

Date: Monday, April 23, 2012
Time: N/A
Place: N/A

PRESENT:

138 EAST HASTINGS STREET - DE414810 - ZONE DEOD
Minutes
Motion

Board

V. Potter Director of Development Services (Chair)
K. Munro Assistant Director of Planning
D. McLellan Deputy City Manager
P. Judd General Manger of Engineering Services

Advisory Panel

G. Borowski Representative of the Design Professions (Urban Design Panel)
F. Rafii Representative of the Design Professions
J. Stovell Representative of the Development Industry
R. Keate Representative of the Vancouver Heritage Commission
K. Busby Representative of the General Public
J. Miletic-Prelovac Representative of the General Public
D. Wlodarczak Representative of the General Public

Regrets

S. Chandler Representative of the Development Industry
K. Chen Representative of the General Public

ALSO PRESENT:

City Staff:

J. Greer Assistant Director of Processing Centre - Development
R. The Engineering Services - Projects Branch
S. Hein Development Planner
A. Bond Assistant Director of Housing Policy
D. Autiero Project Facilitator

138 EAST HASINGS STREET - DE414810 - ZONE DEOD

T. Wolf Studio One Architecture
A. Topiwala Studio One Architecture
M. Williams Sequel 138

CLERK TO THE BOARD: L. Harvey

The Chair gave an outline of the role of the Development Permit Board and Advisory Panel. Ms. Potter noted that the Board's role is to consider applications in the context of existing Zoning, Council Policy and Guidelines. The Board doesn't create new policy or new regulations; that is City Council's responsibility. Sometimes applications are in an area where new policies might be emerging, for instance if there is a planning study underway in a particular neighbourhood where an application is situated. Ms. Potter noted that was the case with the application being presented to the Board. On March 28th, Council received a Staff Report and heard delegations about the launch of the Downtown Eastside Local Area Planning Process (LAPP) and framework,

an inter-rezoning policy and interim development management set of guidelines. The recommendations in the report were largely approved so that process is now underway. One area that was not approved by Council was with respect to the development management guideline #1. That guideline pertains to the definition of social housing. Council did ask Staff and the DTES LAPP committee to do further work on this given the divergent opinions on the topic. They will be meeting in the future and have been asked to report to Council. However, in its deliberations, Council also acknowledged that applications that were already in the system, and particularly referenced the application at 138 East Hastings Street would carry on under the policy framework in place when this application was received. Ms. Potter explained that Council's direction was important for the Board and the Advisory Panel to consider when they listened to the delegations.

1. MINUTES

It was moved by Mr. McLellan seconded by Mr. Munro and was the decision of the Board to approve the minutes of the meeting on February 20, 2012 with the following amendments:

Delete the second and third sentences on page 8 in Mr. Judd comments.

2. BUSINESS ARISING FROM THE MINUTES

None.

3. 138 EAST HASTINGS STREET - DE414810 - ZONE DEOD (COMPLETE APPLICATION)

Applicant: Studio One Architecture

Request: To develop a six storey mixed-use building containing commercial uses on the ground floor and 97 residential units (79 market units and 18 social housing units) above one level of underground parking having vehicular access from the lane.

Development Planner's Opening Comments

Mr. Hein, Development Planner, described the application and noted that there will be 79 market housing units and 18 social housing units. He described the plans and model as seen by the Urban Design Panel on their reviews. He stated that at the first review the Panel gave the application non-support but supported it at the second review. There is a housing obligation under the zoning to provide 20% social housing on the site. Mr. Hein noted that it was an important site and there was regret of the loss of the Pantages Theatre. He described the architectural plans stating that it needs to be a contextual building with a contemporary expression and that the applicant had decided on a wood frame building.

Abigail Bond, Assistant Director of Housing Policy, noted that Sequel 138 is the first proposed mixed-use project that meets the 20% social housing provision as required by the Downtown Eastside Oppenheimer District Official Development Plan (DTES DOP).

The DEOD ODP states that 20% social housing is required in any development where the floor space ratio is over 1 FSR. The DEOD ODP defines social housing as owned and/or operated by

government or non-profit partners and is silent on the required rent levels. Staff think that these 18 units of self-contained social housing that will be owned by a non-profit partner (The FJL Housing Society) meets this requirement.

Ms. Bond stated that one of the goals in the DTES Housing Plan is to maintain around 10,000 units of low-income housing and to increase its quality over time. SROs are to be replaced with new self-contained housing.

Staff believe that this development application meets the intent of the DTES Housing Plan in that the units are self-contained and will be owned and managed by a non-profit organization. The intent of the plan was to create a mixed income community that continues to provide a home for the low and moderate income residents that live there.

The project also helps to meet Vancouver's Housing & Homelessness Strategy which identifies a target of 1,500 units of new social housing in the next three years and these 18 units assist the City in meeting these targets.

The City is requiring the applicant to enter an agreement to restrict 9 of the social housing units to where the tenant contribution to rent is a max of \$375 (shelter component of welfare) and the other half of the units to rent at a max of 30% of BC Housing Income Limits or CMHC area market rent (\$824), whichever is lower.

It is staffs intent to ensure that at least half of the units rented at the welfare rate. The definition of social housing in the ODP was written at a different time when senior governments were funding the construction of social housing.

Ms. Bond mentioned that applicants are having to make social housing projects like this work without government subsidy and ensure that they are financially sustainable and so they have to make sure that they have the right rent mix to do that. This mix is based on common practices in Vancouver and actually requires more of the rents to be at the welfare rate than otherwise might be expected. However, staff acknowledge that the median income of \$12,000 in the DTES community is very low and this speaks to the need for more social housing that is subsidized by senior levels of government, in order to adequately meet the needs of this community.

Ms. Bond noted that there has been significant opposition to the plans for the site using mixed-use residential with only 20% of the units for social housing. Many groups believe that this project along with a number of sites elsewhere in the DTES should be 100% social housing rather than mixed with market condos.

The DTES Local Area Plan Process Committee (LAPP) that has been set up to lead and shape the planning process has also expressed their dissatisfaction with the fact that this application continues to move ahead. They want to halt the application for the duration of the LAP process.

Some community members also want to see all of the 18 units renting, where the tenant contribution to welfare is no more than \$375.

Ms. Bond added that there is significant community opposition to this proposal but the applicant has met the ODP requirements to provide 20% social housing.

Mr. Hein then described the content of the conditions in the Staff Committee Report. He noted that there are plans to have a commemorative for the women who have been lost in the DTES. Many parts of the theatre have been saved and the applicant is looking to use them in the new building. Mr. Hein noted that lanes have become very important in the city and there is an interest to activate the lane although a clear CPTED program will be needed. Mr. Hein added that there is an urban agriculture program that will engage the residents in growing their own produce.

Mr. Hein reviewed the recommendations contained in the Staff Committee Report dated April 4, 2012. The recommendation was for support of the proposal, subject to the conditions contained in the Staff Committee Report.

Mr. Autiero noted that to date 32 written responses to the notification postcard have been received, 30 were opposed, one letter of support and one opposing petition signed by 20 individuals.

Questions/Discussion

In response to questions raised by the Board and Panel, the following clarifications were provided by Mr. Hein:

- There will be 18 units of social housing with the remaining units being sold and as well a community use space in the building.
- Through the Chinatown Revitalization Program there are plans to link the laneways to Georgia Street.
- The non-profit organization that will manage the non-market housing has been legally established.
- There has been no written correspondence to the Board regarding the application from the local planning committee.
- Since the theatre had deteriorated so much there was an order to demolish the building.
- Currently there is not a large amount of government money available for social housing and so projects like this one often have different types of partnership using land resources that the City owns.
- Staff wanted to have space in the building for people receiving welfare. Council has asked that going forward all of the 20% for social housing be at the welfare rate but was not a requirement of this application.
- Projects with over 1 FSR require a 20% social housing component on the additional FSR with the distribution to a maximum of 3% FSR for residential.
- Under the existing ODP the applicant could have developed the site without social housing.
- There are many social issues in the neighbourhood with housing being a priority.
- The building is meant to contribute to the community which will be explored through the management plan and other community groups that will be taking space in the building.
- The management plan will be completed prior to occupancy.

Applicant's Comments

Marc Williams thanked the staff and said they were able to meet all the conditions in the Staff Committee Report.

He noted that they decided on wood frame construction as a result of the costs associated with the project. The social housing units will be purchased by the non-profit using government money and a mortgage. Mr. Williams noted that they worked with CMHC so that the market housing could be affordable. A lot of people can afford a monthly payment and condo and insurance fees but often don't have the down payment. Purchasers who don't have a 10% down payment will be able to buy the with CMHC offering \$5,000 as a down payment and the proponent will attach a silent second mortgage for that amount. When the purchaser sells the unit they will receive 90% of the sale price while the proponent will receive 10%. Buyers will have to meet certain criteria such as being low income earners and will need to live in the unit they buy.

Mr. Williams described the proposal noting the garden plots that will be available for residents as well as people living in the neighbourhood and will be part of a local garden association. One of the goals of the non-profit organisation is to help train people how to grow their own food. He added that other programs are planned including a restorative justice program, art therapy programs and other ideas that will insure a link to the community.

Questions/Discussion

In response to questions raised by the Board and Panel, the following clarification was provided by the applicant team:

- The building will be strata titled instead of three independent parcels.
- The strata fees are incorporated in the welfare rate of rent.
- The cost to develop the property is \$25 million.
- This project meets an important need in the DTES.
- In order to keep the price point affordable the units are all one bedroom.
- There are windows on either end of the units.
- The project will exceed LEED™ Gold.
- The only storage in the project is for bicycles.

Comments from other Speakers

The following delegations spoke in opposition to the application:

Michael Claque
Wendy Peterson
Ann Hedisma
Nathan Allen
Patricia Canning
Mark Lawrence
Robert Milton
Dean Wilson
Kimble Mortimer
Jean Swanson
Stephen Blumstein
Dave
Victoria Bull
Roland Clark
Letizia Waddington
Erin Innes
Dave Diewert

Greg Williams
Ian Macrae
Tracy Morrison
Grant Fraser
Patrick Foley
Harold Lavender
Karen Ward
Nathan Edelson
Marguerite Tapernaude
Krista-Dawn Kimsei
Richard Marquez
Ivan Drury
Maria Wallstam
Louise Boilevin
Hugh Lamkin
Joseph Jones
Nate Crompton
Eileen Pidgeon
Stella August
Sarah Godoy
Jacik Lorek
Herb Varley
Tristan Markle
Anthony Cushack
Kim Hardy
Eric Martin
Phoenix Winter

Comments in opposition included:

- Defer a decision on the application because the whole 20% social housing should be set at the welfare rate
- Plans for the Oppenheimer area need to be included in the DTES ODP
- There is a real risk that this kind of important proposal doesn't have a context for decision
- Thousands of people will be affected by the decision and the social impact has not be addressed by the City
- The drug market could be pushed further east and become more violent
- Staff have not explained the public objectives
- Worried that the condo project will cause a break in the community and cause a culture clash
- If the proposal goes through and other property owners start thinking about the profitability of their properties it will increase rents and make it hard for people to find affordable housing
- The application needs to go back to City Council for decision
- The 100 block of East Hastings Street should be 100% social housing
- Shelters cost five to tens times the cost of social housing
- Should wait for the planning process to be completed for the area
- Not the right area for social mix

- Concerned about the social housing agency's credentials who will manage the social housing units
- The theatre could have been saved and used by the community
- City should work with the community to design an appropriate project affording community services and art programs
- Should be a moratorium on future developments until the local community planning is concluded

The following delegations spoke in support for the application:

Patricia Canning
Fern Jefferies
Theodore Kent
Sean Kirkham
Michael Mathews
Paul Healey

Comments in support included:

- The project is a demonstration of financing that could be used in other areas of the city
- Will contribute to the improvement of the area
- Makes affordable housing for people who work in the area or grew up in the area to be able to purchase their own home
- Rich people aren't going to be interested in buying in the area
- Would like to see everyone working together to solve issues of lack of funds, homelessness and social housing
- Need something to bring up the living standards for the people in the neighbourhood
- People who work in the area would be the people who would buy in the project
- A lot of space has been given over to community gardens and will help the people in the community grow their own food
- 71 of the residential units will be available around \$200,000

Questions/Discussion

In response to questions raised by the Board and Panel, the following clarification was provided by the speakers, staff and the applicant team:

- One of the speakers stated that there is a core need and housing for people who are living on the shelter allowance;
- Also, one of the speakers said that the project conforms to the existing zoning but doesn't address the City's own housing plan;
- A speaker was concerned that the non-profit partner was an unknown in the community.

Panel Opinion

Greg Borowski noted that the application came to the Urban Design Panel twice as it was not supported at the first review. He said that at the first review the Panel had concerns regarding light access into the units, the view through from the street to the lane, the configuration of the units and the lack of urban agriculture. Mr. Borowski said that at the second review he thought the proposal was the most improved that he had ever seen in all the time he was a

member of the Panel. He acknowledged the applicant for their willingness to change and adapt to make the project better. He said that he understood the concerns of the community and the broader questions of housing and affordability but felt it was beyond the capacity of the Urban Design Panel to comment. He thought the applicant had gone to considerable effort to make the units affordable. He also thought it was commendable that the applicant was adding urban agriculture and would acknowledge the women who have been lost in the DTES with a memorial. Mr. Borowski noted that he worked in Gastown for over fifteen years and was aware of the conditions of the SROs but that without some investment in the neighbourhood the buildings would deteriorate.

Ms. Miletic-Prelovac said that she thought this was a challenging project in many ways and thought Mr. Williams and his team had done a good job in offering many positive initiatives in the project. She noted that there were many passionate speakers but didn't understand why the community seems to be so afraid of the development. She added that she feels for both sides and acknowledged that the applicant had addressed many issues and felt it was unfair to postpone the permit. However, Ms. Miletic-Prelovac advised the Board to defer the project.

Ms. Busby said she found it an interesting program in that there was affordable market housing mixed with social housing. She wondered if it was an inappropriate location for the project noting that it could be interesting in terms of potential benefits to the community. Ms. Busby said she thought it was an effort in the right direction in not just having market housing and recommended approval of the project.

Mr. Keate noted that the Heritage Commission had supported the application as the Pantages Theatre had been demolished because of neglect. He said that from a design point of view, the proposal had been handled in a more responsive way to the neighbourhood and was glad to see social housing on the site. Mr. Keate recommended support of the application.

Mr. Stovell said he had seen the Board approve many social housing projects over the years especially in the DTES. He noted that people came out in other areas of Vancouver where social housing projects were proposed and although they often spoke against the project every one of those projects has been built with no damage to the neighbourhoods. He said it feels like the community is fearful of change and hoped that everyone on the LAPP community could bring an open mind to the project. Mr. Stovell added that the application is compliant with zoning and even goes beyond what is required and as well meets the shelter rates for housing.

Mr. Wlodarczak commended the staff for the report and Mr. Williams for working within the current zoning. He said he thought it was an innovative approach to fund social housing. He also said he had thought about the possible negative impact of social housing in the 100 block of East Hastings and thought the DEOD ODP was out of date since it was supposed to be reviewed every five years and hadn't been done for some time. He said he thought the housing policy still leaves a lot of questions. Mr. Wlodarczak recommended the Board defer their decision until the planning process was completed.

Board Discussion

Mr. McLellan acknowledged concerns raised by some delegations about the room set-up. He noted that it was the first time he had been in the Town Hall Meeting Room and that there were things to sort out about how the venue operates as he felt it hadn't operated very well for the meeting. He added that typically the Development Permit Board doesn't have a large audience but appreciated the interest for the application.

Regarding the application, Mr. McLellan noted that none of the speakers had any serious concerns regarding the architecture. He said he thought it was an attractive approach using wood frame construction in order to make the project more affordable. And as well he thought it was appropriate to have composed the project under one strata title rather than using an air space parcel.

Mr. McLellan said he realized that the Woodward's project had had an impact on the community but felt that this project was not going to attract the same type of people who bought in the Woodward's project as there aren't any top floor views. He added that he felt the project would cater to a working population for people who already live and work in the DTES. He noted that a couple of speakers indicated that this was the type of place they could afford to purchase and still stay in the area. Mr. McLellan also noted that no one will be displaced and the project is offering 18 social housing units to the City's count. He added that he felt it was a problem that welfare rates were not keeping up with the cost of living and although the City has been trying to deal with the problem, senior governments are not stepping up. Mr. McLellan agreed that housing was one of the greatest needs in the city but that a diversity of housing forms was important. Mr. McLellan moved for approval of the application.

Mr. Munro said he had heard a strong message from the community that there is a strong desire for non-market housing in the community. He thought the project would deliver some social housing even though it wasn't as much as people would like to see. He noted that market housing was something that the community was not welcoming but the application does follow current City regulations and policy. This doesn't make sense. Also, the application has been in for a year, well before Council started the LAP process. Mr. Munro said that the Board did not have the ability to change policy but hoped that the community would bring their sentiments to the planning around workable policies and visions for the future. He added that the Board has to judge the application based on current policies and it does meet them. Mr. Munro supported the motion.

Mr. Judd thanked the speakers for coming out to the Board meeting. He said he was in support of the application but was concerned that nine of the units were at a rental of \$800 per month and were considered social housing. He made a motion for a condition to be added that would have the proponent and City staff make all eighteen units have rents at the welfare shelter rate. His motion was not seconded or supported by the other Board members.

Motion

It was moved by Mr. McLellan and seconded by Mr. Munro and was the decision of the Board:

THAT the Board APPROVE Development Application No. DE414810, in accordance with the Staff Committee Report dated April 4, 2012, with the following amendments:

Update the Public Consultation section to include the following in the Notification Section, second paragraph. **"There have been 14 responses to the notification postcard. . ."** changed to: ***"To date, 32 written responses have been received, 30 were opposed, one letter of support and one opposing petition signed by 20 individuals. . ."***

Amend Condition 1.1 by deleting “draft” from the first sentence;

Amend the last sentence in Condition 1.2 in the Note to Application:
This agreement will also include covenants requiring all 18 units to be legally and beneficially owned by a single legal entity and used only to provide rental housing for terms of not less than one month at a time and prohibiting the separate sale or transfer of legal or beneficial ownership of any such units (which *may* require all such units to be contained within *and may prohibit subdivision by strata plan on those units subject to the discretion of the Director of Legal Services*) a single air space parcel in perpetuity, or for the life of the building).

4. OTHER BUSINESS

None.

5. ADJOURNMENT

There being no further business, the meeting adjourned at 9:43 PM