

REPORT

Planning and Development

To: Mayor Johnstone and Members of Council
Date: June 23, 2025

From: Jackie Teed, Director, Planning and Development
File: #2666930
REZ000255

Item #: 2025-185

Subject: **Rezoning Application: 140 Sixth Street (Royal Towers) – Preliminary Report**

RECOMMENDATION

THAT the “Application Review Process” towards creation of appropriate Housing Agreement and Zoning Amendment Bylaws for redevelopment of 140 Sixth Street and as outlined in this report, be endorsed.

PURPOSE

To provide Council with information as to the initial development concept for 140 Sixth Street (Royal Towers), and to request Council’s endorsement of the application review process towards creation of appropriate Housing Agreement and Zoning Amendment Bylaws be endorsed.

EXECUTIVE SUMMARY

Rezoning and Development Permit applications have been received for a mixed-tenure, master planned community at 140 Sixth Street (Royal Towers) within Tier 2 of the Columbia Station Transit Oriented Development Area. The initial concept for the site proposes three phases of development, with Phase A comprising two six-storey rental residential buildings and Phases B and C comprising two 40-storey mixed-use commercial and market condo residential towers. A total of 1,050 residential units are proposed, including 850 market condo units and 200 secured market rental units, of which 125 would be secured at below-market rental rates (14.7% of condo units).

The property is currently improved with a mixed-use building containing 135 tenanted rental residential units. The applicant is currently working with Lookout Housing and Health Society towards a Tenant Assistance Plan.

The applicant has communicated to the City that they wish for the application to be processed on a compressed schedule due to project financing pressures. While the City’s practice is to work collaboratively with applicants towards desired timelines, staff have advised the applicant that, given the complexity of the master plan process and this site specifically, it would not be feasible to achieve Council consideration on the applicant’s timeline.

Instead, staff have proposed a compressed application review process and schedule that reflects the most expedited timeline that staff consider feasible. The intention of the proposed process would be to facilitate creation of a Policy Statement, Tenant Assistance Plan, Housing Agreement, and basic Zoning Amendment Bylaw appropriate for Council consideration of first, second, and third readings. The process also anticipates several community consultation events and opportunities for Council feedback.

The following is anticipated to be developed in this stage of the process:

- High level master plan principles, such as those related to tenant support and rehousing, affordable housing, rental unit replacement, public benefits, development phasing, open space, urban design, transportation demand management, and site access and servicing;
- Tenant Assistance Plan that is generally consistent with the City’s updated Tenant Assistance Policy;
- Housing Agreement Bylaw to secure all rental housing proposed through the project;
- Development of zoning parameters such as high level development phasing, density, use(s), and building heights.

Through the proposed application review process, creation of a detailed master plan and related legal agreements would occur following Council consideration of third reading of the Housing Agreement and Zoning Amendment Bylaws, and prior to consideration of final adoption. Review and issuance of Development and Building Permits in accordance with the master plan would follow. Staff are seeking Council endorsement to continue the review process as outlined in this report.

BACKGROUND

Site Characteristics and Context

The subject site is approximately 10,580 sq. m. (1.06 hectares / 113,882.2 sq. ft.) and located in the Uptown neighbourhood, in Tier 2 of the Columbia Station Transit Oriented Development Area. It is bounded by Royal Avenue to the south, Sixth Street to the east,

Seventh Street to the west, and an existing townhouse development to the north. The site is improved with a seven-storey residential and commercial building and above-grade structured parking. Additional information is provided in Attachment 1.

Existing Buildings On-site

Royal Towers was constructed in 1961 as a hotel. In 2010, hotel operations ceased and the building was converted to 135 rental housing units. Units generally range in size from 20.5 sq. m. (221 sq. ft.) to 85.8 sq. m. (924 sq. ft.) and are primarily studios (approximately 79%). The majority of units (approximately 59%) are smaller than 32.5 sq. m. (350 sq. ft.), the minimum size of a studio under current Zoning Bylaw standards. Approximately 34% of units are larger than Bylaw standards.

Past Council Direction

October 21, 2024 Council Meeting

On October 21, 2024 Council passed the below resolution with respect to redevelopment of 140 Sixth Street ([report](#) / [minutes](#)):

THAT Council direct staff to work with the applicant to advance a development proposal for 140 Sixth Street, which may consider towers between 30 to 40 storeys in height.

Through the accompanying report, staff advised that any application for the subject site would be expected to align with City policy, such as rental replacement, tenant assistance, and public benefits commensurate to the density proposed.

December 3, 2018 Land Use Planning Committee

A Preliminary Application Review for the subject site was presented to the Land Use Planning Commission on December 3, 2018 ([report](#) / [minutes](#)) for a form of development that was largely similar to the current application. A summary of feedback provided at that meeting is included in Attachment 1.

POLICY AND REGULATIONS

Land Use Regulation

While the initial development concept is generally consistent with the Official Community Plan (OCP), which designates the site Residential – High Rise, the proposed heights and density would exceed Tier 2 Transit Oriented Development Area limits. The site is currently zoned Community Commercial Districts (Restricted) (C-5), which permits relatively high redevelopment entitlements – residential density up to 3.0 Floor Space Ratio (FSR) and an overall density of 5.2 FSR. As the proposed residential density is greater than permitted, a rezoning is required.

Interim Development Review Framework

The City is 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. However, a detailed approach to large-scale master plan developments is not specifically outlined within the Framework. As such, a project-specific application review process has been proposed, which would function within the City’s current policy context.

Tenant Assistance Policy and Update

The City is in the process of updating its Tenant Assistance Policy (formerly Tenant Relocation Policy) in accordance with the principles that Council indicated on March 24, 2025 should form the basis of the updated Policy ([report](#) / [minutes](#)). Applicants contemplating rental housing redevelopment will be expected to generally comply with the updated Policy, which is anticipated to be considered by Council in Fall 2025.

Inclusionary Housing Policy

The Inclusionary Housing Policy was endorsed by Council in December 2019 and directs projects seeking stratified residential density above existing entitlements to provide new on-site affordable housing units. The Policy sets different inclusionary housing requirements for projects proposing to exceed OCP and density bonus limits (20% of stratified units) and those proposing to stay within OCP and density bonus limits (5-10% of stratified units depending on affordability). As the proposal complies with the OCP land use designation and existing zoning does not include density bonus provisions, the project is required to provide 10% of stratified units as secured below-market rental housing. The Policy is currently being updated to better reflect current market and development conditions to enable the creation of affordable rental units.

Draft Rental Replacement Policy

On January 14, 2019, Council directed staff to apply the Draft Rental Replacement Policy as an interim guideline to active development applications. 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% secured rental units including 10% of units at below-market rates. This project is being reviewed in light of the intent of this policy.

PRELIMINARY PROPOSAL

A high level concept has been submitted for the subject site, which proposes a total of 1,050 residential units across three phases of development and four buildings. Phase A would deliver two six-storey buildings with 125 secured below-market rental units in Building 1 and 75 secured market rental units in Building 2. Per the applicant’s proposal,

Lookout Housing and Health Society would own and operate both Buildings 1 and 2. The area delineated for Phase A redevelopment is currently vacant or improved with structured parking.

Phases B and C would comprise two mixed-use towers, approximately 40 storeys in height, as well as a central plaza space. A total of 850 market condo units are proposed alongside 6,038.7 sq. m. (65,000 sq. ft.) of commercial space, including retail and office. The areas delineated for Phases B and C are currently improved with the existing Royal Towers building.

DISCUSSION

Key Considerations

Staff intend to work collaboratively with the applicant through the proposed application review process to address a number of key considerations prior to Council deliberation on the Zoning Amendment Bylaw. Potential items for resolution are discussed below.

Tenant Assistance Plan

The subject site has been used as long-term rental housing since 2010 and the existing building is currently tenanted. The applicant is working with Lookout Housing and Health Society towards a Tenant Assistance Plan. This Plan would be expected to generally comply with the City’s updated Tenant Assistance Policy and would be subject to Council approval. Staff would continue to work with the applicant towards a Tenant Assistance Plan, and would anticipate further conversations with Council regarding this aspect of the proposal.

Rental Unit Replacement

The Draft Rental Replacement Policy requires that 100% of existing rental residential units (135) proposed for redevelopment be replaced, and that a minimum of 10% of replacement units be secured at below-market rates (14). The applicant’s development concept would exceed Policy requirements, given that 200 secured rental units are proposed, of which 125 would be secured at below-market rates and owned and operated by Lookout Housing and Health Society. Staff would continue to work with the applicant to refine this aspect of the proposal through the review process.

Inclusionary Housing and Additional Public Benefits

The current Inclusionary Housing Policy requires that 10% of market condo units (85) be provided as below-market rental units. The City considers such units to be in-kind amenities, providing they are owned and operated by a qualified non-profit housing operator and rents secured by covenant. The applicant’s concept would exceed the

number of required below-market rental units, given that 125 units are proposed. Staff would continue to work with the applicant to refine the inclusionary housing proposal, as well as the project’s overall public benefit strategy, through the review process.

Urban Design

While the proposed density and height are generally consistent with the existing OCP land use designation, there are a number of key urban design considerations that will need to be developed with the applicant through the application review process. These include, but are not limited to, overall scale and massing, tower placement, relationship to and activation of the Sixth Street Great Street, appropriate treatment of the Royal Avenue frontage, site porosity and creation of pedestrian and cyclist connections through from Sixth Street to Seventh Avenue, and transition to the adjacent townhouse development.

Transportation and Site Servicing Considerations

The subject site is bounded by the Major Road Network to the south (Royal Avenue), a Great Street to the east (Sixth Street), a local street bikeway to the west (Seventh Avenue), and an existing townhouse development the north. This context and the site’s steep grade increases the development’s complexity. Staff would work with the applicant to plan for optimal site access that prioritizes pedestrians and cyclists above vehicles, while balancing functional site servicing. Staff note that while off-street residential parking cannot be required in the Transit Oriented Development Area, staff would work with the applicant to develop a robust Transportation Demand Management strategy to help reduce reliance on private vehicles.

Application Review Process

The master plan process is intended to bridge the gap between high level directions in the Official Community Plan and the site-specific details of a standard rezoning and Development Permit application. The applicant has communicated to staff a desired timeline for this work and supporting rationale, which is included in Attachment 2. While the City’s practice is to work collaboratively with applicants towards desired timelines, staff have advised the applicant that, given the complexity of the master plan process and this site specifically, it would not be feasible to achieve Council consideration on the applicant’s timeline.

Instead, staff have proposed a compressed application review process and schedule that reflects the most expedited timeline that staff consider feasible. Staff have met with the applicant to advise them that their desired timeline is not feasible and to go over the compressed application review process developed by staff. The process developed by staff spans across three stages, described below, and would involve community consultation, opportunities for Council feedback, and staff review. The overall intent would be to prioritize getting to Council consideration of a Policy Statement, Tenant Assistance Plan, Housing Agreement, and supporting a basic Zoning Amendment

Bylaw that will reflect Council and community priorities and guide creation of the subsequent detailed master plan and site buildout. This is an approach that is similar to the application review process for the Columbia Square redevelopment project which received Third Reading on October 28, 2024.

Staff note that the schedule is contingent on a number of factors, including Council endorsement of the process and the applicant being able to successfully address Council, staff, public and tenant feedback, and meet all requirements by the City’s deadlines. The schedule further acknowledges that public consultation cannot occur during summer months or the December holiday season. Should the applicant fail to meet the City’s deadlines, the schedule would be forward adjusted.

Stage 1: Development of Policy Statement, Tenant Assistance Plan, and Housing Agreement and Zoning Amendment Bylaws (ongoing to Council consideration of bylaw readings)

During Stage 1, staff would work with the applicant team to develop:

- Policy Statement – Intended to guide the detailed master planning process, the Policy Statement is anticipated to include, but not be limited to, topics such as tenant support and rehousing, affordable housing, rental unit replacement, public benefits, development phasing, open space, urban design, transportation demand management, and site access and servicing;
- Tenant Assistance Plan – Intended to provide a clear and comprehensive Plan for the interim and future housing of tenants, related supports, and ongoing tenant communication through to completion of construction. The Plan would be developed by the applicant’s third party Tenant Assistance Coordinator (Lookout Housing and Health Society) in close consult with tenants and staff, and would be expected to comply with the City’s updated Tenant Assistance Policy;
- Housing Agreement – To secure all rental housing proposed through the project; and,
- Zoning Amendment Bylaw – To provide basic parameters for massing, use, and development phasing and anticipated to include basic zoning parameters including but not limited to development phasing, density, use(s), and building heights.

Various “stage gates” precede major milestones, and compliance with all City requirements (determined at the discretion of staff) would be required in order for the applicant to move forward. Community consultation is anticipated to occur in Fall 2025 and Winter and Spring 2026, prior to consideration of the Policy Statement, Tenant Assistance Plan, Housing Agreement, and Zoning Amendment Bylaw by Council. Staff anticipate these deliverables would be considered by Council in Spring 2026.

Review Timeline

The anticipated schedule for Stage 1 of the application review process is as follows:

- 1. Preliminary Report to Council seeking direction (**WE ARE HERE**)
- 2. Submission #1 (Summer 2025):
 - a. Initial master plan concept
 - b. Draft Tenant Needs Assessment
 - c. Draft Tenant Assistance Plan
- 3. Interdepartmental staff review of Submission #1 (Summer 2025)

Stage gate #1: All Council and staff feedback to be addressed by the Applicant to the satisfaction of staff.

- 4. Applicant-led public consultation #1 (Fall 2025)
- 5. Joint Applicant-City staff workshops (Fall 2025)
- 6. Submission #2 (Winter 2025):
 - a. Revised master plan concept
 - b. Final Tenant Assistance Plan
- 7. Interdepartmental staff review of Submission #2 (Winter 2025)

Stage gate #2: All Council, community, staff feedback to be addressed by the Applicant, to the satisfaction of staff.

- 8. Applicant-led public consultation #2 (Winter 2026)
- 9. Draft Policy Statement prepared by City (Winter 2026)
- 10. Submission #3 (Winter 2026):
 - a. Revised master plan concept
 - b. Final public benefits proposal
- 11. Interdepartmental staff review of Submission #3 (Winter 2026)
- 12. Update to Council on master plan process (Winter 2026)

Stage gate #3: All Council, community, staff feedback to be addressed by the Applicant, to the satisfaction of staff.

- 13. City-led public consultation (Winter 2026)
- 14. Preparation of Housing Agreement and Zoning Amendment Bylaws (Spring 2026)
- 15. Final Policy Statement prepared by City (Spring 2026)

Stage gate #4: All Council, community, staff feedback to be addressed by the Applicant, to the satisfaction of staff.

- 16. Council consideration of first, second, and third readings of Housing Agreement and Zoning Amendment Bylaws and endorsement of Policy Statement (Spring 2026)

Should Council support the Tenant Assistance Plan, endorse the Policy Statement, and give three readings to the Housing Agreement and Zoning Amendment Bylaws, the project would then move to Stage 2 of the proposed process.

Stage 2: Finalization of Detailed Master Plan and Related Legal Agreements (should third reading be given – from third reading to Council consideration of adoption of the Zoning Amendment Bylaw)

During this stage, staff would work with the applicant to develop a master plan for the site. This master plan would provide a clear plan of development and technical details to guide future phased development through subsequent Development and Building Permits. Further consultation with the community and interdepartmental review would be anticipated. The master plan would be registered on title through a restrictive covenant and Development Agreement, prior to Council consideration of final adoption of the Zoning Amendment Bylaw. It is anticipated that the applicant would progress the Development Permit for the first phase of development concurrent with this process.

Should Council adopt the Zoning Amendment Bylaw, the project would move to Stage 3 of the proposed process.

Stage 3: Development and Building Permit Issuance

This stage would involve review and issuance of Development and Building Permits for each phase of development, and would facilitate buildout of the site in accordance with the master plan.

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 to Council accompanying the bylaws for consideration.

OPTIONS

The following options are available for Council's consideration:

1. That the "Application Review Process" towards creation of appropriate Housing Agreement and Zoning Amendment Bylaws for redevelopment of 140 Sixth Street and as outlined in this report, be endorsed.
2. That Council provide staff with alternative direction.

Staff recommends Option 1.

ATTACHMENTS

Attachment 1: Background Information

Attachment 2: Applicant's Rationale for Condensed Application Review Process

APPROVALS

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