

REPORT

Climate Action, Planning and Development

To: Land Use and Planning Committee **Date:** March 28, 2022

From: Jackie Teed, Acting Director, Climate Action, Planning and Development **File:** REZ00200

Item #: 2022-220

Subject: Rezoning and Development Permit: 222 Ash Street – Preliminary Report

RECOMMENDATION

THAT the Land Use and Planning Committee instruct staff regarding the optional approaches, and endorse staff's other recommendations in Section 8 of this report, and provide staff with any other feedback; and,

THAT the Land Use and Planning Committee endorse the review process included in the Review Process and Next Steps Section of this report, and instruct staff to proceed with next steps once feedback provided by the Committee has been addressed.

EXECUTIVE SUMMARY

The City has received an application for a Rezoning and a Development Permit to allow for a three storey addition to an existing purpose built three storey rental building. The addition would allow for the construction of 37 new rental units within the building, for a total of 87 units. Ten of the units (11.5%) would be affordable rental units, though the proposed rental rate has not been provided.

The applicant states that the 50 existing units would need to be vacated for the construction, but no tenant assistance plan has been provided. Of these, 29 units (58%) are rented at less than the City's defined below market housing rates. Staff is seeking Land Use and Planning Committee instructions regarding options to address this issue:

- 1) Advise the applicant that a Tenant Assistance Plan needs to be provided which is both consistent with the provisions previously included in the City's Business Regulations and Licensing (Rental Units) Bylaw (i.e. temporary accommodation during construction and return to the original rental unit under the terms of the

existing tenancy agreement, and rent control) for all units paying below market rents, and which offers assistance generally consistent with the City's Tenant Relocation Policy, for all units; or,

- 2) Advise the applicant that the proposed application should not be advanced further, given the requirement that current tenants cannot remain in the 50 existing rental units through construction.

Should LUPC choose (1), staff recommends the rezoning use Rental Tenure Only Zoning, which would protect the property for rental use in perpetuity, or until a future Council should choose to approve a change to the zoning on the site.

The applicant has requested a 41% reduction in required parking, which would need to be supported by a comprehensive transportation review, to the satisfaction of the Director of Engineering.

1. PURPOSE

The purpose of this report is to request feedback and instructions from the Land Use and Planning Committee regarding an application to add 37 rental units (including 10 affordable units) in a three-storey addition to an existing rental building, which would require the existing 50 rental units be vacated for construction, 58% of which pay below market rent.

2. POLICY AND REGULATIONS

The application is consistent with the Official Community Plan (OCP) land use designation for the subject property, which is (RM) Residential Multiple Unit Buildings and allows for a mix of small to moderate sized multi-unit residential buildings. Only in circumstances where the Development Permit Area guidelines can be met, a compelling case can be made, and appropriate amenities are provided will a five or six storey low rise building be considered. The subject site is zoned RM-2 Apartment Low Rise. A rezoning would be required as the proposal exceeds the maximum height of the zone.

The subject site is located within the Multiple Unit Residential Development Permit Area (DPA). The intent of this DPA designation is to "integrate multi-unit housing forms into the city's single detached dwelling and ground oriented housing neighbourhoods."

This project is being reviewed under both the Family Friendly Housing Policy and the Draft Rental Replacement Policy. A summary of relevant City policies and regulations is included as Attachment 1.

3. BACKGROUND

3.1 Site Characteristics



The subject site is located mid-block on Ash Street between Third Avenue and Queens Avenue in the Uptown neighbourhood. The site is currently occupied by a 50-unit three storey purpose built rental building. The subject site is surrounded by several other low-rise apartment buildings, as well as some single family homes.

3.2 Proximity to Transit

The property is within walking distance to three bus routes with service to Edmonds, Brentwood, and New Westminster, Surrey Central, and Downtown Vancouver SkyTrain Stations:

Transit Route:	Project Distance	Bus Routes
Eight Street (FTN)	Approximately 140 m	#123, frequency 10 - 15 min (peak) to 15 - 25 min
Sixth Street (FTN)	Approximately 300 m	#106, frequency 8 -15 min (peak) to 15 - 30 min N19, frequency 20 – 40 min

3.3 Business Regulation and Licensing (Rental Units) Bylaw

On Nov 15, 2021, the City repealed Part 6 of the Business Regulation and Licensing (Rental Units) Bylaw because the new provincial regulations made this bylaw inoperable. As of July 1, 2021, if a landlord wants to end a tenancy for extensive renovations or repairs, they need to apply for an Order to End Tenancy and an Order of

Possession from the Residential Tenancy Branch, who will then schedule a proceeding where an arbitrator will decide if ending the tenancy is the only way to complete the renovation work. The City is currently reviewing the new Residential Tenancy Agreement provisions to determine what steps, if any, are needed.

As part of a rezoning application, the City has the authority to request the same, or similar, requirements as were previously included in Part 6 of the Business Regulation and Licensing (Rental Units) Bylaw.

4. PROJECT DESCRIPTION

The applicant has submitted a Rezoning and a Development Permit application in order to rezone and develop approximately 37 rental units in a three-storey addition to the existing building, which currently includes 50 rental units (87 units total). The applicant states that to construct the addition they would need to seek eviction of the current tenants. A tenant profile has been provided, but no Tenant Assistance Plan has been provided at this time.

All of the units are proposed to be secured for 60 years or the life of the building, and 10 (11.5%) units would be affordable, though the proposed rental rates have not been provided at this time. Out of the 87 units, 19.5% (17) would be two-bedroom units and 6.8% (6) would be three bedroom units, which meets the Family Friendly Housing Policy requirements.

The site would remain relatively the same, with the addition of an accessible ramp and landscaping provided near the building entrance. The proposal would provide a total of 11 surface vehicle parking spaces and 46 underground spaces, as well as 128 long term and 44 short term bicycle parking spaces. The site is accessed from the rear lane, currently by one driveway, which the applicant proposes to increase to two.

Please refer to Attachment 2 for a complete project statistics table.

5. DISCUSSION

5.1 Existing Affordable Units and Tenant Assistance

The applicant provided a tenant profile from March 2020 which indicates that, of the 50 existing units in the building, 29 units (58%) have tenants who pay rental rates below the Canada Mortgage and Housing Corporation private apartment median rent by unit type for New Westminster, all years (the City's definition of below market rental rates). This includes 24 (48%) one bedroom units which have tenants who have been paying below \$1,057, and five (10%) two-bedroom units currently rented at a rate below \$1,350. This is summarized in the table below.

	Number of Units with Below Market Rates	Rental Rates, Per Tenant Profile	10% below CMHC Rental Rate, New Westminster
One Bedroom	24 units	Range: \$790 - \$1049 Average: \$840	\$1,057
Two Bedroom	5 units	Range: \$986 - \$1256 Average: \$1148	\$1,350

A comprehensive tenant assistance plan has not been provided by the applicant. Staff recommends that, because there are existing units that qualify as “affordable,” and because these units would need to be vacated to construct the addition, the applicant’s tenant assistance plan would need to:

1. Meet the general requirement of the City’s Tenant Relocation Policy for all units; and,
2. Provide, for all units currently paying rents less than or equal to the City’s definition of below market rents, the following benefits which were previously included in Part 6 of the City’s Business Regulations and Licensing (Rental Units) Bylaw, protecting tenants who are being evicted due to construction in their building and/or unit:
 - a. Relocation: Making arrangements for the tenant’s temporary accommodation at a similar rental rate and in a similar unit during the full term of construction, and at the completion of construction for their return to the original rental unit under the terms of the existing tenancy agreement.
 - b. Rent Control: Prohibition from increasing the rent payable by the tenant upon return to their unit except as an inflationary rent increase permitted by the RTA.

Either: Does the LUPC support that staff advise the applicant that, prior to proceeding with next steps, a Tenant Assistance Plan be provided which is consistent with both the provisions previously included in the City’s Business Regulations and Licensing (Rental Units) Bylaw for those tenants currently paying below market rents per the New Westminster definition, and generally consistent with the City’s Tenant Relocation Policy for all tenants;

Or: Does the LUPC support that staff advise the applicant that the proposed application should not be advanced further, given the requirement that current tenants cannot remain in the 50 existing rental units through construction?

5.2 Affordable Rental Units

As per the requirements of the Rental Replacement Policy, the applicant has proposed that 10 affordable units (11.5%) would be secured and leased to a non-profit organization which is yet to be determined, consistent with the City's definition of below market rental units. Staff considers that this requirement could be met using 10 of the 29 units currently being rented at or below the City's definition of below market rates. The applicant would need to work with the City and the existing tenants to identify the appropriate candidates/units for transitioning to secured units, which would need to include both one and two bedroom units.

Does the LUPC support that staff advise the applicant that the requirement for 10 secured affordable units could be met by securing and leasing to a non-profit 10 of the 29 existing units rented at or below the City's below market rates, and including both one and two bedroom units?

5.3 Rental Tenure Only Zoning

The applicant has not indicated their proposal for securing the rental units. Staff recommends that rental only zoning be applied, which would protect the property for rental use in perpetuity, or until a future Council should choose to approve a change to the zoning on the site. As an alternative, a Housing Agreement could be registered on title, protecting the units for 60 years or the life of the building, whichever is longer, after which non-rental housing could be constructed without any rezoning required. A Housing Agreement would be required to secure the affordable units.

Does the LUPC support that staff advise the applicant that Rental Tenure Only Zoning would need to be used for their application?

5.4 Off Street Vehicle and Bicycle Parking

The proposal would provide 11 surface parking spaces and 46 underground spaces, for a total of 57 spaces, which is below the required number of 96 spaces. A variance is requested for the remaining 39 vehicle spaces, a 41% reduction. The current proposal exceeds short-term and long-term bicycle parking requirements by providing three additional long-term spaces and 17 additional short-term spaces.

A comprehensive transportation review is required, to the satisfaction of the Director of Engineering, including bicycle and vehicle parking, transportation demand management measures (TDM) including those proposed to offset the proposed parking variance, and loading configuration and functionality. Consideration of the proposed variance would include evaluation of walking proximity to transit, cycling routes, services and amenities and provision of TDM.

The site is accessed from the rear lane, currently by one driveway, which the applicant proposes to increase to two. This proposal would continue to be examined by the City through the application review process.

Does the LUPC support that staff advise the applicant that the required comprehensive transportation review be provided by the applicant prior to proceeding to next steps?

5.5 Building Massing and Transition

The applicant previously submitted a proposal with 52 additional units, which has been reduced in the current proposal to 37 units to help address building massing and transition issues. This has enabled stepping of the storeys above the fourth level, bringing the application into consistency with the City's design guidelines, and providing some additional transition to the single-family homes to the south. Stepping back at upper storeys is key to transitioning the building into the surrounding context of single-family homes to the south and west of the site.

6. CONSULTATION

The applicant will be required to undertake public engagement as per the City's process for Rezoning and Development Permit applications, including an applicant-led Open House (minimum one meeting) and a presentation to the Uptown Residents' Association. Review by the New Westminster Design Panel would also be required.

7. REVIEW PROCESS AND NEXT STEPS

As per the City's development application review process, the anticipated review steps for this application are:

1. Internal Circulation, Review and Applicant Revisions;
2. Preliminary Report to LUPC (February 28, 2022) (**we are here**);
3. Applicant Revisions responding to LUPC feedback;
4. Applicant-led public consultation, including dissemination of information through the local Residents' Association;
5. Presentation to the New Westminster Design Panel;
6. City-led public consultation, including the creation of a Be Heard New West webpage and survey;
7. Council consideration of First and Second Readings of the project's Bylaws including Housing Agreement and issuance of notice of waiving Public Hearing (if applicable);
8. A Public Hearing (if Council does not waive) followed by Council's consideration of Third Reading and Adoption of the Rezoning Bylaw and Housing Agreement Bylaw;
9. Applicant Addresses Adoption Requirements;

10. Adoption of Zoning Amendment Bylaw;
11. Consideration of issuance of Development Permit by Director of Development Services.

The City uses a project-based team approach for reviewing development applications which includes staff from Engineering Services, Parks and Recreation, Electrical, Fire, Climate Action, and Planning.

8. FEEDBACK FROM THE LAND USE AND PLANNING COMMITTEE

Staff are seeking general feedback from the LUPC on the proposed development. In addition, staff seeks LUPC instruction and/or endorsement the following recommendations:

That the LUPC instruct staff to:

1. **Either**: *Advise the applicant that, prior to proceeding with next steps, a Tenant Assistance Plan be provided which is consistent with both the provisions previously included in the City's Business Regulations and Licensing (Rental Units) Bylaw for those tenants currently paying below market rents per the New Westminster definition, and generally consistent with the City's Tenant Relocation Policy for all tenants;*

Or: *Advise the applicant that the proposed application should not be advanced further, given the requirement that current tenants cannot remain in the 50 existing rental units through construction?*
2. *Advise the applicant that the requirement for 10 secured affordable units could be met by securing and leasing to a non-profit 10 of the 29 existing units rented at or below the City's below market rates, and including both one and two bedroom units;*
3. *Advise the applicant that Rental Tenure Only Zoning would need to be used for their application; and,*
4. *Advise the applicant that the required comprehensive transportation review be provided by the applicant prior to proceeding to next steps.*

9. OPTIONS

The following options are offered for consideration of the Land Use and Planning Committee:

1. That the Land Use and Planning Committee instruct staff regarding the optional approaches, and endorse staff's other recommendations in Section 8 of this report, and provide staff with any other feedback; and

2. That the Land Use and Planning Committee endorse the review process included in the Review Process and Next Steps Section of this report, and instruct staff to proceed with next steps once feedback provided by the Committee has been addressed.
3. That the Land Use and Planning Committee provide staff with alternative feedback.

Staff recommends Options 1 and 2.

ATTACHMENTS

Attachment 1: Policy and Regulations Summary

Attachment 2: Project Statistics

Attachment 3: Architectural Drawings

APPROVALS

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