

## **REPORT**

### ***Planning and Development***

**To:** Mayor Johnstone and Members of Council  
**Date:** April 7, 2025

**From:** Jackie Teed, Director,  
Planning and Development  
**File:** EDMS #2658250  
RZ000249  
SDP00238

**Item #:** 2025-102

**Subject:** **Zoning Amendment and Housing Agreement (65 First Street): Bylaws for First, Second and Third Readings**

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#### **RECOMMENDATION**

1. *THAT Zoning Bylaw No. 6680, 2001, Amendment Bylaw (65 First Street) No. 8503, 2025 be introduced and given first, second and third readings.*
  2. *THAT Housing Agreement Bylaw (65 First Street) No. 8504, 2025, to secure 30 below-market rental residential units, be introduced and given first, second and third readings.*
  3. *THAT, should Housing Agreement Bylaw (65 First Street) No. 8504, 2025 be adopted, the Mayor and Corporate Officer be authorized to execute the Housing Agreement.*
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#### **PURPOSE**

The report provides Council with information on the development proposal for 65 First Street, and requests that Council consider the Zoning Amendment and Housing Agreement bylaws for first, second, third readings.

#### **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. A total of 304 stratified condo units, 299 market rental units, and 30 below-market rental units (9.9% of condo units)

are proposed within two 30 and 35 storey towers. Drawings indicate a total Floor Space Ratio of 10.64. As such, the application proposes density and heights above those mandated in Tier 3.

The project is advancing under the City's Interim Development Review Framework and Interim Density Bonus Policy. The proposed 30 below-market rental units, to be owned and operated by the YWCA, would be considered as an in-kind amenity contribution and have been evaluated under the latter policy. Consistent with the City's typical process, all rental dwelling units would be secured through the Housing Agreement and zoning district (Attachments 1 and 2). The remaining estimated density bonus balance (\$4,321,866) would be a cash contribution payable at the time of Building Permit issuance.

Applicant-led and City-led public consultation have been undertaken for the project. The proposal is considered to be consistent with City policy, Council Strategic Priorities, and the Official Community Plan, and the applicant has responded to public and staff feedback. The statutory requirement for public notification has been met. As such, staff recommend that Council consider the rezoning and Housing Agreement Bylaws for first, second and third readings.

## **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. Following transfer of ownership, 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 2.

### **Housing Agreement and Tenant Assistance Requirements**

Following an agreement to purchase the site in 2019, the developer advised the City of their intention to temporarily operate the existing building as rental housing, until redevelopment. Together, staff and the developer negotiated a Housing Agreement that: 1) provides a legal framework for operating and maintaining the rental units; 2) requires the developer adhere to the City's Tenant Relocation Policy (2016), upon redevelopment; and, 3) clarifies that the City's Rental Replacement Policy does not apply to the site, nor is it subject to Rental Tenure Only 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. Additional information on the existing Housing Agreement is included in Attachment 4.

## **POLICY AND REGUALTIONS**

### **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 4.

### **Interim Development Review Framework and Interim Density Bonus Policy**

The City is currently working to review and update its regulations, policies, and practices in light of wide ranging changes to housing legislation and financing growth tools, introduced by the Provincial government. While this work is underway, development applications are being processed in light of the Interim Development Review Framework and the Interim Density Bonus Policy. These policies provide greater transparency and predictability in the development review process, and facilitate continued project review.

Per these policies, rezoning applications that are consistent with the Official Community Plan and propose multi-unit residential density have two financing growth 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 and/or in-kind amenities, such as below-market housing units, the City-accepted value of which would offset all or a portion of the project's cash density bonus charge.

## **PROJECT PROPOSAL**

The applications propose two residential towers at 65 First Street, at heights of 30 and 35 residential storeys, and drawings indicate a Floor Space Ratio of 10.64. 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 the site's frontages.

While residential vehicle parking cannot be required per Transit Oriented Development Area legislation, with the exception of accessible parking, 364 resident (0.58 spaces per unit) and 32 visitor (0.05 spaces) are proposed. A total of 1,236 long-term bicycle and 12 short-term bicycle parking spaces would be provided, exceeding Zoning Bylaw requirements. Albert Crescent (road), and portions of Hastings Street and Wellington Street, made redundant through the application, would be closed to vehicles and would remain in the City's possession.

## **DISCUSSION**

### **Overall Evaluation**

The development proposes a mixed-tenure, mixed-income community in a transit-oriented neighbourhood, and would address Council's Homes and Housing Options strategic priority. While the proposal exceeds prescribed Transit Oriented Development Area heights and densities, it is consistent with the Official Community Plan land use designation, the Interim Development Review Framework, and the Interim Density Bonus Policy.

The proposal would result in two significant community benefits: 1) an in-kind amenity consisting of 30 below-market housing units, and 2) an estimated density bonus (cash) contribution of \$4,321,866. The below-market housing units would be owned and operated by the YWCA, and offered to households at or below BC Housing Income Limits, with rents limited to those set out by the Inclusionary Housing Policy. Consistent with the City's typical process, market and below-market units would be secured as rental tenure through the site's zoning, and their management secured through the Housing Agreement (Attachments 2 and 3).

The overall project design is supported by staff given its consistency with key tower planning principles, including tower separation, tower floorplate sizes, and minimizing shadow and view impacts on public spaces. Additionally, the applications include off-site works including repurposing of redundant road space and new pedestrian and cyclist connections to Albert Crescent Park (Attachment 12).

### **In-Kind Amenity Proposal**

The proposal includes 30 below-market housing units (9.9% of condo units). Consistent with best practice for inclusionary housing development, the below-market units would be constructed by the applicant and sold to the YWCA for approximately 60% of the cost of construction (\$8,000,000). The units would be owned and operated by the YWCA, a registered charity whose mandate includes the operation of affordable housing.

Below-market units would be rented to households with incomes at or below BC Housing Income Limits, with some units reserved for single mothers and their children. Rents would not exceed 10% below Canada Mortgage and Housing Corporation market median rents, all years, for New Westminster (consistent with Inclusionary Housing Policy maximum rents). Where possible, the organization would endeavor to deepen the affordability of units, as operationally feasible. More information on the YWCA's affordable housing programs is provided in Attachment 5. YWCA has also provided a letter to Council (Attachment 14) that details the organization's mission and mandate.

The proposed units, rents, household income limits, and other key housing principles would be secured by Housing Agreement Bylaw No. 8504, 2025 included in Attachment 2. Sale of the units to YWCA would be secured through the Development Agreement Covenant.

## Density Bonus Balance

Per the Interim Density Bonus Policy, density bonus is chargeable on strata residential density in excess of existing entitlements. The cost of the in-kind amenity (below-market housing units) would be deducted from the density bonus value, resulting in a balance. This balance is estimated in Table 1 based on the City's current rates, and would be confirmed based on the City's rates at time of Building Permit application.

**Table 1: Estimated Density Bonus Balance**

<b>Proposed Strata Density Above Base Entitlements</b>	4.04 FSR 17,817.4 sq. m. (191,784.8 sq. ft.)
<b>Estimated Density Bonus Value<sup>1</sup></b>	\$9,589,240
<b>In-kind Amenity Cost<sup>2</sup></b>	\$5,267,374 (approx. 55% of density bonus value)
<b>Estimated Density Bonus Balance</b>	\$4,321,866

<sup>1</sup> Per City's current density bonus rate of \$50 per sq. ft.

<sup>2</sup> City-accepted in-kind amenity costs (\$13,267,374) less sale price (\$8,000,000)

## Tenant Assistance Plan

The proposed Tenant Assistance Plan would voluntarily exceed the applicant's legal requirements under the Housing Agreement and 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) financial support for moving costs and deposits; and, 3) flexibility for tenants to terminate leases early, while retaining tenant supports. 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.

The proposed supports are both different and less than those expected through the updated Tenant Relocation Policy. Staff considers the proposal to be reasonable given: 1) the City's draft policy will apply to purpose-built rental buildings whereas the subject building was constructed and used as a condominium; and, 2) the supports were negotiated with the applicant in good faith early in the development review process to protect the existing secondary-market rental tenants in the building and to allow the remainder of the building to be used for rental in the interim.

The complete Tenant Assistance Plan and tenant communication to-date is included in Attachment 6. The Tenant Assistance Plan and supports would be secured through a section 219 covenant as a condition of adoption.

## Vehicle Access and Circulation

Off-street parking would be located in an underground parkade with access from First Street and Hastings Street (through a central drive court). The constrained nature of the site has presented challenges with respect to the parkade design. These issues would be resolved prior to issuance of the delegated Development Permit.

Through the application, First Street and Hastings Street would dead-end and Albert Crescent (road) and Wellington Street would be closed to traffic. Re-use of former road space would be considered through the Parks and Recreation Plan Update.

## **PUBLIC CONSULTATION**

Consultation has been completed for this application consisting of applicant-led consultation, presentation to the New Westminster Design Panel, and City-led consultation. An overall summary of consultation is included in Attachment 8. The applicant's summary of applicant-led consultation and their response to feedback is included in Attachment 9, New Westminster Design Panel minutes in Attachment 10, and the City-led consultation summary report in Attachment 11.

## **REVIEW PROCESS**

The development application review process for this application is as follows:

1. Preliminary report to Council (October 21, 2024);
2. Applicant-led public consultation, including dissemination of information through the Downtown Residents' Association (October to November 2024);
3. Presentation to the New Westminster Design Panel (December 10, 2024);
4. City-led public consultation, including creation of a Be Heard New West webpage and survey (January to February 2025);
5. Public notification that no Public Hearing will be held (March 28 to April 7, 2025)
6. Council consideration of first, second, and third readings of the proposed Zoning Amendment and Housing Agreement Bylaws **(WE ARE HERE)**;

Anticipated next steps:

7. Completion of adoption requirements;
8. Council consideration of adoption of the bylaws;
9. Issuance of the Development Permit by the Director of Planning and Development.

Per changes to the *Local Government Act* which took effect on November 30, 2023, under Section 464(3), municipalities are now prohibited from holding Public Hearings for projects that are consistent with the Official Community Plan, and in which the residential component of the project accounts for at least half of the proposed gross residential floor area. As this project satisfies these conditions, a Public Hearing must not be held.

## **FINAL ADOPTION REQUIREMENTS**

Prior to adoption of Zoning Amendment Bylaw No. 8503, 2025, adoption requirements listed in Attachment 13 would be required to be completed.

**FINANCIAL CONSIDERATIONS**

The proposal would result in 633 new dwelling units, including 299 market rental and 30 below-market housing units, within close proximity to rapid transit. The overall scope of improvements would be expected to increase the property's value, which is anticipated to increase property tax revenue.

The below-market units would be considered an in-kind amenity through the Interim Density Bonus Policy, and the cost of delivery deducted from the estimated density bonus value (approximately 55% of the value). The remaining density bonus balance, approximately \$4,321,866, would be calculated at time of Building Permit application and payable as a cash contribution prior to Building Permit issuance. Through the Interim Density Bonus Policy, density bonus is not calculated on the proposed secured market rental density, given that units would be secured through a Housing Agreement and the site's zoning.

Development Cost Charges would be calculated and collected prior to Building Permit issuance. The project is also required to contribute off-site infrastructure upgrades as outlined in the Engineering Servicing Memo (Attachment 12).

**INTERDEPARTMENTAL LIAISON**

The City has a project-based team approach for reviewing development applications. A staff-led project team was assigned for reviewing this project consisting of staff from Engineering (Servicing and Transportation), Fire, Electrical, Parks and Recreation, and Climate Action, Planning and Development (Building, Planning, Trees, and Heritage) Departments who provided comments throughout the development review process.

**OPTIONS**

The following options are presented for Council's consideration:

1. That Zoning Bylaw No. 6680, 2001, Amendment Bylaw (65 First Street) No. 8503, 2025 be introduced and given first, second and third readings.
2. That Housing Agreement Bylaw (65 First Street) No. 8504, 2025 to secure 30 below-market rental residential units be introduced and given first, second and third readings.
3. That, should Housing Agreement Bylaw (65 First Street) No. 8504, 2025 be adopted, the Mayor and Corporate Officer be directed to execute the Housing Agreement.
4. That staff be provided with alternative direction.

Staff recommends Options 1, 2 and 3.

## **ATTACHMENTS**

- Attachment 1: Zoning Bylaw No. 6680, Amendment Bylaw (65 First Street) No. 8503, 2025
- Attachment 2: Housing Agreement Bylaw (65 First Street) No. 8504, 2025
- Attachment 3: Housing Agreement Principles Letter
- Attachment 4: Background Information
- Attachment 5: Additional Project Discussion and Analysis
- Attachment 6: Tenant Assistance Plan
- Attachment 7: Applicant Submission Materials (Select)
- Attachment 8: Overall Consultation Summary
- Attachment 9: Applicant-led Consultation Summary and Response
- Attachment 10: Extract of December 10, 2024 NWDP Meeting Minutes
- Attachment 11: City-led Consultation Summary
- Attachment 12: Engineering Servicing Memo
- Attachment 13: Final Adoption Requirements
- Attachment 14: YWCA's Letter to Council

## **APPROVALS**

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