

REPORT

Planning and Development

To: Mayor Johnstone and Members of Council
From: Serena Trachta, Acting Director
Planning and Development
Date: August 25, 2025
File: EDMS #2736878
RZ0000255
Item #: 2025-227
Subject: Rezoning Application: 140 Sixth Street (Royal Towers) – Application Review Process

RECOMMENDATION

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 the report titled “Rezoning Application: 140 Sixth Street (Royal Towers) – Application Review Process” from the Acting Director of Planning and Development dated August 25, 2025 (Attachment 4), be endorsed.*
 2. *THAT staff prepare a letter of support to Lookout Housing and Health Society to supplement any future application(s) for senior government funding contributions towards proposed affordable housing at 140 Sixth Street.*
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PURPOSE

To provide Council with an update regarding the current status of the rezoning application at 140 Sixth Street, request Council’s endorsement of the proposed application review process towards creation of appropriate Housing Agreement and Zoning Amendment Bylaws, and to request that Council direct staff to prepare a letter of support to Lookout Housing and Health Society in support of any future application(s) for senior government funding contributions to the proposed affordable housing at 140 Sixth Street.

EXECUTIVE SUMMARY

On June 23, 2025 Council provided the following direction to staff:

THAT staff work with the applicant to identify the quickest path forward to achieve the City approvals necessary in support of the applicant meeting BC Housing funding requirements for Phase A (market and affordable rental buildings) of the master plan proposal for 140 Sixth Street (Royal Towers), which would include strong legal encumbrances on the property or properties to ensure that all requirements of the City can be met, with the understanding that the master planning process for 140 Sixth Street would not be able to achieve the timeline identified by staff in the June 23, 2025 staff report titled “Rezoning Application: 140 Sixth Street (Royal Towers) – Preliminary Report” due to prioritization of Phase A, and the need to provide for meaningful public consultation as part of that work.

The applicant has since indicated that they no longer wish to prioritize Phase A approvals over the site-wide master plan process, as this would not provide sufficient assurances to their funding partners. Instead, the applicant has communicated that they wish to revert back to the process initially recommended by staff in the June 23, 2025 Council Report and move forward with a rezoning application on a compressed schedule for the entire site (Attachment 1).

In light of the applicant’s request, staff have adjusted the compressed application review process and schedule originally proposed through the June 23, 2025 Council report. The intention of the proposed, three stage process would be to facilitate creation of a Policy Statement, Tenant Assistance Plan, Housing Agreement, and basic Zoning Amendment Bylaw appropriate for Council consideration. The process also anticipates several community consultation events and opportunities for Council feedback.

The following is anticipated to be developed in Stage 1:

- 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 (Stage 2). Review and issuance of Development and Building Permits in accordance with the master plan would follow (Stage 3). Staff are seeking Council endorsement to continue the review process as outlined in this report.

The proposed schedule reflects the most expedited timeline that staff consider feasible and anticipates Council consideration of the project’s bylaws in late Spring 2026. The applicant has indicated that, while there may be risk to the project should the rezoning

bylaw not be considered by the end of 2025, they believe that working with the City on the proposed, accelerated timeline would help build confidence among their funding partners.

The applicant has also indicated that they intend to apply with Lookout Housing and Health Society for senior government funding to support the project's affordable housing component (Phase A), as soon as reasonably possible. As such, they are seeking a letter of support from the City expressing a commitment to facilitate the master plan process on an expedited schedule. In order to support any forthcoming affordable housing funding applications, staff recommend that Council direct staff to prepare a letter of support that confirms the City's commitment to process the master plan application on an expedited timeline, understanding that consideration of the application is at the discretion of Council.

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 2.

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

June 23, 2025 Council Meeting

On June 23, 2025 staff brought forward a report to Council which recommended a process for the creation of appropriate Housing Agreement and Zoning Amendment Bylaws for the entire site at 140 Sixth Street. At that meeting, Council passed the following, alternative resolution to prioritize the Phase A portion of the site ([report / minutes](#)):

THAT staff work with the applicant to identify the quickest path forward to achieve the City approvals necessary in support of the applicant meeting BC Housing funding requirements for Phase A (market and affordable rental buildings) of the master plan proposal for 140 Sixth Street (Royal Towers), which would include strong legal encumbrances on the property or properties to ensure that all requirements of the City

can be met, with the understanding that the master planning process for 140 Sixth Street would not be able to achieve the timeline identified by staff in the June 23, 2025 staff report titled “Rezoning Application: 140 Sixth Street (Royal Towers) – Preliminary Report” due to prioritization of Phase A, and the need to provide for meaningful public consultation as part of that work.

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.

The project would be considered in light of the Interim Development Review Framework and a number of municipal policies, including the Tenant Assistance Policy and Update, Inclusionary Housing Policy, and the Draft Rental Replacement Policy. Information on these regulatory tools is included in Attachment 2.

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 were included in the June 23, 2025 Preliminary Report to Council and are included in Attachment 3.

Application Review Process

As detailed by the applicant in the letter included as Attachment 1, the project is under a number of financing constraints. For this reason, they no longer wish to prioritize Phase A approvals over the site-wide master plan process, as this would not provide sufficient assurances to their funding partners. Instead, the applicant has communicated to the City a desire for the rezoning application to proceed for the entire site on a compressed schedule.

In response to the applicant's latest request, staff have adjusted the timing of the compressed application review process originally proposed in the June 23, 2025 Council report. As previously detailed to Council, the overall intent of the process would be to prioritize Council consideration of a Policy Statement, Tenant Assistance Plan, Housing Agreement, and basic Zoning Amendment Bylaw reflective of Council and community priorities, which would guide creation of the detailed master plan and site buildout. The process is similar to that of the Columbia Square redevelopment project which received Third Reading on October 28, 2024.

The timeline anticipates three readings of the project's bylaws in late Spring 2026 and is contingent on a number of factors, including Council endorsement of the process, the applicant successfully addressing Council, staff, public and tenant feedback, and satisfaction of all requirements by the City's deadlines – should the applicant fail to meet these deadlines, the schedule would be forward adjusted. The full scope of the proposed process and schedule is included as Attachment 4.

Staff have met with the applicant to review the proposed process and timeline, and to explain that it reflects the most expedited timeline that staff consider feasible. The applicant has indicated that, while there may be risk to the project should the rezoning bylaw not be considered by the end of 2025, they believe that working with the City on the proposed, accelerated timeline would help build confidence among their funding partners.

Commitment Letter Request

The applicant has indicated that they still intend to apply with Lookout Housing and Health Society to BC Housing's Community Housing Fund, to help finance Phase A of the proposed project. Should an application be submitted before the end of 2025, funding awards would likely be announced in 2026, and successful applications required to initiate construction by 2028.

In support of a future funding application, the applicant is seeking a letter of support from the City that commits to facilitating and expedited master plan process. Staff recommend that Council direct staff to prepare a letter of support that expresses the City's commitment to an expedited application review process that allows the City to meet its fiduciary obligations. Such a letter would not preclude Council decision making, and staff note that should the funding application be successful, initiation of construction would be contingent on approval of the project's bylaws by Council, satisfaction of all adoption requirements, and issuance of Phase A Development and Building Permits.

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 the report titled "Rezoning Application: 140 Sixth Street (Royal Towers) – Application Review Process" from the Acting Director of Planning and Development dated August 25, 2025 (Attachment 4), be endorsed.
2. That staff prepare a letter of support to Lookout Housing and Health Society to supplement any future application(s) for senior government funding contributions towards proposed affordable housing at 140 Sixth Street.
3. That staff be provided with alternative direction.

Staff recommends Option 1 and 2.

ATTACHMENTS

Attachment 1: Applicant's Rationale for Condensed Application Review Process
(July 17, 2025)

Attachment 2: Background Information

Attachment 3: Additional Discussion (Key Considerations)

Attachment 4: Proposed Application Review Process

APPROVALS

This report was prepared by:

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