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The Corporation of **THE CITY OF NORTH VANCOUVER**
COMMUNITY DEVELOPMENT DEPARTMENT

REPORT

To: Mayor Darrell R. Mussatto and Members of Council

From: Michael D. Epp, City Planner

SUBJECT: 1441 ST. GEORGE'S AVENUE RENTAL HOUSING REZONING
APPLICATION (1441 ST. GEORGE'S NOMINEE LTD. / MCM
PARTNERSHIP ARCHITECTS)

Date: July 19, 2017

File No: 08-3360-20-0405/1

The following is a suggested recommendation only. Please refer to Council Minutes for adopted resolution.

RECOMMENDATION:

PURSUANT to the report of the City Planner, dated July 19, 2017, entitled "1441 St. George's Avenue Rental Housing Rezoning Application (1441 St. George's Nominee Ltd. / MCM Partnership Architects)":

THAT "Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2017, No. 8573 (1441 St. George's Nominee Ltd. / MCM Partnership Architects, 1441 St. George's, Block 62, Foot of Lonsdale, CD-691; CD-505 and CD-642 Text Amendments)", be considered and referred to a Public Hearing;

THAT "Housing Agreement Bylaw, 2017, No. 8574" (1441 St. George's Nominee Ltd., 1441 St. George's Avenue, CD-691, Rental Housing Commitments) be considered and referred to Public Hearing;

THAT additional offsite works and community amenities listed in the July 19, 2017 report in the section "Density Bonus and Community Benefits" be secured, through agreements at the applicant's expense and to the satisfaction of the Director of Community Development;

AND THAT the Mayor and Clerk be authorized to execute all necessary legal agreements required to secure the commitments outlined in said report.

ATTACHMENTS:

1. Context Map (Doc. 1497372)
2. Development Fact Sheet (Doc. 1518852)
3. Architectural and Landscape Plans, dated May 31, 2017 (Doc. 1545145)
4. Sustainable Development Guidelines Checklist (Doc. 1536026)
5. Developer Information Session Summary (Doc. 1509741)
6. Applicant's Tenant Relocation Strategy (Doc. 1485797)
7. Applicant's Affordability Statement (Doc. 1497793)
8. Housing Agreement Bylaw No. 8574 (Doc. 1548737)
9. Zoning Amendment Bylaw No. 8573 (Doc. 1543854)

PURPOSE

This report presents a Zoning Amendment Bylaw for Council consideration which would permit a rezoning, including the transfer of density from two City-owned sites to 1441 St. George's Avenue, in order to allow for a new 23 storey mixed use development with rental housing.

BACKGROUND

Owner:	1441 St. George's Nominee Ltd / Chard Development
Architect / Applicant:	Mark Whitehead, Musson Cattell Mackey Partnership
Official Community Plan:	Mixed Use Level 4B (High Density)
Existing Zoning:	Central Lonsdale Mixed Use C1-B
Applicable Guidelines:	N/A

Applications proposing to transfer density are referred to Council to seek direction to process, prior to a full submission. On February 15, 2017, Council resolved:

PURSUANT to the report of the Planner, dated February 15, 2017, entitled "Preliminary Report – 1441 St. George's Avenue Rental Housing Rezoning Application (1441 St. George's Nominee Ltd. / MCM Partnership Architects)":

THAT staff be directed to process the rezoning application for an infill tower development with secured market rental housing, including density transfers from two City-owned parcels.

Staff have been processing the application since receiving Council's direction.

DISCUSSION

Project Description

A rental building that was constructed in 1968 currently resides on the site. The existing building is 14 storeys with a two storey commercial podium that houses 80 unsecured rental residential units and 52 commercial units. The building currently provides off-street parking above ground with access from the rear lane and from St. George's

Avenue. The owner is proceeding to fully renovate the existing mixed use (commercial / residential) rental tower on the east side of the site. Once renovated, the eastern tower would have 89 rental units.

The applicant is proposing to rezone the property to allow for the construction of a new rental tower on the west side of the site (Attachment #3). The proposed new tower is 23 storeys and includes one level of commercial space and a total of 166 residential units, including 14 non-market housing units to be leased for 60 years to the YWCA as non-market rental housing for the YWCA's clients, and four mid-market rental units to be leased at below-market rates. Combined, the east and west towers would include 255 rental units, a net gain of 175 units.

The existing and proposed developments are separated by a north-south pedestrian mews extending through the site. Commercial development would front East 15th Street and into the pedestrian mews. All amenities and parking would be common to both buildings, with 162 parking spaces to be accessed from the rear lane and the existing parking access on St. George's Avenue to be closed.

The total combined density of the project as proposed is 6.25 FSR, which includes a request to transfer 4,072 square metres (43,835 sq. ft.) of density from the Civic Plaza site (120-144 West 14th Street) and 3,701 square metres (39,837 sq. ft.) from the Foot of Lonsdale (101-105 Carrie Cates Court). The total density transfer equates to 2.25 FSR (83,672 sq. ft.) on the development site. The developer is proposing to purchase this density from the City at a rate of \$115 per sq. ft., which is the estimated market value for a rental residential project in a concrete tower at the time of application. The proposed density and density transfer are discussed in subsequent sections of this report.

Site Context and Existing Uses

1441 St. George's Avenue is a 3,454 square metre (37,186 sq. ft.) site with a 81 metre (265 ft.) frontage along East 15th Street at the southwest corner of the intersection of St. George's Avenue and East 15th Street (Attachment #1).

Table 1. Surrounding Uses

Direction	Address	Description	Zoning
North	1501 – 1509 St. Georges Ave	79 Unit, 12 Storey Strata Residential Building (1980)	CD-111
North (2)	134 – 140 E 15 th Street	27 Unit, 7 Storey Mixed Use Building (1990)	CD-176
South	1415 St. Georges Street	75 Unit, 12 Storey Mixed Use Building (2015 Renovation)	CD-079
South (2)	140 E 14 th Street	52 Unit, 13 Storey Mixed Use Building (1994)	C1-B
East	231 E 15 th Street	Lionsgate Hospital Parking (Future Expansion Area)	P-1
West	137 E 15 th Street	One Storey Vacant Commercial Building (1963)	C-1B

Density Bonus, Density Transfer and Community Benefits

The City's *Density Bonus and Community Benefits Policy*, in conjunction with the Official Community Plan, allows for density bonuses beyond 3.0 FSR in the Mixed Use Level 4B Land Use Designation, up to a maximum of 4.0 FSR. The proposal seeks the maximum density bonus as well as a density transfer for requested density beyond 4.0 FSR.

The proposed project would include market and non-market rental housing as the primary community benefits, including 18 units which would be rented at below market rates (i.e. 'Mid-Market Rental units'). The proposed Mid-Market Rental units would be held, through a housing agreement, at rates 10 percent below Canada Mortgage and Housing Corporation average rents. Of these 18 below market units, Chard is proposing that 14 be allocated, through a 60 year lease, to the YWCA, who would rent the units at non-market rates to their clientele.

In accordance with the Density Bonus and Community Benefits Policy and Official Community Plan direction to achieve secured rental housing when appropriate, this project would receive a density bonus of approximately 52,000 square feet in exchange for providing amenities valued at \$5.5 million.

The project also includes a density transfer of 83,672 sq. ft. from City-owned sites at a rate of \$115 per square foot, with a total value of \$9.62 million. This density transfer is described in greater detail in the 'Financial Implications' section of this report.

Table 2 below summarizes the monetary and in-kind benefits included with this proposal.

Table 2. Estimated Value of Community Benefits through Density Bonusing

Density Value Calculation	Value
A. Density Bonus from 2.6 FSR to 3.0 FSR / OCP Density (14,874 sq. ft. @ \$20 / sq. ft.)	\$297,480
B. Density Bonus from 3.0 FSR to 4.0 FSR Max Bonus (37,186 sq. ft. @ \$140 / sq. ft.)	\$5,206,040
Total Value of Community Benefits (A + B)	\$5,503,520
Community Benefits Summary	Value
C. Cash Contributions	n/a
Contribution to Community Amenity Reserve Fund	n/a
Contribution to Affordable Housing Reserve Fund	n/a
D. In-Kind Benefits	\$5,503,520
150 Market Rental Housing Units (Net New)	
14 Non-Market Housing Units (YWCA)	
4 Mid-Market Rental Units	
Total Value of Cash and In-Kind Benefits (C+ D)	\$5,503,520
Density Transfer Payment	
From 4.0 FSR to 6.25 FSR (83,672 sq. ft. @ \$115 / sq. ft.)	\$9,622,280

In addition to the items above, staff seek Council's direction to secure the following items as conditions of this development:

- public art incorporated into the project with a value of \$80,000;
- commitment to achieve 15 percent better than ASHRAE 90.1 -2010 or NECB 2011 energy performance, or an equivalent level of enhanced energy performance under the BC Step Code;
- a public access right-of-way through the project to provide a pedestrian connection;
- intersection improvements, including left turn bays at 15th and St. George's;
- replacement of the traffic signal pole at 15th Street and St. George's.

PLANNING ANALYSIS:

Land Use Policy

This application is compliant with the Official Community Plan's density maximum of 4.0 FSR (including a 1.0 FSR bonus) and building height of 68 metres. To achieve the goals and objectives of the OCP, and a preferable form of development, Council may authorize the transfer of density from other 'donor' sites to this 'recipient' site, as there would be no increase in the overall OCP capacity as a result of the density transfer.

There are few locations in the City's High Density Mixed Use Level 4B land use areas that can accommodate additional density without exceeding the height limits established in the OCP. Only a few locations exist where it is possible to consider adding a new residential tower to an existing site. This is a unique opportunity to significantly increase the number of rental residential units by 175 and secure the 80 existing rental units, relieving pressure on the City's historically low vacancy rates. Given that the site can accommodate additional density without resulting in an OCP amendment, staff find the site suitable to receive transfer density in order to reach the requested density of 6.25 FSR.

Form and Character

The proposed western tower has been oriented north-south in order to retain a view corridor through the site. The project respects the requirements for an 80 foot separation between neighboring towers to the south and north, and includes a 40 foot side yard setback on the west side, to allow for the potential for future redevelopment to the west. A relaxation to allow for a 65 foot separation (at the closest point) between the proposed tower and the existing tower is requested. The proposed separation leaves sufficient space to ensure access to light and privacy for residents in both buildings.

The mews and commercial podium strengthen the East 15th Avenue frontage and continue the mid-block pedestrian connection which extends through the buildings to the south.

Housing Units

The project would result in a gain of 175 secured rental units, with 10 percent (18 units) of the new units secured at less than market rates in accordance with the Housing Action Plan ('Mid-Market Rental Units'). The proposed unit mix is consistent with the City's family-friendly housing policies, which emphasize the need for three bedroom units (see Table 4).

Table 4. Unit Summary

	Existing Rental Residential Units (unsecured)	Proposed Rental Residential Units (secured)
Studio	0	10
One Bedroom	52	111
Two Bedroom	28	114
Three Bedroom	0	20
Total	80	255

As part of the required 10 percent Mid-Market Rental Units, the applicant is partnering with YWCA and proposes to deliver 14 two and three bedroom units plus amenity space through a 60 year lease, which the owner describes in their Affordability Statement (Attachment #7). These units would be rented to YWCA clientele with rents geared to income.

Parking and Access

For 255 rental residential units and 20,230 sq. ft. of commercial floor area, the Zoning Bylaw requires a minimum of 197 vehicle parking spaces and 396 bicycle parking spaces be provided on-site. The applicant is proposing 25 commercial parking spaces, 137 residential parking spaces (for a total of 162 vehicle parking spaces), and 396 bicycle parking spaces. The Zoning Bylaw requires 25 commercial parking spaces and 153 residential parking spaces. The development meets the commercial parking requirements, with a shortfall of 16 residential parking spaces compared to bylaw requirements. Staff support this variance request given the site's central location, access to transit, pedestrian and cycling facilities, and the unit mix, which includes a number of small units as well as 18 below-market units, including 14 designated for the YWCA.

The current access to the parking would be reconfigured, with the present access from St. George's closed and a new access established on the rear lane. The proposed bicycle parking would be on the second level, and would be easily accessible through internal ramps, allowing residents to bike directly to their bicycle parking.

ADVISORY BODY INPUT

Advisory Planning Commission

At their meeting on March 8th, 2017 the Advisory Planning Commission reviewed the above application and unanimously endorsed the following resolution:

"THAT the Advisory Planning Commission has reviewed the Rezoning Application for 1441 St. George's Avenue and recommends approval subject to resolution of the following to staff's satisfaction:

- Consideration be given in the approach to resident pay parking and resulting impacts on street parking.

The Commission wishes to thank the applicant for their presentation."

In response, the applicant has indicated that they intend to decouple the cost of renting a parking space from the rental of the unit, a practice which is common in other rental buildings in North Vancouver. This practice is intended to keep rental rates lower. An on-site manager will be responsible for liaising with tenants regarding parking to ensure it is effectively used to minimize any pressure on on-street parking.

Advisory Design Panel

At their meeting on February 15th, 2017 the Advisory Design Panel reviewed the above application and unanimously endorsed the following resolution:

BE IT RESOLVED THAT the Advisory Design Panel has reviewed the Rezoning Application for 1441 St. George's Avenue and recommends approval, subject to addressing the following issues to the satisfaction of the Development Planner:

- Consideration of unique paving material for the pedestrian mews to promote an attractive and inviting presence;
- Consideration of weather protection along the mews and appropriate parts of the outdoor amenity areas;
- Staff to look into connectivity opportunities of the rear lane to encourage pedestrian use to connect the south end of the mews to St. Georges Avenue and West 14th Street;

AND THAT the Panel wishes to thank the applicant for their presentation.

The applicant has made changes to the application including substantially increasing the amount of weather protection.

COMMUNITY CONSULTATION

A Development Information Session (DIS) regarding the proposed redevelopment of 1441 St. Georges Avenue was held on March 7, 2017. Approximately 47 members of the community attended and a total of 28 comment sheets were received. A significant majority of the attendees who submitted feedback forms (89 percent) supported the project, particularly the addition of new rental housing and the inclusion of YWCA units. Feedback was also submitted directly to staff subsequent to the DIS. Concerns raised included the potential view impacts, parking and traffic impacts, and the size design of the project. These comments are summarized in Attachment #5 to this report.

FINANCIAL IMPLICATIONS

Through rezoning, in 2005, the City established a reserve 66,022 square feet of transferable density available for sale on the Civic Centre (120-144 West 14th Street). In November 2016 Council transferred 22,186 sq. ft. of this density to 1301 – 1333 Lonsdale Avenue. This application proposes the purchase and transfer of the remaining 43,835 square feet, with monies earned by the City through the sale directed to the Tax Sale Lands Fund.

After accounting for the density used by the Polygon Gallery and the density transferred to Site 8, the City-owned Foot of Lonsdale site has approximately 100,040 square feet available for transfer. This rezoning application would require the transfer and sale of 39,837 square feet, leaving approximately 60,665 square feet of residual density. Monies paid to the City from the Foot of Lonsdale site would be allocated to the Civic Amenity Reserve Fund.

Subject to approval of the proposed rezoning application, the applicant has agreed to purchase 83,672 sq. ft. of density at a value of \$115 per square foot, with a total value of \$9.62 million. A third party valuation consultant, commissioned by the City, confirmed this valuation represents a fair market rate for rental tenure residential density.

The proposed rental building would receive a fifty percent reduction of Development Cost Charges (DCC) amounting to \$413,295. If a similar strata residential project had been proposed the full DCC amount would have been charged.

INTER-DEPARTMENTAL IMPLICATIONS

This report was endorsed by the Civic Projects Team and Directors Team at their joint meeting on July 11, 2017.

SUSTAINABILITY COMMENTS

The project includes commitments to achieve 15 percent better than ASHRAE 90.1 2010 energy performance (or BC Step Code equivalent), to connect to the Lonsdale Energy Corporation district energy system and to provide twenty percent electric vehicle parking spaces. The project contributes to social sustainability by providing new rental housing with a diversity of unit types, including units suitable for families and amenities including gathering spaces and garden plots. The applicant describes the sustainability features of the project in greater detail in Attachment #4.

CORPORATE PLAN AND/OR POLICY IMPLICATIONS

Official Community Plan:


Goal 1.5: Pursue attainable housing that meets the needs of its diverse community.

Objective 1.5.4: Prioritize the development and revitalization of affordable rental housing and use density bonusing and density transfers to incentivize the retention, renewal and/or replacement of rental units as a public benefit;

Housing Action Plan Goals:

1. To increase the diversity of housing to meet the needs of various household types and income levels;
2. To address the current local rental housing shortfall and meet anticipated rental demand in the future;
3. To support low-income households and those with unique needs to access affordable, accessible, and suitable housing.

RESPECTFULLY SUBMITTED:


Michael D. Epp, MCIP, RPP
City Planner

ME:eb