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To: "Direct to Mayor and Council - DL"

CC: "City Manager's Correspondence Group - DL"

"Singh, Sandra" <Sandra.Singh@vancouver.ca>

"Kelley, Gil" <Gil.Kelley@vancouver.ca>

Date: 7/3/2020 3:47:56 PM

Subject: Memo - Opportunities to Deliver Temporary Modular Housing - RTS13423

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Memo to Mayor and Council - Opportunities to Deliver Temporary Modular H....pdf

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Dear Mayor and Council,

Please see the attached memo from Gil Kelley and Sandra Singh regarding Opportunities to Deliver Temporary Modular Housing on RS and RT Zoned Parcels – Motion Response, RTS 13423. A brief summary is as follows –

- Memo responds to a Council motion on exploring opportunities to deliver Temporary Modular Housing (TMH) in RS and RT zones and, if there are opportunities, report back on the possible policy /implementation tools.
- Analysis found limited sites immediately suitable for TMH (5 sites out of ~79,500 RS and RT zoned parcels), all of which are privately owned.
- Three approaches are outlined which could enable delivery of TMH on these five sites with an expedited rezoning process being the recommended approach if any of these sites are made available for TMH. How this analysis aligns with next steps regarding the existing stock of TMH buildings is provided for further context.

Should you have any questions, please contact Gil Kelley, GM of Planning, Urban Design, and Sustainability at Gil.Kelley@vancouver.ca or Sandra Singh, GM of Arts, Culture, and Community Services at Sandra.Singh@vancouver.ca.

Best,
Sadhu

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Pronouns: he, him, his

The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the Musqueam, Squamish, and Tsleil-Waututh peoples.

MEMORANDUM

June 30, 2020

TO: Mayor and Council

CC: Sadhu Johnston, City Manager
Paul Mochrie, Deputy City Manager
Karen Levitt, Deputy City Manager
Lynda Graves, Administration Services Manager, City Manager's Office
Rena Kendall-Craden, Civic Engagement and Communications Director
Rosemary Hagiwara, Acting City Clerk
Anita Zaenker, Chief of Staff, Mayor's Office
Neil Monckton, Chief of Staff, Mayor's Office
Alvin Singh, Communications Director, Mayor's Office
Sandra Singh, General Manager, Arts Culture and Community Services
Dan Garrison, Assistant Director, Housing Policy & Regulation
Neil Hrushowy, Assistant Director, Community Planning
Celine Mauboules, Acting Director, Homelessness Services & Affordable Housing Programs

FROM: Gil Kelley, General Manager, Planning, Urban Design and Sustainability
Sandra Singh, General Manager of Arts, Culture and Community Services

SUBJECT: Opportunities to Deliver Temporary Modular Housing (TMH) on RS and RT Zoned Parcels - Motion Response, RTS 13423

PURPOSE

This memo responds to the motion on notice *B.3 Every Neighbourhood for Everyone: Permitting Temporary Modular Housing and Low-Income Housing as an Option in RS and RT Zones* from the July 23, 2019 Regular Council meeting where the following was approved:

- A. THAT Council direct Staff to:
- i. Explore and report back on opportunities to delivery Temporary Modular Housing (TMH) buildings for homeless residents, on RS and RT zoned parcels on private and City owned land that could accommodate the footprint, access to services and/or transit, timing of future uses, and site conditions by Q4 2019;
 - ii. If opportunities exist then the report back should identify policy tools that may be required to advance delivering TMH on RS or RT zones, including but not limited to, changes to the Vancouver Charter to enable Director of Planning authority to relax for "low cost housing for persons receiving assistance" in RS and RT areas, and/or new rezoning policies to enable the same.

BACKGROUND

Modular Housing

Modular housing is a form of prefabrication construction. It involves the off-site fabrication of housing units that are built to the same standards as other buildings covered by the Vancouver Building By-law. The modules are transported to the development site and assembled into a building using a crane.

Temporary Modular Housing (TMH) is a dwelling use defined in the Zoning and Development By-law as a structure that is demountable, not permanently affixed to the land, containing three or more residential units and accessory uses. As per the By-law, TMH is permitted for up to five years with the possibility of an extension by the Director of Planning or Development Permit Board for up to another five years. TMH buildings can be taken apart and re-assembled onto another site since they are modular and not affixed to the land.

Temporary Modular Housing Program

The TMH program was a partnership with BC Housing to address the urgent need for housing for people experiencing homelessness with appropriate, wrap around support services. BC Housing invested \$66 million dollars in capital funding and additional operational funding for experienced non-profit housing operators. With this partnership, there were over 650 new supportive homes delivered in Vancouver (refer to Appendix A for a full list of buildings).

Eight of eleven sites have been delivered on City land and three on privately-owned land that the owners agreed to license to the City (who in turn sublicensed to BC Housing) at nominal rates. The City's role in delivering the TMH program, in addition to regulatory oversight, is to secure the sites, lead the community engagement, and to provide support to BC Housing through the development approvals and permitting process.

The expediency of the City's regulatory process for these TMH buildings was enabled because Section 3.2.10 of the Zoning and Development Bylaw 3575 (ZDBL) provides broad relaxation powers to the Director of Planning or the Development Permit Board to consider a proposed development for low cost housing, subject to certain considerations. These relaxations were adopted by Council in 2017. These relaxations were brought forward through Section 565A(e)(iv) of the Vancouver Charter which enables Council to provide for relaxations of a zoning by-law or a by-law prescribing requirements for buildings where it is determined that a proposed development makes provision for "low cost housing for persons receiving assistance" and Section 565A(e) also provides Council with the power to delegate this authority to a City official or board composed of such officials.

An example of housing that could satisfy the established parameter of low cost housing for persons receiving assistance is TMH. The use of this delegated authority is contingent on the Director of Planning or the Development Permit Board first considering all applicable Council policies and guidelines, as well as the impact on the liveability of neighbouring residents. The

authority does not currently extend to RS / RT zones, or any other zoning district that permits one family dwellings and does not permit multiple dwellings.

DISCUSSION

RS/RT Analysis and Findings

Building on previous analysis and experience identifying sites in other zoning districts appropriate for TMH, an initial review of RS and RT districts was completed to find sites which met the following key criteria:

- Vacant site area of at least 15,000 sf
- Site with slope of 4 m or less
- Site is within 400 m of transit

Following this initial review, the list of potential sites was further refined to exclude sites which deliver public amenities including parks, schools and their associated sports fields, archaeologically sensitive areas, hospitals and libraries. Sites with active rezoning applications, development permits or building permits were also excluded. A site-by-site review of the remaining sites was conducted to consider site-specific context such as ensuring viable access for building assembly.

This site-by-site review found that appropriate sites for TMH in RS and RT districts are limited. Of the approximately 79,500 RS and RT zoned parcels in the City, approximately 60 were identified following the initial scan and, of those, only five were identified as having the potential to accommodate a TMH building. All five sites are privately owned. Four are surface parking lots for a Place of Worship and one is a surface parking lot for commercial businesses.

Potential Tools and Approaches

While the opportunities to deliver TMH in RS and RT districts are very limited, staff have, as requested by Council, described the different approaches and tools that could be used deliver TMH in these districts. To enable a TMH building on a private site requires the owner to agree to enter into a License Agreement with the City for TMH use. On previous privately-owned sites that now accommodate a TMH building, securing a signed agreement has taken on average 6 months. Should an agreement with a private owner be secured, there are three possible approaches to enabling delivery, including:

1. Request a Charter Change from the Province

The City could request a Charter change to give delegated authority for the Director of Planning to relax or amend provisions of the Zoning & Development By-law in RS and RT zones for “low cost housing for persons receiving assistance” (i.e. TMH) to be processed through a development permit process, rather than a rezoning process.

Given the limited number of sites identified which would be the basis for requesting this change and that there are other City tools which could be used to enable TMH should the site owner be in agreement, this approach is not recommended at this time.

2. Explore adding TMH as permitted use in RS & RT District Schedules

TMH could be added as a permitted use within RS and RT district schedules, including provisions for flexibility to accommodate the TMH building form such as height, density, setbacks etc. This would enable TMH to proceed under a development permit process, rather than a rezoning process.

Changes to district schedules require a process including staff analysis, public engagement and a public hearing at Council to approve by-law changes. This process would require staff resources in Planning, input from other departments and re-prioritizing current 2020 work plan items. It is estimated that this work could take approximately 6-12 months to complete (depending on the amount of consultation and available staff resources). Following the changes to the district schedules, a development permit and building permit would still be required for each project, which would take approximately 3 months, based on past TMH permit processes. Given the time required, this approach is not recommended at this time.

3. Expedited Rezoning Process

TMH could also be delivered through a site specific rezoning process, followed by a development and building permit process to develop TMH on an RS or RT site. Applications could be processed through an expedited rezoning process which could take approximately 8 months, followed by a development and building permit which would take approximately 3 months.

Recommended Approach for RS and RT Zones

If staff are able to secure a License Agreement with the owner of one or more of the five potential sites identified, then an expedited site-specific rezoning is the recommended approach to enabling TMH in RS and RT districts. This approach has the potential to enable TMH in the shortest time with minimal staff impact as it uses existing regulatory powers and frameworks.

There is currently a large volume of approximately 80 social housing projects earmarked for an expedited rezoning process that staff are in the process of prioritizing. Should additional TMH projects for rezoning be added, staff will have to assess impacts on the existing pipeline of projects and re-prioritize as required.

NEXT STEPS

The existing stock of TMH buildings in Vancouver now form a critical part of our supportive housing stock. ACCS and VAHA staff are working with project partners to plan for the future relocation of existing TMH buildings and careful relocation of existing resident communities. Staff are in the process of reviewing sites where delegated authority could be applied. For privately owned sites, staff are developing a strategy to identify appropriate and available sites.

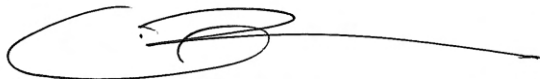
The first phase is a call to the owners of specific sites where TMH could be accommodated and the use of delegated authority can ensure an expedient process. Depending on the state of the development industry, staff may do a wider call to the sector explaining the program and the various partners' roles in delivering TMH locally, to potentially identify partners. Should those opportunities be exhausted without adequate sites identified, staff will pursue sites with greater barriers and longer time frames (such as the five identified sites in the RS/RT zones).

FINAL REMARKS

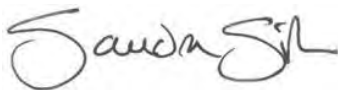
The Housing Vancouver Strategy provides direction to collaborate with partners to deliver immediate supports and housing for people who are currently experiencing homelessness, including TMH, temporary shelters and emergency warming centres. Another key piece of the Strategy is to prioritize the delivery of Housing Vancouver social and supportive housing targets for low-income residents to increase the supply of permanent homes.

As of the end of March 2020 approximately 2,000 units of permanent social housing were under construction in Vancouver. Staff are also currently working with our senior government partners to deliver approximately 300 new permanent supportive homes using modular construction on City land. This work is more important than ever in light of COVID-19 as the pandemic has shown that existing inequities in our housing system have only been made worse. There is an urgent need to expand the stock of social and supportive housing to provide long-term housing solutions to meet the needs highlighted by the pandemic which include individuals experiencing homelessness who are now temporarily housed as well as those who were precariously housed and have experienced income loss.

If Council has any further questions, please feel free to contact wither Gil Kelley or Sandra Singh, contact information below.



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**Appendix A:
Existing TMH sites tenanted and under construction as of February 2020**

| Address | # of Units | Expiry | Status |
|-----------------------------|-------------------|---------------|---------------|
| 137 E 37 th Ave* | 46 | Mar 2021 | Tenanted |
| 7430 & 7460 Heather St* | 77 | Oct 2022 | Tenanted |
| 1131 Franklin St | 39 | Feb 2023 | Tenanted |
| 525 Powell St | 39 | Feb 2023 | Tenanted |
| 4480 Kaslo St | 52 | Mar 2023 | Tenanted |
| 2132 Ash St | 52 | Apr 2023 | Tenanted |
| 5077 & 5095 Heather St* | 98 | May 2023 | Tenanted |
| 610 & 620 Cambie St | 98 | Aug 2023 | Tenanted |
| 265 W 1 st Ave | 52 | Oct 2023 | Tenanted |
| 258 Union St | 52 | Oct 2023 | Tenanted |
| 3598 Copley St | 58 | Sept 2024 | Tenanted |
| Total | 663 | | |

*Privately-owned sites