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To: "Direct to Mayor and Council - DL"

CC: "City Manager's Correspondence Group - DL"
"Kelley, Gil" <Gil.Kelley@vancouver.ca>

Date: 6/20/2019 3:57:17 PM

Subject: Memo - Character Home Retention Incentives

Attachments: Memo to Council - Character Home Retention Incentives Program and Herita....pdf

Dear Mayor and Council,

This memo provides information and staff commentary on the Character Home Retention Incentives Program which was approved in late 2017 to encourage character home retention and increase housing opportunities. The memo provides background on the program, an update on the number of applications received, observations on the effectiveness and challenges of the program, and describes future work to monitor and evaluate the program. No action is required by Council.

The key observations and future actions include:

- There has been a modest uptake for the incentives program and projects will provide some housing choice in RS neighbourhoods.
- Substantial upgrading of homes due to Vancouver Building Bylaw requirements and market factors is contributing to a low level of retention.
- Replacing existing homes with new single-family homes continues to be the most financially attractive option.
- The Interim Procedure for Heritage or Character Buildings which has been in place in certain RS zones since June 2014 should remain in place
- Monitoring is required to collect data on the level of retention achieved in character retention projects along with building performance in order to fully evaluate the program.

The memo also notes that staff have identified concerns with many new houses building basements deeper in the ground. A number of issues have been identified with deeper basements including the reduced livability of new basement suites and environmental impacts of deeper excavations. Options to address the problems and unintended consequences of existing RS regulations and to achieve better outcomes are being explored. Future changes to RS regulations could affect the uptake of the character incentives program.

Staff are arranging to brief Council on the contents of the memo. In the meantime, if you have any questions, please contact Gil Kelley, General Manager of Planning, Urban Design & Sustainability at 604.873.7456 or Gil.Kelley@vancouver.ca.

Thank you,
Paul

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

MEMORANDUM

CONFIDENTIAL

June 20, 2019

TO: Mayor and Council

CC: Sadhu Johnston, City Manager
Paul Mochrie, Deputy City Manager
Lynda Graves, Administration Services Manager, City Manager's Office
Francie Connell, Director of Legal Services Manager, City Manager's Office
Rena Kendall-Craden, Civic Engagement and Communications Director
Katrina Leckovic, City Clerk
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Neil Hrushowy, Assistant Director, Community Planning
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Jason Olinek, Assistant Director, Development Planning
Kathryn Holm, Chief Licence Inspector and Director of Licensing & Community Standards

FROM: Gil Kelley
General Manager, Planning, Urban Design & Sustainability

SUBJECT: Character Home Retention Incentives Program and Heritage or Character Buildings – Interim Procedure Updates

SUMMARY

In recent years Council has authorized work programs, policies, and zoning changes in Residential One-Family (RS) zones citywide and in Residential Two-Family (RT) zones in Mount Pleasant and Grandview Woodland, to encourage character home retention and increase housing opportunities.

This report summarizes those past actions and outcomes, including observations on the effectiveness and challenges of the incentive programs which have been in place since January 2018, and describes future work and investigations required to fully evaluate the program.

There has been a modest number of applications under the new RS incentives program and none of the projects have been completed. Through observations of character projects underway in RT zones, we continue to observe that the Vancouver Building Bylaw and market factors are contributing to a low level of retention for some types of projects. Monitoring of retention projects over the next year is required to collect data on the level of retention achieved along with building performance in order to fully evaluate the program at a future date.

A review of the current RS regulations has been initiated to address a concern with deeper basements and evaluate the performance of new houses against a range of city objectives. Future changes to RS regulations could affect the feasibility and uptake of the character incentives program.

This report also discusses the impetus for the *Heritage or Character Buildings – Interim Procedure* applicable in the discretionary RS zones (primarily Arbutus, Dunbar, and Kerrisdale) and recommends continuation of the interim procedure to limit incentives for the demolition of character homes in these areas and await the outcome of the broader RS review underway. This memo is provided for the information of Council and no action is required at this time.

Background/Context

Heritage Action Plan and Character Home Zoning Review

The Heritage Action Plan was approved by Council in 2013 with the goal of reviewing, updating and strengthening the city's heritage conservation policies. As a specific action item of the plan, Council requested that staff explore an RT zone approach to encourage character home retention in RS zones. Character homes are pre-1940s homes that retain much of their original appearance but may not merit listing on the Vancouver Heritage Register. This action was requested in response to community concerns at the time around increasing demolitions, rising land values and the perceived loss of character in some neighbourhoods. The RT zones in historical inner city neighborhoods such as Kitsilano, Mount Pleasant, and Strathcona were recommended as a potential model because these areas have a high concentration of character homes and the zoning has been effective in maintaining character through a combination of density and housing choice incentives for conversion and infill projects, and disincentives, namely a reduced floor area with the demolition of a character house.

Heritage or Character Buildings Review – Interim Procedure and Green Demolition By-law

In June 2014, staff approved an interim procedure for character homes in the discretionary RS-3/3A and RS-5 zones, located primarily in Dunbar, Arbutus, and Kerrisdale. This interim procedure was recommended by staff to encourage a level of protection in these neighbourhoods with a high number of pre-1940s homes seen to be at risk.¹ The RS-3/3A and RS-5 zoning in these neighborhoods is discretionary in that it permits a higher “conditional” above-grade floor area for new homes that follow design guidelines. The guidelines (adopted in 1993) emphasize design quality and compatibility with traditional homes in the streetscape context in terms of form, composition, materials, details, and landscape. The interim procedure requires that staff assess pre-1940s homes in RS-3/3A and RS-5 for character merit if

¹ There are approximately 5,000 pre-1940s homes in RS-5 and 300 in RS-3/3A of the total estimated 15,000 pre-1940s homes in RS zones citywide.

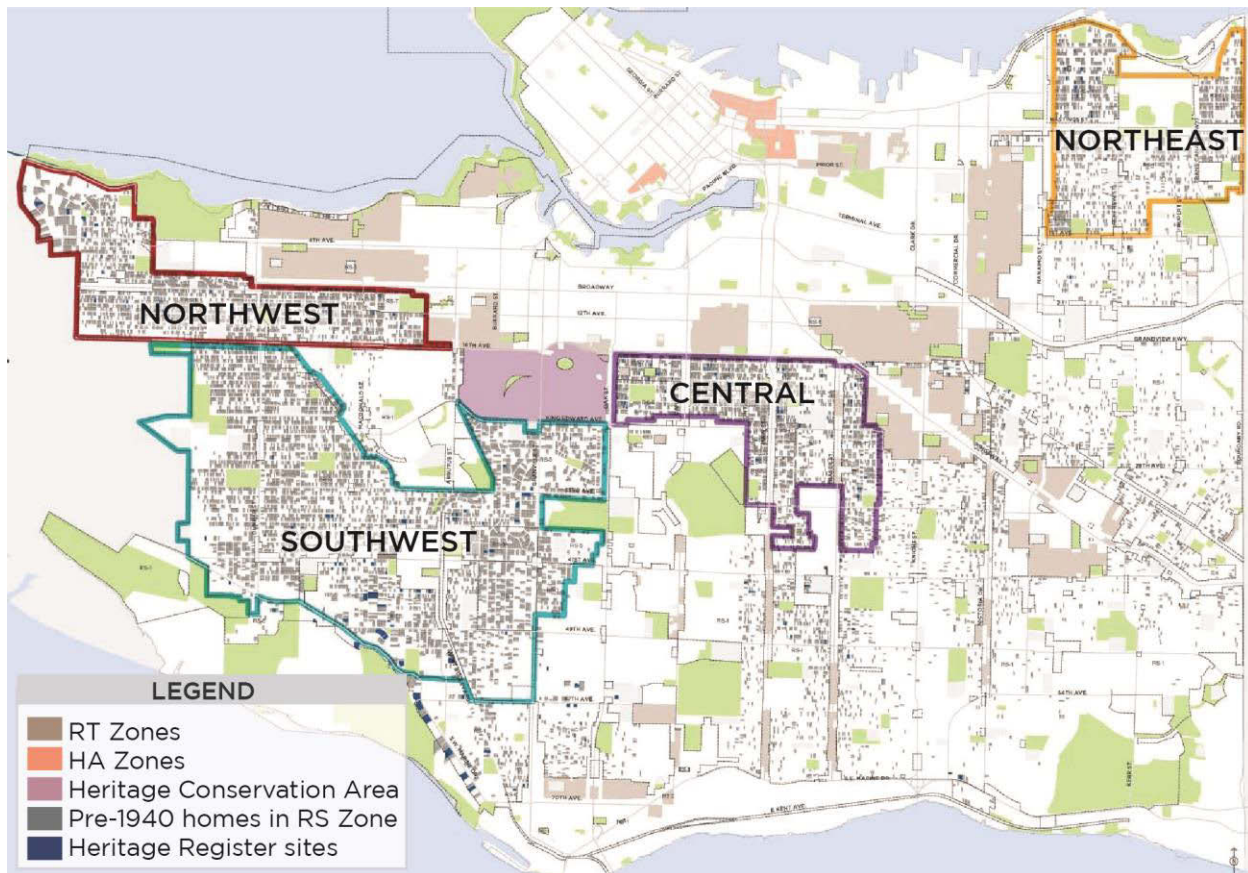
redevelopment is proposed. If a character home is demolished, a new home is permitted, but is not eligible for the higher conditional above-grade floor area.

At the same time, in June 2014, a Construction and Demolition Waste Diversion Strategy was approved by Council including a Green Demolition By-Law, which regulates demolition waste from new one and two-family home construction. The Green Demolition By-Law requires that buildings deemed to have character merit achieve a 90% recycling requirement, rather than the 75% recycling requirement that otherwise applies. These advance actions were intended as a modest disincentive to character home demolition pending completion of the work of the Character Home Zoning Review.

Character Home Retention Incentives Program

The Character Home Zoning Review began in earnest in 2015 with a focus on ideas to encourage the retention of character homes in the discretionary zones (RS-3/3A and RS-5), and several public consultation sessions were held in these neighborhoods. In mid-2016, the review expanded in response to citywide interest in the issue and concentrations of character homes in other neighborhoods. A public consultation process was held from November 2016 to January 2017, including open houses in four “subareas” of RS with higher concentrations of pre-1940s homes, as shown in Figure 1.

Figure 1: Map of pre-1940s homes in RS zones citywide



The character home retention incentives approved by Council in 2017 include conditional approval uses with additional units (multiple conversion dwelling and infill), additional floor area, and general relaxation provisions, for character home retention proposals, (Appendix A.)

In the RS zones citywide the incentives are **optional**, and there is no penalty on sites where a character home is demolished. The concept of reducing the allowable floor area for all new home construction in RS was explored. While there was support for incentives for those who choose to retain character homes, there was non-support for reducing the floor area in all RS zones, or “downzoning” in order to improve the financial case for retention. Staff presented a summary of public consultation on the Character Homes Zoning Review to Council in May 2017 and Council supported the direction to encourage character home retention in RS zones citywide though optional incentives only.

Alignment with Character Retention Incentives in RT-5/5N and RT-6 Zones - Mount Pleasant and Grandview-Woodland Community Plans Implementation

At the same time as consultation was progressing on Character Homes Zoning Review, public consultation was taking place on changes to zoning related to character home retention in RT zones as part of the implementation of the Mount Pleasant and Grandview-Woodland Community Plans. Both plans included objectives to support additional housing and encourage retention of character homes. There is longstanding resident support for retention in these historical neighbourhoods.

Given the common retention objectives, staff worked to ensure consistent incentives for character home retention, infill and conversion, in both the RS zones citywide and in these RT zones. As with other historical RT zones, a disincentive to demolition of character houses was included through a lower “outright” floor area for new construction. Beyond the character incentives, there are also opportunities in these RT zones for non-character sites to pursue higher density and housing options for new construction such as triplex and four-plex. As well, as a direct policy recommendation of the Mount Pleasant Community Plan, the option for infill previously limited to 50 foot lots was extended to include standard 33 foot lots.

Connection to Housing Vancouver Strategy - Emerging Directions

In fall 2016 while engagement on RS and RT character retention changes was underway, public consultation was launching on the Housing Reset, which led to the Housing Vancouver Strategy. The Housing Reset identified ways the City could connect new housing supply to local residents’ incomes, family size, and location. Consultation for the Character Home Zoning Review generated feedback on community concerns in addition to character retention. The top concern raised was affordability of housing choices in neighborhoods. To acknowledge the importance of both character retention and the need to expand housing choice, staff worked collaboratively to ensure that options considered for the RS and RT zones addressed both objectives.

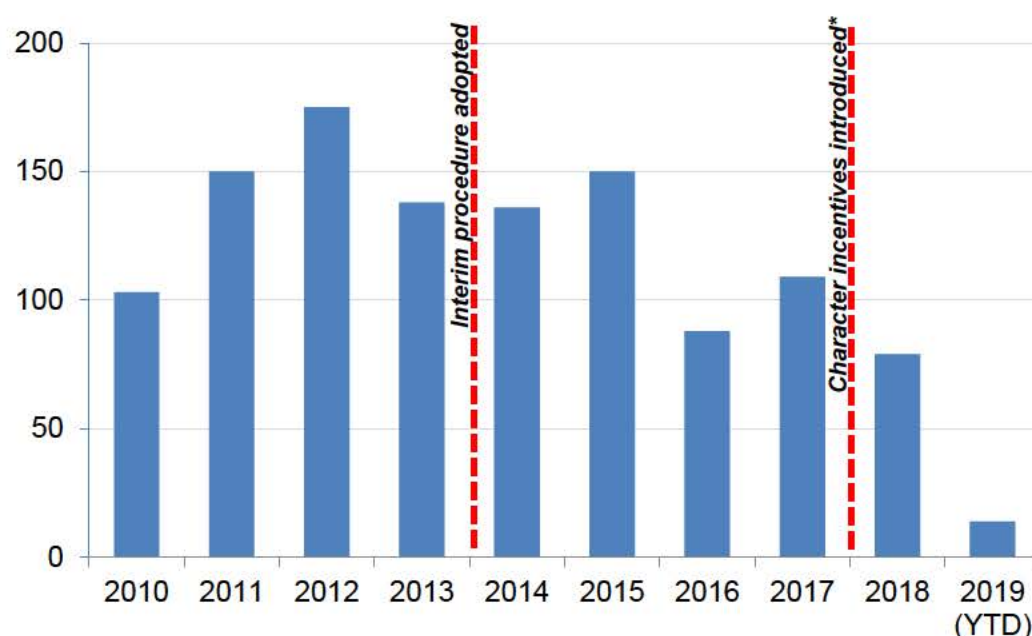
Strategic Analysis

Heritage or Character Buildings Review – Interim Procedure

The interim procedure was intended to be a disincentive to character home demolition in RS-3/A and RS-5 while character retention incentives were explored and finalised. With adoption of the RS character retention incentives in January 2018, Council endorsed keeping the interim procedure in place for another year to allow broad awareness of the incentives program.

It is unclear if the procedure itself has affected the amount of pre-1940s homes demolished in the years since its inception in 2014, in that many property owners simply chose to build new “outright” homes, and changes in the amount of demolition in specific years may be related to other market factors such as new City and Provincial taxes (see Table 1).

Table 1: Demolitions in RS-3/3A and RS-5 of Pre-1940s homes



*9 character retention projects were received in RS-5, and none in RS-3/3A, in 2018.

There has been criticism of the interim procedure by some home owners, including the Shaughnessy Heights Property Owners' Association (SHPOA), who have concerns with the impact on market value, and with the appearance of new homes built in the “outright” stream where no design review is required. SHPOA sent a letter dated January 22, 2019 to Council requesting that the interim procedure now in place be removed (Appendix E). If the interim policy is removed, then new “conditional” single-family homes with more above grade floor area will be allowed and may add value to the new build option. This may exacerbate the loss of existing larger character homes that could be candidates for retention projects.

In addition to the concern about the added risk to character homes, there are broader regulatory reasons for keeping the interim procedure in place. As an action of the Housing Vancouver Strategy (HVS), this spring staff initiated a review of secondary suites, with a focus on the quantity and livability of suites in new single-family homes. The review of suites in new homes

has led to a broader look at the impacts of the 2009 changes to the RS regulations that allowed for full basements and increased floor area from 0.6 to 0.7 to incentivize basement suites. Concerns have been identified with the performance of new houses against a number of City objectives and staff anticipate that options for change to all RS regulations to achieve better outcomes will be advanced and brought forward for Council consideration within the year.

Therefore, staff intend to keep the interim procedures in place to support the potential for retention projects and keep current practices in place until options for RS regulations are considered by Council. No change is proposed at this time. Alternatively, if Council wishes, it may pass a resolution to advise staff to discontinue the interim procedure. A possible Council resolution is: "That Council rescind the interim procedure put in place for character or heritage buildings review in 2014."

With regards to the Green Demolition By-law, staff will be assessing the impact of the 90% (vs standard 75%) recycling requirement for character home demolition to determine if it is achieving waste diversion objectives and if the character assessment process is necessary for the purpose of setting recycling rates. A review of industry capacity would be needed to shift to a more streamlined process with a single blended rate. If the interim procedure is rescinded, staff will bring forward amendments to the Green Demolition By-Law.

Take-up of Character Incentives Program

In the RS zones, there has been a modest amount of applications for the new optional incentives program. Twenty-five applications were submitted within the first year of implementation from January to December 2018 (See Appendix A). Some permits have been issued and some are still under review. None of the projects have been constructed as yet.

Of the 25 applications, the majority (22) were for infill dwellings: 8 on sites which retained a one-family dwelling and 14 in conjunction with conversion of the retained home to multiple units referred to as a Multiple Conversion Dwelling (MCD). The majority of these units are intended to be strata-titled (ownership) units. The applications provide 78 new units in total over 25 sites: 74 ownership units and 4 rental units. This is a net gain of 49 **ownership** units, or, on average, three ownership units per site where there was formerly a "single-family" house, some of which had suites.²

As anticipated, new single-family homes continue to be the predominant application type in the RS zones.³ The floor area of 0.70 FSR for new home construction is a strong incentive to demolition of existing homes. 0.70 FSR exceeds the size of most character homes which are rarely larger than 0.60 FSR. In 2018, 691 applications for new one-family dwellings were approved. This is consistent with the number of new one-family dwelling applications (688) in

² There was a net loss of 9 secondary suites as per BC Assessment which records all known suites, including those which may not be permitted or occupied. The City is working to better understand the stock of legal secondary suites.

³ An economic analysis conducted by Coriolis in 2016 during the Character Home Zoning Review indicated that the incentives alone would not be sufficient to encourage retention based on market land economics. To tip the balance more in favour of retention, Coriolis advised that it would be necessary to offer incentives and to reduce the maximum floor area for a new house. I.e. There would have to be a bigger gap in the permitted floor area for new homes and retention projects.

2017, prior to the introduction of retention incentives. Of the permits issued in 2018, 235 of these new homes involved demolition of a pre-1940s home⁴.

In September 2018, the Zoning and Development By-Law was amended to allow duplexes in most RS zones at a density of 0.70 FSR. In December the same year, Council passed a resolution to continue to permit duplexes as a trial housing option for one year. The introduction of duplexes has not resulted in substantially more demolition of pre-1940s homes. From September 2018 to April 2019, 39 duplex applications have been received; 12 on sites that will require demolition of a pre-1940s home. Over the same period, 270 new single-family applications were received; 79 of which will require demolition of a pre-1940s home.

From January to December 2018, in the RT-5/5N and RT-6 zones in Grandview-Woodland and Mount Pleasant, twenty-four applications for character home retention incentives were submitted. Of the 24 applications, the majority (17) were for infill: 2 on sites which retained a one-family dwelling and 15 in conjunction with a Multiple Conversion Dwelling. Five new single-family homes were constructed which replaced pre-1940s homes, primarily under a provision which allows demolition of small “under-utilized⁵” homes. There are more retention projects in RT due to the disincentive for demolition and the long history and industry awareness of the potential for multi-unit retention projects in these neighbourhoods.

Applications continue to be received for character incentives in the RS and RT neighbourhoods in 2019, with approximately 14 submitted in the first 3 months (9 in RS zones and 5 in RT).

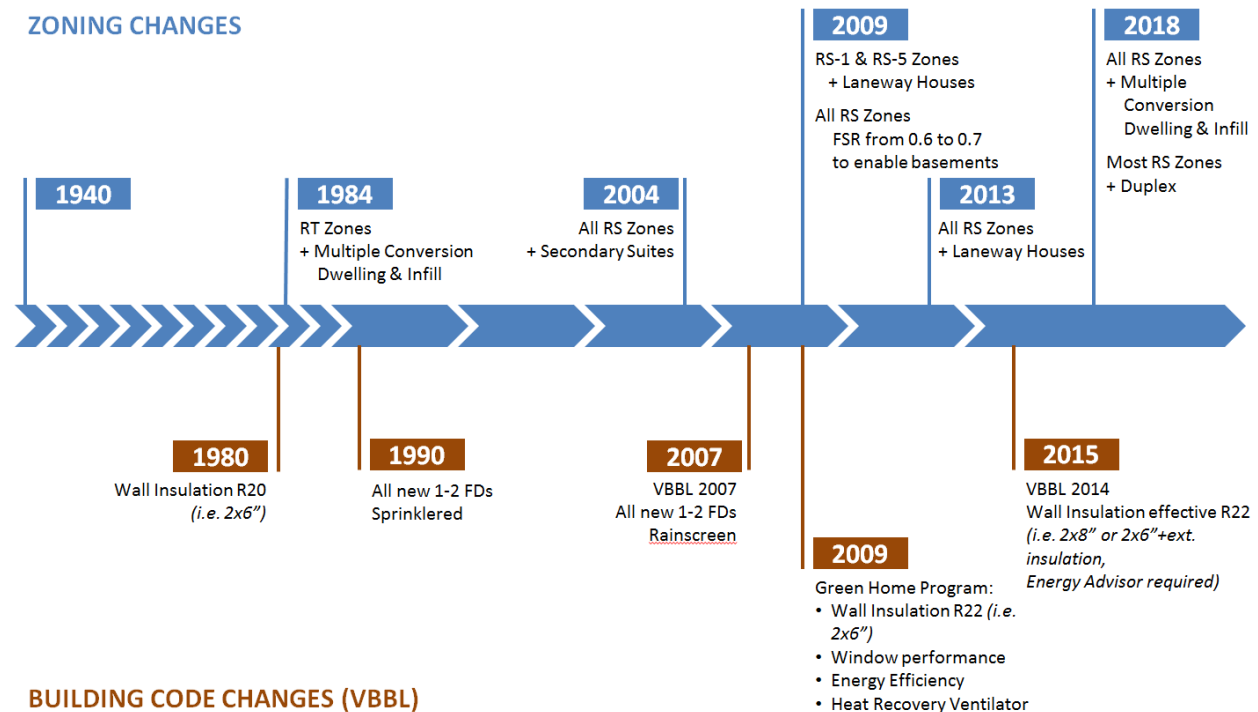
Observations and Challenges

One of the fundamental challenges to character home retention is the age of the home and extent of non-compliance with current Vancouver Building By-Law requirements for fire and life safety (primarily sprinklers and seismic requirements), rain screen cladding system, and energy performance (insulation and windows). Over the years, the building code has increased performance requirements for new homes to meet national, provincial and city objectives. Pre-1940s homes, as some of the oldest homes in the city, have the greatest level of non-compliance with the new requirements.

⁴ These homes have not been assessed for character merit; not all pre-1940s homes are character homes. Homes built before 1940, particularly those in RS-3, RS-3A, and RS-5 (Arbutus, Dunbar, and Kerrisdale), often exhibit character merit. Through character assessments, staff have found up to 80% of pre-1940s homes in these areas qualify as character homes. Percentages are less (approximately 50%) in the RS-1 areas, especially in central-east and southeast Vancouver, which do not have the same amount of intact pre-1940s homes.

⁵ A home is “underutilized” if its floor space ratio is less than 0.45 FSR.

Figure 2: Timeline of changes to Vancouver's Zoning and Building By-Laws



1. Vancouver Building By-law and Market Demand

Design guidelines suggest that 60% of the original house structure (i.e. framing and sheathing) should be retained under the Character Home Retention Incentives Program, but often it is significantly less due to the extent of upgrades and replacement material driven by both the Vancouver Building By-law and market demands.

Stratification is the primary trigger for building code upgrades. With a change of use to provide multiple stratified units, sprinklers are required, as well as a level of compliance with other aspects of the code equivalent to "reconstruction". Relaxations or alternatives to full compliance may be considered for the existing building envelope (cladding and windows) with regards to the rain screen requirement and energy performance, but relaxation of life safety requirements (particularly sprinklers) is not considered. Home warranties administered through the provincial Home Protection Office (HPO) also require a rain screen cladding system; owners/builders would be required to forego a HPO warranty to retain existing cladding without a rain screen.

From interviews with small scale builders and architects, it is apparent that market demand is also contributing the high level of reconstruction in character projects. While purchasers of homes may be attracted to the "character" look, they want the comfort and safety associated with new materials and compliant building technologies, such as rain screened walls, energy efficient windows, and sprinklers. Purchasers want a like-new product with the security of a home warranty.

While no character projects under the new incentives have been built in RS zones as yet, staff have reviewed similar character projects in RT zones and have observed the following:

- New concrete foundations and basement slab are provided to meet code and improve ceiling height/livability, or to relocate the house to make room for a new infill building.
- Existing framing is augmented or “sistered”, a technique where new studs, joists and rafters are added side-by-side to existing framing to bring the undersize structure up to code.
- Interior walls are removed and additions are provided to accommodate a new layout with additional units, new electrical, plumbing and heating systems, fire and acoustic separations, and sprinklers. Interior walls may be “furred-out” to add insulation.
- Cladding is replaced to provide a rain screen system, additional exterior insulation, and in some cases, non-combustible cladding, as required. Single-pane wood windows are replaced with double or triple-glazed, energy-efficient units.

Staff have observed that the extent of reconstruction is related to the type of project, number of units, and the age, condition, and size of the existing house. While strata ‘Multiple Conversion Dwelling & Infill’ projects trigger extensive upgrades and are substantially reconstructed, projects adding a strata infill unit to a site with a retained single-family home may not require the same extent of reconstruction. There has been interest in this option for families wishing to share a property and construct a new home at the rear, but with strata ownership of the infill as compared to shared ownership of a laneway house⁶. There is flexibility for existing single-family homes in terms of building envelope performance (rain screen and insulation⁷), noting that homeowners also may choose to forego the HPO warranty in order to retain existing cladding and windows, thereby facilitating a higher level of retention than may be achieved when units are built for sale. Sprinklers would still be required for the existing house, as well as seismic upgrades, the extent of which requires further investigation by staff.

Some small scale builders have challenged the City’s requirement for seismic, fire and life safety upgrades (particularly sprinklers) for a character home that is retained as a single-family dwelling with a strata infill unit. The Strata Act requires that the Chief Building Official (CBO) sign off on the strata-titling of a property when there is an existing house (of any age) and further, the VBBL requires that specific upgrades are provided, including sprinklers, when a property is strata-titled. The CBO cannot relax the sprinkler requirement without significantly compromising life safety.

Beyond the VBBL requirements, staff contend that strata-titling an infill unit is a financial incentive to retain a character home, and some level of reinvestment in the home should be provided to improve its safety and extend its life. In principle, the upgraded home should have a projected life expectancy comparable to the new infill. If upgrades are not provided, the retained home will be less safe and require more frequent maintenance. Strata units that are not sprinklered may also affect the cost or compromise the ability to acquire home insurance for a property. Character houses that have been substantively upgraded in recent years to address major life-safety issues (seismic and sprinklers) are better candidates for the addition of a strata

⁶ Laneway houses are a rental housing option and cannot be strata-titled (i.e. sold separately).

⁷ The COV Renovation Energy Upgrade Proposal (REUP) procedure allows for flexibility with regards to upgrades for energy performance when renovating one- and two-family dwellings. An Energy Advisor can select from a list of ‘alternative upgrades’ such as a heat pump, better than code windows, an EV charger, attic insulation, and a number of other things to offset the lost thickness of insulation.

infill to the site. If no renovation to the retained home is proposed, and the infill is kept as a rental unit, sprinklers and upgrading of the retained home is not required. Following this model, a character infill dwelling provides a pathway to a “larger laneway house” (about 1,000 sq. ft. vs 644 sq. ft. on a standard 33 ft. lot).

Major building code upgrades are triggered when three or more units are proposed in a single building regardless of tenure. The same level of upgrade with regards to fire and life-safety would be required for rental units as for strata-titled units. A more detailed discussion of this issue follows in the next section.

The size of the existing home also impacts the amount of retention that is feasible. A small house seeking the full density available under the incentives typically involves a large addition. The size/value of the addition triggers upgrades, including sprinklers, even if the house is kept as single-family.⁸ Staff have observed that small houses on large sites have resulted in some retention projects where the extent of new construction greatly exceeds the original house size. In general, larger houses are often better candidates for retention projects because the additional density may be located in the infill building with minimal addition to the house. Alternately, staff may explore larger or multiple infill buildings on sites with small houses, noting this is a variation of the typical pattern where infill is smaller than the retained house.

In order to verify the observations and challenges noted by staff, and in particular to fully understand the reasons for the low level of retention, staff sought opinion reports from a building code expert (Appendix B) as well as local design practitioners experienced with character projects to provide commentary. The opinion reports confirm that a combination of code requirements and market factors impact the extent of retention. The practitioners also provided commentary on character home regulations and guidelines, as well as permit processing, which will be reviewed by staff to facilitate improvements to the program. Staff have already worked to establish a dedicated team in Planning to review character home retention projects to ensure consistency, which has been well-received by industry, and will continue to work to improve system-wide familiarity with the program, incorporating building code review criteria.

2. Additional Rental Suites and Code Relaxations

Council and residents have raised the question about whether zoning changes could allow for multiple rental suites in a house as a way to encourage retention, provide more rental housing and avoid the significant construction costs related to converting buildings to strata units. This issue was previously investigated as part of the changes to RT-5 and RT-6 zoning and the introduction of the RS character incentives program.

An existing single-family home adding one secondary suite is eligible for exemptions in the building code that would not necessitate providing sprinklers. While the zoning could be changed to enable additional suites, that does not address the significant building code issues that prevent most houses from including two rental suites. A building with three units (i.e. two suites) is considered a multi-family building under the VBBL (whether strata-titled or not) and is subject to a significantly higher code standard, including sprinklers. Character home retention projects that involve strata conversion to three or more units comply with these higher standards through significant reconstruction, with costs offset by additional density and the ability to sell the units. Planning and Development, Building and Licensing (DBL) staff have previously

⁸ When the value of an addition or renovation to an existing single-family house exceeds 50% of its replacement value, sprinklers are required.

advised that it is not practical or feasible for pre-1940s homes to provide a similar level of upgrade to allow for multiple rental suites in a house. Further, relaxing the VBBL requirements to allow more than one secondary suite in a house would conflict with national and provincial building codes and pose significant life safety risk.

Houses built more recently to a higher building code standard (especially new homes) include drywall, sprinklers and seismic mitigation measures and are better candidates for conversion to multiple suites. To fully explore this question an external building code expert has been retained to identify the code upgrades that would be required to allow multiple suites in houses built in different decades (post-1940). Once the building upgrades are identified, the costs will be estimated to evaluate feasibility, and reported back to Council at a future date.

3. Other Matters

Beyond the building code requirements, other challenges to the retention of pre-1940s homes include mature backyard trees that conflict with new infill buildings or additions, and accommodation of required parking and services (such as garbage bin storage and electrical transformer units) as well as infill dwellings in the limited space along the lane. An additional challenge is the limited ability to provide accessible or visitable dwelling units, noting most character homes feature elevated porches with steps up to the main unit and down to the basement. The best candidate for a visitable unit is generally the new infill dwelling which can be designed with an at grade entry.

Questions have also been raised about sustainability and the green performance of retention projects. Due to the extent of new material in many retention projects, as outlined above, the amount of construction waste generated can be comparable to that of new homes. The retained material may be limited to a percentage of the original old growth structure (i.e. framing and sheathing). Many homes get new foundations, the primary contributor to their embodied energy, and existing cladding, windows, and interior walls are removed, which takes way much of the additional embodied energy. In those cases the renovated home may have similar embodied energy to a new home due to the extent of new material. The renovated homes will have less heat loss through walls/roof than the original home, and perform better in terms of operating energy. To understand this issue better, more work is needed to evaluate building performance (discussed under Future Work).

Public Response

Neighbours within a two-block radius are notified for each development permit application for character incentives. Response has generally been modest thus far. For some projects, concerns were expressed regarding the number of units in a single-family context (4) and the number of parking spaces (4) noting that neighbours anticipate each unit will generate 2 parking spaces. There were also questions about the authenticity of the retention program when a character home is relocated, or when the amount of new construction considerably exceeds the size of the original home. Concerns were also raised that new units would not be affordable.

Staff have noted that despite extensive consultation during the Character Home Zoning Review, some residents are not aware of the program and the subsequent incentives and zoning changes approved by Council in 2017, and are surprised or concerned about non-single family proposals in RS neighbourhoods. To increase general awareness of the Character Incentives

Program, a brochure was prepared to outline the “Options in RS” for distribution at the Building and Development Services Center, included in Appendix C.

While staff have identified concerns with the low level of character retention being achieved, and some residents have expressed other concerns, we generally find that when the projects are completed they are well received by the neighbourhood. There is a high level of positive response to the end product of these infill projects; with the look, scale and neighbourhood fit. Residents in neighbourhoods like west Mount Pleasant (RT-6) with a high number of character retention projects (along with infill projects) have reported a high level of resident satisfaction with the character of the neighbourhood and livability.⁹

Staffing Implications

The introduction of discretionary character retention incentives in RS zones has increased the number of development permit (DP) applications the city receives in these areas. Previously, most RS zones only permitted “outright” developments (i.e. one-family dwellings with or without secondary suites, and laneway houses). These outright applications are processed through the more expedited combined development and building permit (DB) stream. Development permit applications take longer to process because they are more complex, require review by more staff due to discretionary design guidelines, and include a neighbourhood notification. For RT-5/5N and RT-6 as well, there have been more development permit applications for infill due to the expansion of eligible sites to include 33 foot lots. At the current level of application take-up the staffing requirements for incentive projects are manageable. Staffing demands will continue to be monitored and impacts reported.

Outreach/Communications

To promote awareness of the program and the retention options, staff presented to practitioners at a Small Builders Working Group Session on December 3, 2018. As a follow-up, staff also conducted six one-on-one interviews with character home practitioners. In general, practitioners support the program as an opportunity for ground-oriented, family units, similar to townhouse units, in desirable neighbourhoods with proximity to schools and ample amenities like parks and green space. Some practitioners did note up to a 10% premium construction cost, as well as additional holding costs for retention projects due to their complexity, and the length and uncertainty of the permit process when alternative solutions to code requirements are sought, or neighbours are not supportive of the program. Some practitioners suggested “replication” of character homes as a more practical approach; others suggested new small multi-family projects that replicate the scale of the retention projects, but not necessarily the traditional style.

An update on the Character Homes Retention Program was provided to the Vancouver Heritage Commission on April 8, 2019, with minutes in Appendix D. The Commission requested that staff revisit a disincentive or density penalty for the demolition of character homes in RS zones.

Future Work

The character home incentives program is intended to provide housing choice in neighbourhoods and to incentivize character home retention. While the program is providing housing choice it is unclear at this time whether the program is achieving character home

⁹ Resident Satisfaction Survey completed as part of RT 5/6 Amendments – May 2017

retention as expected. As discussed in this memo, staff have observed, and industry has confirmed, that we are achieving low levels of retention in character home projects, especially those that involve strata-titling of the main house to three or more units where the level of reconstruction is substantial. While there is no project data available to report the level of retention achieved, through site inspections and photo records of retention projects staff are observing that many projects are not meeting the expectation of 60% retention.

To obtain better data on retention and reconstruction, over the next year staff will evaluate the character projects as they are approved and built, and will monitor the actual level of retention. As well, to address the question of sustainability of retention projects, staff will look at ways of evaluating building performance pre- and post-intervention with regards to factors such as embodied and operational energy. Once we have better data on the level of retention achieved for different types of character projects we will report back and Council can make a decision on what level of retention is required for incentives and whether to continue with the program as currently conceived or whether the program should be modified to focus more on options that can best meet expected retention objectives and sustainability goals.

In late summer the code consultant will provide a report on the feasibility of adding more than one rental suite to houses built in different decades (post-1940). This will inform the broader discussion about options to add housing choice in all of the existing housing stock.

Beyond the character home program work, staff initiated a review of secondary suites in new houses. The review of suites in new homes led to a broader look at the impacts of the 2009 changes to the RS regulations that increased floor area from 0.6 to 0.7 and allowed for full basements to better enable basement suites. Concerns have been identified with the growing trend to build deeper basements (often 6 to 9 ft. below grade). The issues include the reduced livability of suites along with a number of environmental impacts such as increased concrete use and GHG, reduced ability to retain trees, impact on site hydrology and sewer pumping. Staff anticipate that changes to the RS regulations to address the issues with deep basements and achieve better outcomes for new house construction, will be advanced and brought forward for Council consideration within the year. The review of RS regulations is related to the character incentives program, in that future changes to zoning to regulate the size and shape of new houses, could impact the feasibility of retention.

CONCLUSION





Character home projects provide a good model for the addition of housing choice in neighbourhoods. The outcomes are generally supported as a good fit with existing low-density neighbourhoods. However, the level of building retention achieved is low due to building code requirements and market expectations. Staff will continue to monitor all aspects of the program and report back in a year with full data including actual retention levels achieved and building performance so that Council can make future decisions about the program.

Please do not hesitate to contact me further should you have any follow-up questions.



Gil Kelley, FAICP
General Manager, Planning, Urban Design and Sustainability
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Character Retention Incentives – Project Types and Take-up (Jan to Dec 2018)

Incentive	Uses	Illustration	# of App's in RS	# of App's in RT
Addition* 0.75 FSR + 0.16 LWH	One-Family Dwelling with or without secondary suite and Laneway House (LWH)		2	4
Multiple Conversion Dwelling** 0.75 FSR	2+ unit Multiple Conversion Dwelling		1	3
Infill* 0.85 FSR	One-Family Dwelling with or without secondary suite plus Infill		8	2
Multiple Conversion Dwelling with Infill** 0.85 FSR	2+ unit Multiple Conversion Dwelling plus Infill		14	15
Total			25	24

* This site is kept as single ownership. The secondary suite and Laneway House cannot be strata-titled.

** Multiple Conversion Dwelling and Infill can be rental or strata-titled units.

Opinion Report: Observations on Retention of Pre-1970s Character Merit Houses
Maura Gatensby Architect

City of Vancouver

Observations on Retention of Pre-1940s Character Merit Houses

Executive Summary

The retention or demolition of any particular component or system in a pre-1940s character merit home is primarily driven by three factors: Vancouver Building Bylaw (VBBL) requirements, market forces, and the useful life of the component or system. Market forces are likely to be as or more expensive than other factors. Some interventions have cascading effects—the replacement or introduction of one thing requires the upgrading of another. Buyers and renters in Vancouver, already paying a premium to live in the city, expect units to be of high quality, comfortable, and built to contemporary standards.



Maura Gatensby Architect 22-1075 Gilford St. Vancouver, BC V6G 2P3 tel 604 669-6391 gatensby@shaw.ca

May 6, 2019

Why are pre-1940s houses being significantly re-built in retention projects?

Land and renovation construction costs in the City of Vancouver are such that the cost of a strata unit in a converted house is not the lowest possible—it is the lowest that it can be given current market buyer expectations and development industry responses. The prime factor influencing conversion projects is market forces, the second most important factor is the Vancouver Building Bylaw (VBBL), and the third is life cycle replacement requirements. Although not regulatory in nature, many of the decisions that are made when rebuilding a character house are dictated by these external factors and, thus, not really discretionary on the part of the designer or builder.

For example, there is no requirement in the VBBL that a home have a refrigerator or a stove. If installed, they must meet VBBL requirements but, as things-in-themselves, they are not required by the VBBL. Any pre-1940 house will likely have one functioning fridge and stove. There is no need to regulate that which is common practice—a unit without these appliances would not be considered fit for use so, without regulatory coercion, appliances are found in all units for sale or rent. Although older, functioning appliances might be acceptable in a modest rental suite, to be saleable, new strata units require new appliances. Therefore, all appliances in a pre-1940s house being converted to multiple strata units need to be replaced. Regardless of age, the old will be discarded.

Vancouver buyers and renters, faced with escalating prices, have shown a willingness to accept smaller units (less floor area), any neighborhood (including those at one time considered “undesirable”), and on-street or no parking rather than enclosed parking, but are resolute in their expectation of ‘newness’, particularly in a strata unit. A character merit house may have exterior charm, but there is no new homeowner joy in 70-year-old plumbing, heating, or electrical components. The consumer demands new components, even when there may be no other viable reason for replacement. New interior finishes, new cabinets, new plumbing and lighting fixtures, new appliances, and in-suite laundry are all demanded by the market. Coincidentally, they may also be required by the VBBL or the life cycle of a system or component, but market demand would result in the same intervention, even if those other forces did not exist.

What are the factors affecting the low level of physical retention: code, warranty, costs, market expectations, etc.? Including, why do most projects choose to remove exterior cladding and windows?

Addition of a new residential unit in an existing building requires automatic sprinkler fire protection, per the VBBL. In most pre-1940s houses, addition of a sprinkler system necessitates upgrades to the building’s water service. Installation of sprinklers is facilitated by the removal of interior finishes on the inside walls, although complete removal may not be necessary. In newer houses with good gypsum board walls, finishes do not need to be removed. Pre-1940s houses, in contrast, have plaster walls. They are not usually retained.

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Houses built between 1920 and 1940 generally have sound foundation and framing. In comparison, remedial measures for houses built prior to 1920 may require extensive structural work. These houses were constructed in the early days of platform framing and the principles that have served us well for the last 100 years had not yet been fully established nor widely understood. For 1920 to 1940 houses, modest cost remedial measures, such as anchoring the walls to the foundation, can substantially improve their resistance to earthquake damage. Inadequate beams can be reinforced, and joists can be doubled up if necessary. Meeting current VBBL requirements necessitates upgrading, but it is usually not that difficult to achieve and not too costly. In contrast, roof framing is often so inadequate that total replacement becomes the most cost-effective option.

What constitutes an adequate level of insulation for a renovation is a subject of considerable debate, but the fact that an uninsulated house requires insulation is a given—a demand of the contemporary market. Once insulation is added to a wall by placing it between the wall studs, a rainscreen (usually $\frac{3}{4}$ " vertical strips over the sheathing and under the cladding) is required on the exterior. Exterior cladding must be removed to add a rainscreen, even if the insulation itself is added from the inside. This is a reality of building science. A mandate to retain cladding would make it impossible to meet the rainscreen requirement, per the VBBL building envelope provisions. If a rainscreen is not provided, there is a high risk of premature building envelope failure (ref: 'leaky condo crisis').

Stucco cannot be removed and reinstalled. Wood siding can be, but in practice it is often damaged or rotted. If sound, the labour costs of removing, cleaning, and refinishing it could exceed the cost of new siding. It is important to note that any profile of siding, even those no longer available in the current market, can be custom cut to a profile to match an existing building. Gingerbread (fancy wood decorative elements) can be removed and reinstalled. Often, replacement of some such decorative elements is so costly that they are refurbished and reinstalled. In general, removal of cladding is not a 'choice', rather it is a requirement necessitated by the addition of insulation. It is driven by both the VBBL and the market.

In addition to the visible aspects of the building envelope, the VBBL requires the sealing of the air barrier. This action is easier the more components are replaced. There are different methods, but if the cladding is removed, an effective exterior air barrier is easy to install.

Roofing materials have a usual life span of 20 years. It is unlikely that a character home has its original roof covering. Life cycle of the component means that roofing is usually replaced in any major upgrade project.

In a pre-1940s house the original windows were most likely wood frame, single glazed. Many no longer function as originally specified—they don't open, don't lock, or lack screens. If they face the north or east in an unsheltered location, they are liable to be so damaged from exposure that they are unfixable. In all exposures, they will likely leak both water and air, as well as heat through the single pane of glass. Sitting next to them can be uncomfortable due to drafts. Replacing 'like for like', new windows same as old, is prohibited by the *BC Energy Efficiency Act* (EEA). New windows must meet the current energy efficiency

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standards as set out in the *Act*. If windows are not original and have been replaced, it is likely that the replacements are of similarly inadequate quality, such as single or double glazed windows in aluminum frames, which are not quite as bad as original wood windows, but still offer very poor performance compared to the minimum EEA standard windows that are currently available. Furthermore, aluminum windows do not have enough character value to make them worth retaining. Deterioration due to age, regulatory requirements, and market expectations all dictate decision-making about new windows, despite the relatively high expense. Skylights, if present, present the same challenges. Doors are a little more variable. Secondary doors often have little character value and are easily replaced with better performing products at relatively modest cost. A character front door, though, is sometimes worth retaining and refinishing. Hardware can be replaced at relatively modest cost.

Interior finish materials, usually plaster on lath, do not need to be removed, unless in a fire separation. The ceiling between suites does need to have the plaster replaced with gypsum board to meet the VBBL fire separation requirements, but it is market demand for smooth, uncracked, unblemished walls that compels the removal of all interior finishes on walls and ceilings. Restoration of plaster is fraught with difficulties, so pulling out all plaster, installing new electrical components, new plumbing and sprinklers, revising heating and ventilating systems, and then replacing with drywall is the most cost-effective renovation strategy.

Knob and tube (K & T) wiring was a system of wiring that was used prior to about 1940. It began to be phased out in Vancouver in the 1930s, but because it was cheaper than the modern method, it is often found in pre-1940s houses. If present, it must be totally replaced to meet current regulations. A building with K & T wiring is often uninsurable and therefore unsaleable in the strata market. Light fixtures, unless unusually attractive and in perfect working order, tend to be replaced to meet market demand for new. Likewise, fans and baseboard heaters are replaced due to age or inefficiency and market preference for new. Electrical service for pre-1940s homes need considerable upgrading to meet modern electrical demands: greater amperage is required, and separate suites require dedicated electrical panels. This usually means total replacement of the electrical system, which is facilitated if the interior plaster finish material is completely removed.

In many cases, the design of a conversion to multiple suites requires the removal of stairs. If so, this is a good thing, as older stairs frequently require complete rebuilding anyway, as the rise, run, handrails, and guards tend not to meet current VBBL requirements. They are often so unacceptably steep and/or narrow as to be unacceptable in the market. The market also demands new cabinets in kitchens and bathrooms, new appliances replaced with existing ones. Dishwashers and in suite laundry facilities are expected in any strata unit, although they are usually additions rather than replacements. In smaller rental units, a dishwasher is not required, and an on-site rather than in-suite laundry is acceptable.

For a strata unit, the market demands new plumbing fixtures and fittings. These costs are modest. The life cycle of a hot water tank is only 10 years, so retention is not expected. Water service may require upgrading for increased fixture demand, but this would already have been required by the addition of a fire

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sprinkler system. Drainage and venting within the building are likely to be still serviceable, although some p-traps under sinks may have to be replaced, along with the sink. The water supply piping within the house, however, will probably need to be replaced. The slightly acidic quality of water in Vancouver is such that it deteriorates copper hot water supply pipes over time. Since 2011 an additive to Vancouver water has mitigated the problem, but pipes in place from pre-1940 to 2011 will likely have suffered deterioration, which can result in pinhole leaks. Pipes in older homes may also be undersized, or their diameter and the resultant water supply may have been reduced by deposits within the pipes. If lead water supply pipes are present, they must be completely removed as they are a health hazard and have been prohibited since 1975.

Heating systems vary between houses. A furnace has a lifespan of perhaps 20 years, newer furnaces are far more efficient than older units, and upgrade rebates are available from FortisBC and BC Hydro. So, furnace replacement, and the necessary system redesign for multiple suites, is required for any major upgrade. Sheet metals ducts, if their location is workable, don't need to be replaced. Hot water piping might remain, if penetrations through new fire separations are firestopped. New registers or radiators can be provided. Few houses in the pre-1940s era were electrically heated. But electric heat is a good system for upgrades, so sometimes existing forced air or hot water systems are replaced with electric heat systems. These include baseboard systems, electric furnaces, and/or heat pumps. Electric baseboard systems tend to have lower installation costs and are easier to install in a multiple suite building than are forced air or hot water systems.

Mechanical ventilation systems in pre-1940s houses are often non-existent. Passive ventilation was provided by leaky windows and doors. When a tighter building envelope is provided, and bathroom and kitchen exhaust systems are installed, a fresh air supply that needs to be tempered is required. A 100 mm hole in a wall provides fresh air, but occupants would be likely to block it up. Current house ventilation requirements include an air to air heat exchanger that tempers incoming air and draws heat out of exhaust air. Though not strictly a retention issue, mechanical ventilation is a VBBL upgrade cost that needs to be considered.

Does retention add significantly to the cost of construction? What factors add to cost?

Yes. From a cost perspective, retention is an obstacle. In the current market, labour is expensive, can be difficult to obtain, and requires challenging scheduling. Materials are cheap and readily available locally. For example, to retain a plaster surface, a highly skilled worker, who may be difficult to engage due to the current demand for such skills being greater than the supply, would need to come in at a specific time to repair or restore the surface. It is much cheaper to rip out plaster and replace it with gypsum board. Removing a plaster surface also creates convenient opportunities to complete the work required for fire sprinkler system installation and heating, ventilation, electric and plumbing system upgrades. Without the added hinderance of cutting and repairing holes, that work tends to be less expensive. The same scenario plays out with other components that are otherwise 'sound'.

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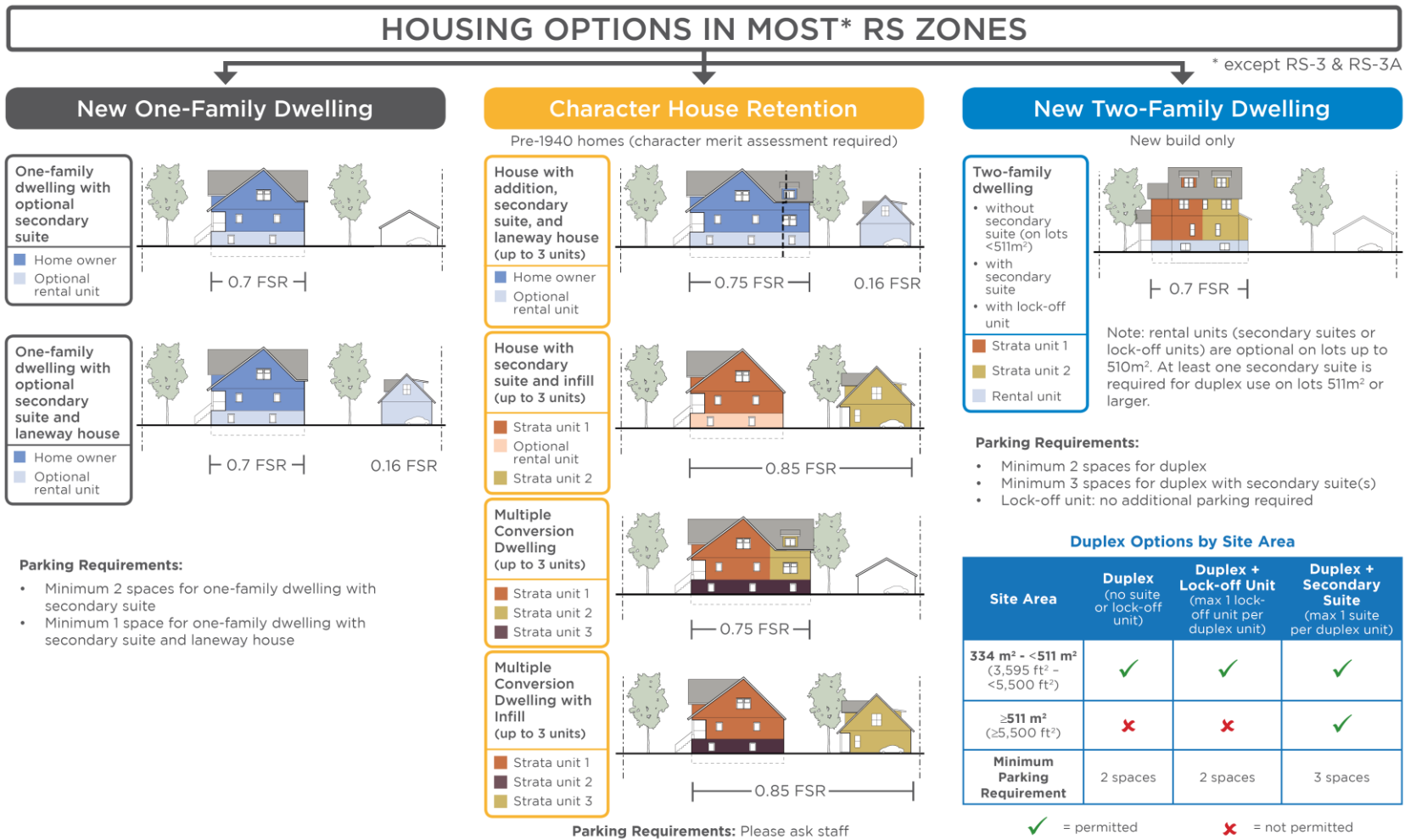
Most elements of structure (foundation and wood framing) can be cost-effectively retained. Often, there is no reason to replace materials, only to upgrade as necessary. Roof framing is the exception. In older homes, it is almost always structurally inadequate. Older roofs are usually made of 2 x 4s or 2 x 6s, and their deficiency can be readily apparent, as when they appear to sag. Much larger structural elements are needed to meet minimum VBBL requirements-, in addition to supplying new rafters and, in some cases, new beams. Even if there were no VBBL requirement to upgrade, roofs that are potentially unsafe must be upgraded. Newer methods of framing, such as trusses, are much less expensive than the traditional stick-framing found in pre-1940s houses. Retaining roof framing and using stick-framing for required upgrades is considerably more labour intensive and expensive than a 'clean sweep', where new roof framing is placed on existing walls. A new roof can also be designed to accommodate new insulation, air barrier, and ventilation requirements, thereby reducing the overall costs of their upgrading.

What in your estimate is the approximate amount of material/structure that may be retained after project completion?

From a cost standpoint, retention is only practical for the wall framing and foundation. At most, this is considered to be 10 to 20% of a building. It is only practical to retain cladding if it is of very high quality and already has a rainscreen, such as stone or brick. Interior finishes must be removed, at least partially, for both practical and market-driven reasons.

Beyond the framing and foundation, it is entirely possible to retain many more materials and products, but at a considerable cost disadvantage. Matching of most finish materials, whether interior or exterior, is theoretically possible but extremely labour intensive, both in terms of actual installation costs and in relation to the time and expertise necessary for sourcing and matching archaic materials. Retention levels are high when the heritage value is high, as with museum buildings, intact 19th century buildings and the like, but are not practical for market housing in 1900s to 1940s houses. The desire for preservation of heritage assets conflicts with the market demands for cost effective renovation and modern housing standards.

City of Vancouver Observations on Retention of Pre-1940s Character Merit Houses								
Driving Factor		MARKET		BUILDING BYLAW		LIFE CYCLE		UPGRADE
		RENTAL	STRATA	RENTAL	STRATA	RENTAL	STRATA	NOT REQ
Building Component or System								
STRUCTURE	footings							X
	foundation							X
	floor framing			X	X			
	wall framing							X
	roof framing			X	X			
	seismic anchoring			X	X			
BUILDING ENVELOPE	cladding		X		X		X	
	air barrier		X	X	X			
	insulation		X		X			
	roofing		X			X	X	
OPENINGS	windows		X		X	X	X	
	doors		X		X	X	X	
	skylights		X		X	X	X	
FIRE SEPARATIONS	floors			X	X			
	walls			X	X			
PLUMBING	fixtures	X	X		X	X	X	
	fittings	X	X			X	X	
	pipng/water pressure	X	X			X	X	
	water pressure (sprkl)			X	X			
	water heater	X	X			X	X	
	hot water heating		X			X	X	
ELECTRICAL	lighting		X			X	X	
	switches, receptacles		X					
	wiring		X	X	X	X	X	
	panels	X	X	X	X			
	elec. Heat		X			X	X	
GAS APPLIANCES	gas furnace					X	X	
	fireplaces		X					
	supply air			X	X			
VENTILATION	supply air			X	X			
	kitchen exhaust		X	X	X			
	bathroom exhaust		X	X	X			
SPRINKLER SYSTEM	NFPA 13D			X	X			
APPLIANCES/CABINETS	refrigerator		X			X	X	
	stove		X			X	X	
	dishwasher	X	X			X	X	
	washer/dryer	X	X					
	kitchen cabinets		X			X	X	
	bathroom cabinets		X			X	X	
SPACE PLANNING	stairs				X			
	closets	X	X					
FINISHES	drywall/plaster		X			X	X	
	paint	X	X			X	X	



**Minutes – Character Home Retention Incentives Update – Vancouver Heritage
Commission April 8, 2019**



VANCOUVER HERITAGE COMMISSION

MINUTES

APRIL 8, 2019

A meeting of the Vancouver Heritage Commission was held on Monday, April 8, 2019, at 11:00 am, in the Town Hall Meeting Room, Main Floor, City Hall.

PRESENT: Michael Kluckner, Chair
Jan Fialkowski, Vice-Chair
Michael Gordon
Denise Jacques
Richard Keate
Janet Leduc
Doreen Leo
Mollie Massie
Jenni Pace
Craig Rogers

ABSENT: Joel Massey

ALSO PRESENT: Trustee Estrellita Gonzalez, Vancouver School Board Liaison
Amber Knowles, Heritage Planner, City of Vancouver
Marie Linehan, Senior Development Planner, City of Vancouver
Hugh McLean, Heritage Planner, City of Vancouver
Maxine Schleger, Heritage Planning Analyst, City of Vancouver

CITY CLERK'S OFFICE: Irina Dragnea, Meeting Coordinator

WELCOME

The Chair acknowledged that we are on the unceded homelands of the Musqueam, Squamish, and Tsleil-Waututh Nations and we give thanks for their generosity and hospitality on these lands.

Introduction of New Commission Members

The Chair introduced the newest members on the Vancouver Heritage Commission, Doreen Leo and Jenni Pace.

Leave of Absence Requests

MOVED by Commissioner Massie
SECONDED by Commissioner Jacques

THAT the Vancouver Heritage Commission approves a leave of absence for
Commissioner Leduc for the April 29, 2019, meeting.

CARRIED UNANIMOUSLY

Approval of Minutes

MOVED by Commissioner Gordon
SECONDED by Commissioner Jacques

THAT the Vancouver Heritage Commission approves the Minutes from the meeting of
March 11, 2019.

CARRIED UNANIMOUSLY

1. Business Arising from the Minutes

None.

2. Character Home Zoning Review - Update

Marie Linehan, Senior Development Planner, provided a presentation and responded to
questions.

The Commission noted the following in the workshop format:

- The loss of character homes correlates strongly with the loss of affordable rental suites, especially basement suites, and shared houses used by extended families and other living arrangements;
- The incentives offered do not appear to be sufficient, either in density or relaxations, to encourage retention;
- With declining school enrolment in city schools, discussion as to whether families with school-aged children were being displaced; and
- Staff is recommended to revisit the program with the intention of adding disincentives, such as a reduced Floor Space Ratio (FSR) for new-builds on a character home site, in order to stem this trend.

* * * * *

The Commission recessed at 11:55 am and reconvened at 12:15 pm.

* * * * *

3. Heritage Conservation 101 - Workshop

Amber Knowles, Heritage Planner, led the Commission through a workshop on the *Standards and Guidelines for the Conservation of Historic Places in Canada* and the different aspects of heritage conservation.

The Commission thanked Amber for her engagement during the workshop.

4. Staff Update

(a) City of Vancouver 2019 Heritage Awards

Staff provided an update and noted that this year there are 21 nominations and 21 awards.

5. New Business

(a) Commissioners' Reports

Commissioner Gordon highlighted the following for the Commission's attention:

- Celebrities Nightclub building at 1022 Davie Street;
- Commodore Ballroom building at 868 Granville Street; and
- Vancouver Skateboard Coalition interest in heritage preserved sites.

(b) Report on the Development Permit Board Advisory Panel

Commissioner Leduc provided an update from the April 1, 2019, Development Permit Board Advisory Panel meeting noting the Panel's consideration of a proposed development on Dunbar Street and highlighted the importance of streetscape in maintaining the character of the street and not just one site.

(c) Report on the First Shaughnessy Advisory Design Panel

Commissioner Massie noted that the First Shaughnessy Advisory Design Panel has been reinstated and is currently undergoing its recruitment process and having members appointed on May 15, 2019.

Adjournment

MOVED by Commissioner Massie
SECONDED by Commissioner Keate

THAT this meeting be adjourned.

CARRIED UNANIMOUSLY

Vancouver Heritage Commission
Minutes, April 8, 2019

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Next Meeting:

DATE: Monday, April 29, 2019
TIME: 11 am
PLACE: Town Hall Meeting Room
Main Floor, City Hall

The Committee adjourned at 1:36 pm.

* * * * *

Shaughnessy Heights Property Owners' Association Letter – Heritage or Character Buildings Interim Procedure



Shaughnessy Heights Property Owners' Association

January 22, 2019

Dear Mayor and Councillors,

In October 2017 City Council determined that a further extension of the Interim Procedure (IP) should be enacted for one year.

It has become evident that the desired result will not be achieved in that affordability will not be improved but instead that innocent homeowners in 2nd and 3rd Shaughnessy will have their property values (which in many cases represent their life savings) drastically reduced, but without benefit to others.

As an example, we cite one property on [4735 Osler St](#) in 2nd Shaughnessy newly built in May of 2017 and listed at 8.5 million, which to this date has still not sold (more than 20 months sitting on the market) despite successive price reductions to \$6.68 million. This house was designed and built in accordance with the City's guidelines under the IP and so included a laneway house, but so constrained were the builders that the result is limited space and small rooms.

Given the high value of the land no prudent buyer is going to consider the purchase of a house limited by the IP, given that the same money will allow for a much larger and more desirable home in another jurisdiction.

Although densification may be desirable in the minds of City Council it is not something wanted by prospective buyers in an exclusive neighbourhood like Shaughnessy. Not all homeowners will use the densification option of a laneway house due to the negative capital gains tax implications and/or the affect on Principal Residence Exemptions.

In fact a laneway house actually serves to reduce the desirability of properties in 2nd & 3rd Shaughnessy since privacy is paramount. The reality is not many homeowners bought in this area to share his/her house with tenants. IP is bad from an environmental and health perspective. Old houses don't meet current fire & seismic and energy efficiency standards. They are very poorly insulated and often exhibit problems of dampness.

No government should have the right to compel an owner to continue to live in an unhealthy home and certainly no penalty should apply when an owner chooses to improve his living preferences by rebuilding a new character house.

Many homeowners in 2nd and 3rd Shaughnessy are part of the Chinese community. This community may require larger homes, often having two or three generations living in a home. Preventing demolition and construction of sensible new homes denies this community and others of their preferred accommodation and property rights. While it may not be intentional, many in this

demographic feel unfairly targeted by the IP.

Our Association asks that the Interim Procedure be rescinded. It is our view that COV's focus on keeping Pre-1940 houses at any cost is problematic for a number of reasons, including :

- 1) IP does nothing to increase affordability or to provide living accommodation for more people;
- 2) IP is bad from from an environmental and health perspective;
- 3) Cosmetic appeal is not sufficient to justify the Interim Procedure, especially since new homes built under RS-5 guidelines are more often than not, superior in every respect.
- 4) IP devalues Pre-1940 properties.

The value of homes should not be arbitrarily harmed nor should homeowners be penalised in this way, and homeowners are entitled to their property rights. In light of the above points, we ask that you immediately rescind the Interim Procedure.

Yours truly,


Mary Ann Cummings
President


Anthony Chu
Vice President