPLICATIONS

Financial considerations would be evaluated as part of the application review process and any relevant details included in the comprehensive report.

OPTIONS

The following options are available for Council’s consideration:

- 1. That Council direct staff to work with the applicant to prepare a a plan of development for 65 First Street suitable for consideration of First, Second and Third Readings, as outlined in the “Application Review Process” section of this report.
- 2. That Council provide staff with alternative direction.

Staff recommend Options 1 and 2.

ATTACHMENTS

- Attachment 1: Background Information
- Attachment 2: Preliminary Project Statistics
- Attachment 3: Preliminary Project Renderings

APPROVALS

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