

SECURED RENTAL POLICY CONSULTATION: C-2 DISTRICT SCHEDULE SUMMARY

July 2020

Introduction

Since 2009, the City has had incentive programs in place to help increase the supply of purpose-built rental housing in Vancouver.

Starting in 2018, staff undertook a two-phased process to review the City's rental programs, including *Rental 100 and Affordable Housing Choices Interim Rezoning Policy*. On November 26, 2019, Council approved the *Secured Rental Policy: Incentives for New Rental Housing*. The Secured Rental Policy consolidates previous rental housing programs to encourage new rental housing across Vancouver, while also working toward other City objectives. Council also directed staff to implement the new policy through a number of actions, including amendments to the C2 zoning districts to allow 6 storey rental buildings.

The following is a synthesis of the key themes, findings, and comments of the feedback received from stakeholders and the public on the proposed amendments to the C-2 commercial areas.

Background: Previous Public and Stakeholder Consultation

The engagement work conducted builds upon two years of consultation from the Rental Incentives Program Review (August 2018 – October 2019). The following section is an overview of the engagement methods and high level themes that emerged from the Rental Incentive Programs Review.

Phase I

Phase I consultation included engagement and workshops with developers and landlords, a survey of renters residing in buildings constructed under city incentive programs, and pedestrian intercept surveys. The findings were summarized by CitySpaces Consulting and can be found on the City of Vancouver's Creating New Market Rental Housing Page¹.

Key Findings:

- The City's rental housing development incentives are creating new market rental housing
- Incentives are necessary to make construction of rental housing viable
- Current incentives are insufficient, rental housing is only marginally viable to construct over strata developments
- The City's rental housing incentives and programs should be simplified to reduce the length and complexity of the development process
- Increasing the level of affordability in new rental housing is challenging
- Finding rental housing is challenging due to lack of options for renters and high rents for many households in the city

Phase II

Phase II consultation was conducted by City of Vancouver staff during August 2019 to October 2019. Engagement methods include in-person dialogue during public open houses, written comment forms at the open houses, and an online public survey via Talk Vancouver. Overall, we heard from 3,500 people during the Phase II consultations.

Key Findings:

- There is a need for purpose built rental housing in Vancouver – the majority of respondents believed there is a need to build more purpose built rental housing in the city
- Renters are facing significant challenges due to the persistently low vacancy rate and growing population, resulting in renters having to make trade-offs to live in Vancouver
- There is a willingness to see higher buildings to achieve greater affordability of rental units - the majority of survey respondents agreed with the notion of building larger and taller buildings to improve affordability
- Respondents expressed equity concerns about geographic concentration of purpose-built rental housing along busy arterial streets with higher noise and air pollution levels; many renters expressed a desire to live in secure rental housing on local streets.

¹ <https://vancouver.ca/people-programs/creating-new-market-rental-housing.aspx>

Specific details about of the public consultation findings can be found in Appendix J of the City of Vancouver’s Rental Incentives Review Phase II Report Back².

Secured Rental Policy Implementation: Engagement Methods

Following the approval of the *Secured Rental Policy*, staff began work on policy implementation. Policy implementation includes two main proposed actions:

- Amendments to the C-2, C-2B, C-2C, and C-2C1 commercial zoning districts to enable rental housing development up to 6 storeys in select areas through a ‘pre-zoning’ approach; and
- Simplification of rental housing rezoning opportunities in low density transition areas.

Residents and stakeholder groups were given the opportunity to share their experiences, opinions, and ideas in a variety of ways on the *Secured Rental Policy* implementation process. The following section is an overview of the engagement methods and high level themes that emerged from the engagement efforts.

Secured Rental Policy Implementation Engagement

City of Vancouver staff held public and stakeholder engagement from February to May 2020 to refine proposals for implementation of the *Secured Rental Policy*. The majority of engagement covered multiple *Secured Rental Policy* implementation efforts, including proposals for C-2 rental housing zoning amendments, as well as the rezoning policy for rental housing in low density transition areas. Overall, staff heard from over 1,200 people.

- **Public Information Sessions:** There were six public information sessions held throughout the city in March, 2020. Overall, 800 residents attended the information sessions to learn about the *Secured Rental Policy*, and express their opinions and ideas to staff, and through online and paper comment forms.
- **Online Feedback Form:** An open-comment form was available on the City’s Rental Housing website from March 3 to April 3, 2020 for the proposed policy implementation actions. The City received over 400 online responses.
- **Stakeholder Workshops:** Workshops and meetings were held with key stakeholders to engage experts and city builders.
 - Urban Development Institute Rental Housing Sub-Committee and LandLord BC
 - Business Improvement Area Executive Directors Meeting
 - City of Vancouver Renters Advisory Committee
 - Workshop with Architects
 - Vancouver Planning Commission

Notification

The public was notified about the public information sessions and online feedback form through a variety of methods, including:

- email notification to the Housing Vancouver email list

² <https://council.vancouver.ca/20191126/documents/p1.pdf>

- newspaper advertisements in the Vancouver Courier
- online notification through the City's social media networks and website
- poster advertisements distributed to the City's 24 community centres, 22 libraries, and City Hall.

Translation Services

The informational materials presented at the public information houses were also available online on the City's Rental Housing website. Summary pamphlets on the proposed changes to implement the *Secured Rental Policy* were available in English, Punjabi and Simplified Chinese. Interpretation services in Cantonese were available at two information sessions. The feedback period for the online comment forms was extended by two weeks to account for the cancellation of the final information sessions due to COVID-19.

Public Information Session Schedule

- Tue Mar 3, Killarney Community Centre (Cantonese interpretation services offered)
- Thu Mar 5, Dunbar Community Centre
- Mon Mar 9, CityLab
- Tue Mar, 10 Hastings Community Centre (Cantonese interpretation services offered)
- Wed Mar 11, Kitsilano Neighbourhood House
- Thu Mar 12, Polish Hall
- Tue Mar 17, Sunset Community Centre (cancelled due to COVID-19)

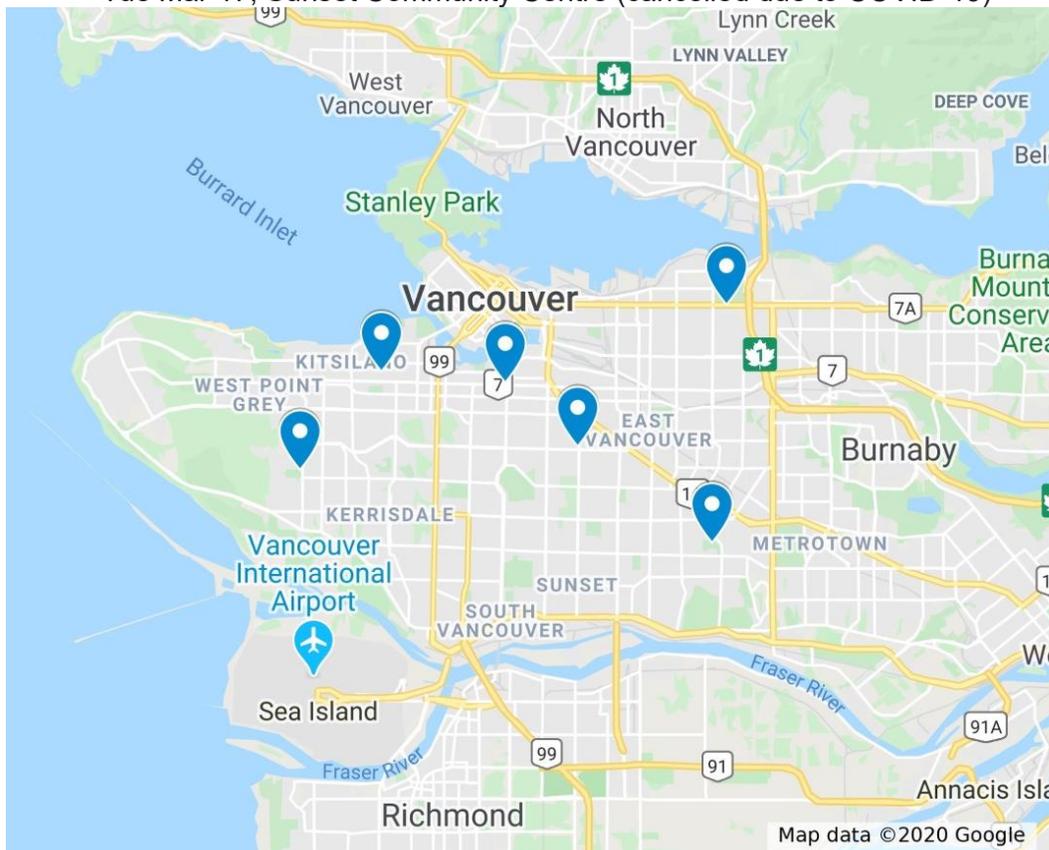


Figure 1 Map of Secured Rental Policy Information Session Locations

What We Heard from the Public Regarding Proposed Changes to C-2 Commercial Areas

Introduction

The high level key themes and values captured below present the perspectives of members of the public who provided feedback online and at public information sessions. Feedback received from in-person public information sessions and online (email, online comment forms) were all coded and thematically analyzed. This summary only includes feedback related to proposed zoning amendments in C-2 areas and does not address feedback received on other *Secured Rental Policy* implementation actions.

Method	# of Total Respondents	# of Responses on Proposed C-2 Zoning Amendments
Online comment form, emails	437	271
Written comment form	55	35

Key themes

There is a desire for more rental housing options

Overall, many residents were supportive of the proposed changes for rental housing in C-2 commercial areas to create more rental housing options. 93 Respondents were supportive of the City's proposals to accommodate the growing number of rental households in the city.

- Many were supportive of the proposed 6 storey rental form of development which is currently considered through rezonings.
- Many respondents believed that C-2 commercial zones are appropriate areas to add rental housing supply in the city to house the growing population within walkable communities.
- We heard from respondents that increased rental housing in C-2 areas can help increase the persistently low rental vacancy rate across the city and ensure that renters have options for newer units in the city.
- Some respondents discussed the value of living in secured rental units because it offers more housing stability than living in secondary rental housing (e.g. rented condos, rented single-family houses, basement suites).
- Respondents were generally supportive of the proposed sustainable building requirements.

Selected Comments:

"I greatly welcome this proposal. Many of the people who work in these commercial areas are the exact same people who are struggling to find affordable rental near their workplace. The close proximity to transit routes also makes them an ideal location for additional rental housing. We are in a housing crisis and this is exactly the kind of innovative approach that needs to be taken."

“We need more rental housing in this City. Building more rental housing nearby rapid transit network and commercial areas is great. This should have passed long time ago, but I'm glad that the City is working on this now.”

Concerns about height, scale, and aesthetics of proposed development forms

38 respondents were primarily concerned about the general height, scale, and aesthetics of the proposed building forms in C-2 commercial areas.

- Many respondents mentioned the importance of prioritizing sunlight by minimizing shadows on the arterial public realm. Others were also concerned about the impact shadowing, overlook, and privacy on homes located behind arterial streets.
- Some were concerned that taller building form would be out of scale in some areas and may impact views to the North Shore Mountains.
- Some respondents suggested allowing for a diversity of building height and massing options to avoid creating uniform street walls of ‘boxy’ buildings.
- Some residents suggested using façade materials, and architectural features that are compatible with the existing built form.
- A few respondents suggested using the increased building set-backs from the street as an opportunity to improve landscaping and allow for larger street trees.

Example comment: “Street appearance and experience must be given more consideration. The city needs to mandate enhanced green edges, landscaping and street trees in commercial areas, and encourage incorporation of neighbourhood design and character to help Vancouver retain a sense of distinct neighbourhoods.”

Example comment: “Way too uniform a streetscape. Need varying heights (maybe 4-7 stories) and ample attention to sunshine and viewpoints at street level.”

Residents are concerned about displacement and affordability

Many were concerned about the potential for displacement of existing affordable rental units and local businesses in C-2 commercial areas due to redevelopment, with 25 respondents mentioning topics on renter and business displacement

- Many expressed a desire to maintain the diversity of income, household types, and ages that exists currently in C-2 areas.
- Respondents were concerned about the affordability of new market rents in secured rental buildings.
- In addition, residents stressed the importance of attracting diverse businesses in commercial units and expressed a desire to retain local shops.

Selected Comments:

“Density is important to have but we should be careful in driving out tenants by increasing the taxes on areas that are not yet developed.”

“Buildings along thoroughfares like 4th Ave, and along MacDonald can offer a positive way to build density, if and only if, retail space is developed with small local business in mind. Density that offers nothing but national chains and sterile franchises kills neighbourhoods.”

General support for clarifying and shortening the development process, with some expressing concern over the proposed incentives

Many respondents pointed out that the proposed changes to update the C-2 zone will support the creation of new rental housing supply by reducing development timelines.

- Respondents felt that the zoning changes will provide more clarity to residents and developers about the expectations for rental housing in C-2 commercial areas.
- However, 15 respondents mentioned that these changes may minimize public input and consultation opportunities on proposed developments by removing the rezoning process, and that the incentives offer too much leniency to developers.
- Overall, many respondents are supportive of incentivizing rental developments to ensure that it remains a viable development option compared to strata development allowances in C-2 commercial areas.

Selected Comments:

“This is a very forward thinking proposal that will have far reaching positive impacts on the addition of much needed rental units in the City of Vancouver. This incentivises developers to adjust their plans away from building market condos and allows consideration for rental units.”

“My concern is that the development process still allows meaningful opportunities for input from neighbours on the proposed design (i.e. not carte blanche to developers to build housing that has no consideration for the neighbourhood character or aesthetics, find reasons to remove big old trees etc.)”

Respondents express diverging opinions on need for new rental housing opportunities, policy scope, and geographic coverage

While some respondents suggest expanding the geographic coverage of these changes to more areas, others questioned whether new rental housing development opportunities are necessary, or were concerned the proposed development forms bring too much change to certain neighbourhoods.

- 49 respondents expressed the importance of retaining preserving neighbourhood character and heritage buildings in C-2 areas.
- Some questioned whether proposed developments in major planning areas such as the Jericho Lands can accommodate rental market needs.
- Others suggested that the policies and guidelines are too prescriptive in nature because some C-2 areas, especially those well-served by transit, could accommodate higher building heights and increased densities.

Respondents want improved public amenities and infrastructure access in C-2 areas

Many respondents generally agreed that C-2 areas should accommodate more residents, especially in areas well-served by transit. However, 12 respondents were primarily concerned that public amenities like parks and community centres may not have capacity to serve an increased population.

- School capacities around certain C-2 areas were a worry for some respondents.

- Overall, respondents express a need for more public amenities and services to accommodate future growth in C-2 commercial areas.
- Some respondents are concerned about increased parking and traffic congestion on arterial roads, with some pointing out that this may overflow onto side streets.

Selected Comment:

“In general, I don't think we should increase density without also increasing other resources families need: parking, schools, etc. The local schools are already beyond capacity in the Kitsilano area and parking can be difficult to find.”

There is general support for proposed changes for commercial spaces

Some respondents expressed support for requiring a minimum amount of floor area for commercial space to ensure that C-2 commercial areas remain vibrant and walkable. Some respondents are supportive of relaxing building heights to enable more flexible and functional commercial spaces, and widening the sidewalk to improve the public realm in C-2 areas.

Selected Comment:

“I would encourage the city create policy that allows for 15-18 clear retail ceiling and 8.5 ft clear residential ceiling which are wonderful architectural but would require building heights of between 72 and 75 ft. depending on a given properties slopes.”

Other Concerns

Some respondents suggested more planning studies and deeper public consultation on the proposed changes, with a few respondents citing the effects of COVID-19 on engagement. Some respondents were also expressed concern that the proposed changes were a ‘blanket-approach’ and suggested implementation on a neighbourhood based level.

What We Heard from Stakeholders Regarding Proposed Changes to C-2 Commercial Areas

Workshop with Architects

City of Vancouver Planning Staff held a workshop with a small group of local architects with experience designing mixed-use buildings in C-2 areas. The focus of the workshop was to discuss the proposed C-2 district schedule changes. Participants were invited to discuss and share their thoughts on the proposed development forms, share their experiences designing rental buildings, and suggest improvements.

- Flexibility in zoning was a recurring theme of the workshop. Several participants expressed the importance of flexibility in the zoning to allow for adjustment in building design to respond to unique site conditions.
- Specific suggestions included allowing a larger building envelope to allow for multiple design solutions, and flexibility in the chamfer lines for certain sites.
- Attendees noted that the requirements for building height may be restrictive sloping sites where conforming to the height requirements may be challenging.
- Additionally, participants noted potential building code challenges for wood-frame construction at the heights being considered, as the building heights are close to the threshold where non-combustible construction is required.

Vancouver Planning Commission

City of Vancouver Planning Staff met with the Vancouver Planning Commission (VPC) to present the proposed changes to these C-2 commercial areas. Attendees were invited to discuss and share their thoughts on the proposed development forms. Overall, VPC members are supportive of creating more rental housing opportunities in C-2 commercial areas. Members point out the need to ensure rental housing delivery throughout the city, on both east and west sides.

Staff also heard concerns about displacement of small businesses, and the need for the city to create a small business retail strategy. There were general concerns about the impact of the proposed development forms on the public realm impacts. Some suggested using façade treatment to ensure buildings create diverse and interesting street walls and improve the public realm.

Renters Advisory Committee

City of Vancouver Planning Staff met with the Renters Advisory Committee to present on proposed zoning amendments for rental housing in C-2 commercial areas, and to give an update on the public engagement opportunities. Overall, the Renters Advisory Committee was supportive of the proposed development forms. Members also expressed the importance of livability considerations and support for the improved sustainable building requirements.

Business Improvement Area Executive Directors

Staff presented the proposed zoning amendments in C-2 areas at a meeting with the BIA executive directors. This presentation included information on the suite of proposed zoning changes for C-2 areas. Information presented included the draft zoning regulations for commercial spaces in C-2 areas. Staff received limited feedback or concerns from the BIA executive directors on the proposals for C-2 zoning districts.

Urban Development Institute

City of Vancouver Planning Staff engaged on two occasions with the City of Vancouver and Urban Development Institute (UDI) Rental Housing Sub-Committee on the proposed C-2 zoning amendments.

- UDI members were supportive of the simplified development process and shortened development timelines that would result from zoning amendments for rental housing.
- Members were also supportive of the proposed approach to introduce more flexible building envelope regulations.
- Maximum building height allowances in C-2 areas were mentioned as a potential challenge in development of a 6 storey mixed-use building. Particularly, concerns were raised on maximum height regulations on sloping sites, which may face increased design challenges.
- Some members raised concerns regarding the economic viability of having 3.7 FSR as the upper bound for density. Members also express concerns about the increased development costs associated with the proposed sustainable building requirements.
- There was a desire to expand the proposed amendments to C-2 zoned sites in recent community plan areas (e.g. Cambie Corridor). Some members suggested allowing for flexibility in bedroom configurations to allow for inboard and flexible rooms.
- UDI members raised the issue of building code height regulations for wood-frame construction, which may create challenges for 6 storey mixed-use development in some cases. Some developers point out that rezoning offered more flexibility in development styles and building forms, and are concerned that the proposed development forms are too prescriptive. Members suggest enabling up to 12-storey mass timber buildings in the City's district schedules to support affordability and sustainability objectives.