

THE CORPORATION OF THE
CITY OF WHITE ROCK
CORPORATE REPORT



DATE: May 10, 2021

TO: Land Use Planning Committee

FROM: Carl Isaak, Director, Planning and Development Services

SUBJECT: Revised Zoning Amendment Bylaw No. 2363 for 1485 Fir Street

RECOMMENDATION

THAT the Land Use and Planning Committee receive the May 10, 2021, corporate report from the Director, Planning and Development Services, titled "Revised Zoning Amendment Bylaw No 2363 for 1485 Fir Street."

EXECUTIVE SUMMARY

The Applicant for a zoning amendment for a six-storey rental apartment proposal at 1485 Fir Street, for which third reading of the bylaw was defeated on January 25, 2021, has modified their proposal, and requested that Council reconsider an amended proposal. On April 26, 2021, Council approved reconsidering this proposal, and rescinded second reading of the bylaw.

The Applicant's initial modification to their proposal was to offer an additional 10% of the units in the 80 unit rental building as secured for a period of ten (10) years with rents controlled to 10% less than the market rent for an equivalent unit in the new building. As a new building, these rents will likely be higher than the average rents across all purpose-built rental units in White Rock, which are currently \$1,091 per month for a one bedroom and \$1,422 for a two bedroom.

Following consideration of the Housing Advisory Committee's recommended approach to defining affordable rental housing in White Rock, which references the average rent for purpose-built rental units in White Rock (consisting primarily of apartments constructed in the 1960s and 1970s being less than market rent for a newly constructed unit), the Applicant offered to restrict the rents for the additional units to the average market rent in White Rock, and reducing the offered number of additional rent controlled units from ten (10%) to five (5%).

The Applicant has also provided clarification for the returning tenant households that the maximum initial rent for a two-bedroom unit would be \$2,000 and for a one-bedroom home it would be \$1,500. This would exclude utilities, insurance, and parking. These rents (at 20% below anticipated market rent for a similar unit) would be further reduced for returning tenants depending on the length of their tenancy (up to 30% below market rent), in accordance with Tenant Relocation Policy 514. If current tenants decide not to return to the new building, the rent for these replacement units would be capped at 10% below the market rent for a similar unit.

Bylaw No. 2363 is included, as amended, in the Bylaws section of the Regular Council agenda for May 10, 2021. Council may consider given the bylaw second reading and directing staff to hold a new Public Hearing.

PREVIOUS COUNCIL DIRECTION

Motion # & Meeting Date	Motion Details
LUPC July 8, 2019 2019-LU/P-022	<p>THAT the Land Use and Planning Committee:</p> <ol style="list-style-type: none"> 1. Receives for information the corporate report dated July 8, 2019 from the Director of Planning and Development Services, titled “Initial OCP Amendment Application Report- 1485 Fir Street (19-009 OCP/ZON/MJP);” and 2. Recommends that Council refuse the OCP amendment application, and direct staff to work with the applicant on a revised rezoning and Major Development Permit application, for a secured rental housing development that includes a reduced FAR (2. 8 gross floor area ratio consistent with the OCP) and amended building and site design.
LUPC September 30, 2019 2019-LU/P-025	<p>THAT the Land Use and Planning Committee refers the report back to staff for a revision that permits existing tenants to return to the building after construction at the same rent they are currently paying, subject to the per annum increases permitted by the province; and</p> <p>THAT the proposed Community Amenity Contributions (CACs) be reduced further in recognition for current tenants being able to keep their current rent amounts.</p>
2019-LU/P-026	<p>THAT the Land Use and Planning Committee receives for information the corporate report dated September 30, 2019 from the Director of Planning and Development Services, titled “Information Report Update and Revised Tenant Relocation Plan – 1485 Fir Street (ZON/MJP 19-009)”.</p>
October 19, 2020 2020-527	<p>THAT Council give first and second readings to “White Rock Zoning Bylaw, 2012, No. 2000, Amendment (CD-64 -1485 Fir Street) Bylaw, 2020, No. 2363 as presented, and direct staff to schedule the required Public Hearing;</p> <p>THAT Council direct staff to resolve the following issues prior to final adoption, if Bylaw No. 2363 is given third reading after the Public Hearing;</p> <ol style="list-style-type: none"> a. Ensure that all engineering requirements and issues, including dedication of a 5.0 metre by 5.0 metre corner cut on the corner of the site at Fir Street and Russell Avenue, intersection improvements including ‘watch for pedestrian’ signage as well as tactile paving on the northwest and northeast corners of George Lane and Thrift Avenue, and completion of a servicing

	<p>agreement, are addressed to the satisfaction of the Director of Engineering and Municipal Operations;</p> <p>b. Finalization of the Tenant Relocation Plan and adoption of a Housing Agreement Bylaw; and</p> <p>c. Consolidation of the existing three lots and demolition of the existing residential building; and</p> <p>THAT, pending adoption of “White Rock Zoning Bylaw, 2012, No. 2000, Amendment (CD-64 – 1485 Fir Street) Bylaw, 2020, No. 2363,” Council consider issuance of Development Permit No. 432 for 1485 Fir Street.</p>
January 11, 2021 2021-011	THAT Council direct staff to define affordable housing.
January 25, 2021 2021-42	<p>THAT Council give third reading to “White Rock Zoning Bylaw 2012, No. 2000, Amendment (CD-64 – 1485 Fir Street) Bylaw, 2020, No. 2363”.</p> <p><i>[DEFEATED – Councillors Johanson, Kristjanson, Manning and Trevelyan voted in the negative].</i></p>
LUPC March 29, 2021 2021-LU/P-038	<p>THAT the Land Use and Planning Committee endorse in relation to Town Centre Transition area Option C as noted in the March 8, 2021 corporate report, with an amendment noting four (4) to six (6) stories where it is defined that along North Bluff on the east or west side permit six (6) stories; and</p> <p>For the remaining sites it be noted as four (4) stories to six (6) stories with a notation that proposals over four (4) stores would be considered when there is an affordable housing component.</p>
April 26, 2021 [draft resolution]	<p>THAT Council endorses reconsideration of the item "White Rock Zoning Bylaw, 2012, No. 2000, Amendment (CD-64 - 1485 Fir Street)" that was defeated at third reading at the January 25, 2021 Regular Council meeting.</p> <p>THAT Council rescinds second reading for Bylaw 2363 "White Rock Zoning Bylaw, 2012, No. 2000, Amendment (CD-64 - 1485 Fir Street)."</p>

INTRODUCTION/BACKGROUND

The purpose of this report is to provide context for the reconsideration of a zoning amendment bylaw proposed for 1485 Fir Street.

The previous proposal denied at third reading would have required that of the 80 new rental homes building, 25 of the units would be reserved for existing tenants at rates between 21-30% below what the market rent would be for an equivalent unit. If an existing tenant household did not return to the building, that unit would be offered at 10% below the market rent. Tenants would also be given compensation in accordance with the City’s Tenant Relocation Policy 514.

Reconsideration of Motion

This Application and zoning amendment bylaw were requested to be placed on the April 26, 2021 Council Agenda by Councillors Anthony Manning and Christopher Trevelyan and reconsidered. As noted in the “Previous Council Direction” section above, the motions to reconsider the project and rescind second reading of the bylaw were carried, with Councillors Scott Kristjanson and Erika Johanson voting in the negative.

OCP Review and Building Height / Affordable Housing

On March 29, 2021, the Land Use and Planning Committee, after considering the results of the Official Community Plan (OCP) Review Survey for Building Heights outside the Town Centre, directed that staff prepare an amendment to the OCP that would limit the building heights in the Town Centre Transition land use designation/area, where 1485 Fir Street is located, to four storeys, with up to six storeys only being considered where the proposal includes an affordable housing component.

On April 28, 2021, the Housing Advisory Committee reviewed a report from staff on potential affordable housing definitions for White Rock. The approach proposed by staff for “affordable rental housing” was to target maximum rent levels that would not exceed 30% of the gross income for households in the low income bracket (e.g. household with gross household income of 50 to 80 percent of the median household income of the municipality; in 2016, gross income of between \$31,173 and \$49,875). Households in this income bracket and below comprise approximately 40% of all White Rock households, and 57% of renter households, and it is unlikely that the private market would be able to expand the supply of new homes, rental or ownership, that are affordable to this income bracket without some form of incentives. These maximum rents allowed to be considered “affordable rental housing” would be benchmarked against the average rents for purpose-built rental buildings in White Rock (reported on an annual basis by CMHC) and set at 20% below the average rent. The Housing Advisory Committee recommendations on affordable housing definitions have not yet been considered by Council.

With incorporating the proposed definitions for affordable housing into the OCP, as it relates to the bonus height/density (up to six storeys) in the Town Centre Transition area for projects that include an affordable housing component, staff anticipate proposing multiple options for a project to demonstrate affordability and qualification for additional density, such as:

- A strata building must secure 20% of the units as “affordable rental housing” (as defined in White Rock);
- A rental project must secure 10% of units as “affordable rental housing” (as defined in White Rock), where they do not have to also provide units at below market rates for returning tenants, per the Tenant Relocation Policy;
- A rental project with existing tenants returning (e.g. 1485 Fir Street), that 5% of the units would be rented for 10 years at the current average rent in the community; or
- A project owned and operated by BC Housing or Metro Vancouver Housing Corporation that has its own definitions/proportions of affordability (as these change based on senior government priorities) may also be considered for the additional height and density without requiring an OCP amendment (noting it would still go through a rezoning process).

In addition to the references in the OCP to “affordable housing,” staff intend to bring forward updates to Density Bonus / Community Amenity Contribution Policy 511 to incorporate the new definitions for affordable housing as they relate to reductions in amenity contribution expectations for projects that include affordable housing.

Applicant's Revised Proposal – Additional Units

The Applicant's initial modification to their proposal was to offer an additional 10% of the units in the 80 unit rental building as being secured for a period of 10 years with rents controlled to being 10% less than the rent for an equivalent unit in the new building.

Following consideration of the Housing Advisory Committee's recommended approach to defining affordable rental housing in White Rock, which references the average rent for purpose-built rental units in White Rock (which consists primarily of apartments constructed in the 1960s and 1970s, and would be less than market rent for a newly constructed unit), the Applicant has since offered to restrict the rents for the additional units to the average rents in White Rock, and reduce the number of additional rent controlled units from ten (10%) to Five (5%), given the lower rents that would be applied for these units.

Current (2020) average rent in purpose built rental buildings in White Rock for a one bedroom apartment is \$1,091 per month, and average rent for a two bedroom unit is \$1,422.

While providing units at the average rent is not as deep a discount to market rents as 20% below the average rent recommended by the Housing Advisory Committee as the definition of "affordable rental housing," it is notable that the Application was originally submitted two years ago when these recommended policies did not yet exist.

Clarification of Rents for Returning Tenants

The Applicant has provided clarification for the returning tenant households that the maximum initial rent for a two-bedroom unit would be \$2,000 and for a one-bedroom home it would be \$1,500. This would exclude utilities, insurance, and parking. These rents (at 20% below anticipated market rent) would be further reduced for returning tenants depending on the length of their tenancy (up to 30% below market rent for tenancies 10 years and longer), in accordance with Tenant Relocation Policy 514.

Revised Bylaw No. 2363

Based on the Applicant's revised proposal, the Bylaw No. 2363 is included on the Regular Council agenda with the following change to the density section (changes in bold for additional emphasis):

4. Maximum Increased Density:

Despite section 7.64.3, the reference to the maximum gross floor area of "1.5 times the lot area" is increased to a higher density of a maximum of 5,700 m² (61,356.85 ft²) of gross floor area (2.8 FAR; or gross floor area ratio) and 80 apartment dwelling units where a housing agreement has been entered into and filed with the Land Title Office to secure eighty (80) dwelling units as rental tenure for the life of the building, **with four (4) of these dwelling units being secured for a period of 10 years as having maximum rents set at the average rent for a private apartment in White Rock as indicated by the most current rental market report from Canada Mortgage and Housing Corporation.**

There are no proposed changes to the form of the building, which remains a six storey building with underground parkade access off the lane and a main pedestrian entrance off Russell Avenue. The building drawings are included in the corporate report attached as Appendix A.

FINANCIAL IMPLICATIONS

The previous corporate report dated October 19, 2020 includes discussion of financial implications. Development cost charges will apply to the redevelopment.

In accordance with current Council Policy 511: ‘Density Bonus / Amenity Contribution’, up to 50% of an applicable amenity contribution may be waived when housing is provided to displaced tenants in accordance with the Tenant Relocation Policy (i.e. compensation being provided to tenants and reduced rents are available), and where the initial rents for rental replacement units where the tenants are not returning are 10% below market and available for the general public. The remaining 50% of an applicable amenity contribution can be waived where the building includes secured market rental floor space, which would total 100%.

LEGAL IMPLICATIONS

If the bylaw receives third reading after a new public hearing, a Housing Agreement Bylaw would be prepared for Council’s consideration, based on the applicable provisions in Council Policy 511: Density Bonus / Amenity Contribution and Council Policy 514: Tenant Relocation, as directed by Council. A draft of this Housing Agreement Bylaw would be made available as part of the materials available prior to the Public Hearing.

COMMUNICATION AND COMMUNITY ENGAGEMENT IMPLICATIONS

This Application has previously received a Public Information Meeting, and a Public Hearing for the earlier version of the Application. If Council provides a new second reading to the revised zoning amendment bylaw, the public will have an opportunity to comment again on this Application via a Public Hearing.

INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS

The Rezoning and Major Development Permit Applications were circulated to internal City departments and comments requiring a response / resolution by the proponent have been addressed.

CLIMATE CHANGE IMPLICATIONS

The Application will enable the intensification of the ‘Town Centre Transition’ designation, thereby lessening the demand for outward sprawl otherwise necessary to accommodate growth. The Applicant has also proposed several initiatives to address climate change, which include the following:

- Water, electric and gas will be individually metered to increase self-imposed conservation.
- Landscaping includes a variety of permeable surface areas and decreases consumption of irrigation water through use of native, drought resistant planting.
- Lighting and plumbing fixtures to be energy/water efficient as well as the provision of Energy Star® rated appliances.
- High efficiency windows and doors with effective blinds will be preinstalled.
- Materials used in construction or finishing such as cabinets and floors will be made from renewable resources and sourced locally where possible.
- Flooring, paint, and other finishes will be non-toxic with low volatile organic compounds (VOCs).

ALIGNMENT WITH STRATEGIC PRIORITIES

The “Our Community” theme in Council’s Strategic Priorities includes the objective to “Guide land use decisions of Council to reflect the vision of the community” and projects under this objective include both the OCP Review (with Building Heights outside the Town Centre), and work on Affordable Housing / Housing Needs Report.

The proposed six storey rental project with some below market units, including the Applicant’s revised proposal of an additional four units capped at average rents for 10 years, offers an opportunity to hear from the public through a Public Hearing and evaluate how the building’s design and affordability reflect the vision of the community.

OPTIONS / RISKS / ALTERNATIVES

This corporate report is provided for the Land Use and Planning Committee’s information. In the Bylaws section of the Regular Council agenda, Council may consider the following options:

1. Give second reading to “White Rock Zoning Bylaw, 2012, No. 2000, Amendment (CD-64 – 1485 Fir Street), 2020, No. 2363”, as amended, and direct staff to schedule a Public Hearing;
2. Reject “White Rock Zoning Bylaw, 2012, No. 2000, Amendment (CD-64 – 1485 Fir Street), 2020, No. 2363” and Development Permit No. 432; or
3. Defer consideration of “White Rock Zoning Bylaw, 2012, No. 2000, Amendment (CD-64 – 1485 Fir Street), 2020, No. 2363” and Development Permit No. 432, pending completion of the Official Community Plan amendments to the Town Centre Transition area height and density, including policies defining the affordable housing components required to obtain additional height and density in this land use designation.

CONCLUSION

On April 26, 2021, Council reconsidered a proposal for a zoning amendment for a six-storey rental apartment building at 1485 Fir Street and rescinded the second reading previously given to the zoning amendment bylaw.

The Applicant has now offered to cap the rent for four units (5% of the 80 units in the building) at the average rent in White Rock, as determined by the latest rental market report from Canada Mortgage and Housing Corporation, which would be below the rent that could be charged for a new unit. The rents for these four units would be restricted for a minimum period of 10 years. These four units are in addition to the entire 80 units being secured as rental for its lifetime, and 25 of the units being made available for returning tenants with rents at a below market rate in accordance with Tenant Relocation Policy No. 514.

The revised Zoning Amendment Bylaw has been placed on the Regular Council agenda and this report is provided for the Land Use and Planning Committee’s agenda for information and an opportunity to discuss.

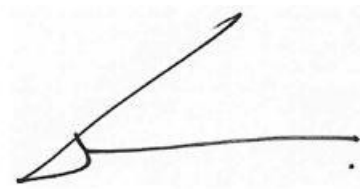
Respectfully submitted,



Carl Isaak
Director, Planning and Development Services

Comments from the Chief Administrative Officer

This corporate report is provided for information purposes.

A handwritten signature in black ink, consisting of a stylized 'G' followed by a horizontal line and a small dot.

Guillermo Ferrero
Chief Administrative Officer

Appendix A: Corporate report dated October 19, 2020 titled “Rezoning and Major Development Permit Application – 1485 Fir Street”