



CITY OF VANCOUVER

A8

ADMINISTRATIVE REPORT

Report Date: October 19, 2009
Contact: Robert Whitlock
Contact No.: 604.873.7432
RTS No.: 08281
VanRIMS No.: 08-2000-20
Meeting Date: November 3, 2009

TO: Vancouver City Council
FROM: Managing Director of Social Development
SUBJECT: Housing Agreement for 2329 West 1st Avenue

RECOMMENDATION

- A. That Council approve entering into a Housing Agreement and Land Title Act Section 219 Covenant with the owner of 2329 West 1st Avenue, to secure six (6) units, as rental, for the life of the building, as summarized in this report and subject to the satisfaction of the Managing Director of Social Development, but that no legal rights or obligations be created or will arise until the housing agreement as authorized by by-law and Section 219 covenant are signed and registered.
- B. THAT the Director of Legal Services be instructed to bring forward a by-law to enter into the Housing Agreement.

GENERAL MANAGER'S COMMENTS

The General Manager of Community Services RECOMMENDS approval of A and B.

COUNCIL POLICY

On May 15, 2007, Council adopted revised policies and regulations pertaining to the protection of rental housing in existing RM apartment areas and areas of the city zoned CD-1. These regulations require that the owner of a property replace, on a one-for-one basis, existing rental housing, where a development of 6 or more units is proposed. Alternative approaches may be proposed.

On October 28, 2008, Council approved recommendations related to the report entitled "Rental Housing Strategy: Process and Consultancies"

SUMMARY

The application for 2329 West 1st Avenue involves a proposal to develop nine (9) rental units, to replace the existing six-unit (6) rental building. The site is located in an RM-4 apartment area, and consequently is subject to the Rate of Change (ROC) regulations and policies adopted by Council in 2007. The proposed development is required to provide 6 rental units as part of the redevelopment of the site. The applicant has agreed with this requirement.

PURPOSE

The report seeks Council authority to enter into a Housing Agreement and a Land Title Act Section 219 Covenant to maintain and preserve 6 rental units at 2329 West 1st Avenue.

BACKGROUND

The owner of 2329 West 1st Avenue applied for Development Permit DE411196, to construct a multiple dwelling containing nine (9) dwelling units. The existing building contains 6 rental units.

The development permit has been approved, subject to a number of conditions, in particular, that six units be designated as rental units, with arrangements to be made to the satisfaction of the Director of Planning, the Director of Legal Services and the Managing Director of Social Development. The approval in principal was issued in June of 2008.

Since that time, through a solicitor, the applicant has endeavoured to present alternate approaches to securing the 6 units for the life the building. Recently the owner agreed with the "life of the building" term for the housing agreement.

DISCUSSION

Presentation of this housing agreement to Council has been delayed by a discussion with the applicant who felt that "life of the building" for the length of the agreements is too onerous in respect to the financial implications and viability of the project.

The present wording for the Rate of Change (ROC) ODP and the companion zoning regulations is silent regarding the length of term for Housing Agreements. In crafting the ODP and the zoning regulations, the interpretation has been literal, in that units being demolished are purpose-built, non-strata units, and that "replacement" meant rental units in perpetuity ("life of the building"), and *not* rental units for a term shorter than the life of the building. Any other interpretation would, in the opinion of the Managing Director of Social Development, seriously undermine the ROC policy and its intent. In May 2007 when ROC was implemented, hundreds of rental housing units were in the process of being demolished. ROC was, and is intended, to reduce the loss of rental housing while the major rental study was undertaken, now contemplated for completion in 2010.

A number of ROC applications have proceeded accepting this provision. City staff acknowledge that all of these applications have involved one or two replacement units. However, all applications through the STIR program (Short Term Incentives for Rental) have accepted the 60 years or "life of building" term for housing agreements associated with that initiative.

Section 565.2 of the Vancouver Charter provides that Council may, by by-law, enter into a Housing Agreement that will provide for the use of these units as rental accommodation. Terms of the Housing Agreement are:

- Six units are to be restricted to rental for the life of the building; and
- The strata corporation may not prohibit or restrict the rental of the six rental strata lots.

FINANCIAL IMPLICATIONS

There are no financial implications.

CONCLUSION

The proposed Housing Agreement and Section 219 Covenant present the opportunity to secure 6 rental units for the life of the building. This is consistent with Council's objective under the rate of change regulations to provide for the replacement of existing rental, while the rental study is underway.

It is recommended that Council approve the Housing Agreement and Land Title Act Section 219 Covenant in principle and instruct the Director of Legal Services to bring forward a by-law to enter into the Housing Agreement.

* * * * *