



To: Planning Committee

Date: June 12, 2013

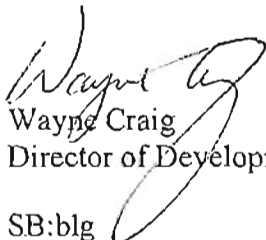
From: Wayne Craig
Director of Development

File: ZT 12-610289

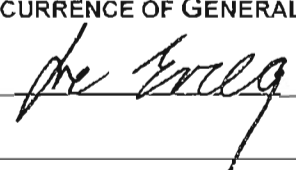
Re: Application by Oval 8 Holdings Ltd. for a Zoning Text Amendment to Remove the Requirement to Provide Affordable Housing at 6611, 6622, 6655, 6811 and 6899 Pearson Way (River Green)

Staff Recommendation

1. That Richmond Zoning Bylaw 8500, Amendment Bylaw 9035, for a Zoning Text Amendment to the "High Rise Apartment and Olympic Oval (ZMU4) - Oval Village (City Centre)" zone to decrease the allowable floor area ratio (FAR) to a maximum of 2.9 and other amendments regarding 6611, 6622, 6655, 6811 and 6899 Pearson Way (River Green) be introduced and given first reading.
2. That the affordable housing contribution resulting from the Zoning Text Amendment regarding 6611, 6622, 6655, 6811 and 6899 Pearson Way (ZT 12-610289) be allocated entirely (100%) to the capital Affordable Housing Reserve Fund established by Reserve Fund Establishment Bylaw No. 7812.


Wayne Craig
Director of Development

SB:blg
Alt.

REPORT CONCURRENCE		
ROUTED TO: Affordable Housing Finance Law	CONCURRENCE <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	CONCURRENCE OF GENERAL MANAGER 

Staff Report

Origin

Oval 8 Holdings Ltd. has applied to the City of Richmond for a zoning text amendment to the "High Rise Apartment and Olympic Oval (ZMU4) - Oval Village (City Centre)" site specific zone regarding 6611, 6622, 6655, 6811 and 6899 Pearson Way (**Attachments 1 & 2**) in order to remove the requirement to provide onsite affordable housing as part of the River Green development as well as other amendments relating to minimum lot sizes and parking.

The subject Zoning Text Amendment proposes to provide funding towards the City's capital Affordable Housing Reserve in lieu of building affordable housing units onsite, which funds may, at the sole discretion of the City, be used to facilitate the construction of affordable housing special development circumstance projects elsewhere within Richmond.

The merits and justification for consideration of the affordable housing special development circumstance project and details relating to financing will be addressed at a later date under a separate report from the General Manager, Community Services. Community Services staff recommends support for this request to provide cash in lieu funding towards the City's capital Affordable Housing Reserve. Council, at their sole discretion, may freely decide how these funds are allocated once they have been deposited into the City's capital Affordable Housing Reserve.

Background

In October, 2011, the City approved a rezoning (RZ 09-460962) in the City Centre Oval Village (**Attachment 3**) for a multi-phase development on 6611, 6622, 6655, 6811 and 6899 Pearson Way including built onsite affordable housing units in a "stand alone" building at 6899 Pearson Way. The requirement to build 3,943.6 m² (42,450 ft²) of affordable housing is secured with legal agreements registered on Title (6611, 6655, 6811 and 6899 Pearson Way) and a density bonus is included in the "High Rise Apartment and Olympic Oval (ZMU4) – Oval Village (City Centre)" zone. As the required affordable housing units are identified to be constructed at a later date, there is no Housing Agreement Bylaw applicable to these lots.

The Development Permits are being considered in phases. The applicant is working towards completing requirements prior to Council approval of Development Permits for 6611 Pearson Way (DP 11-587954) and 6622 Pearson Way (DP 11-587896).

Findings of Fact

A Development Application Data Sheet providing details about the development proposal is attached (**Attachment 4**).

Related Policies & Studies

Official Community Plan

Schedule 2.10 - City Centre Area Plan (CCAP)

The City Centre Area Plan (CCAP) Specific Land Use Map: Oval Village (2031) designation for the River Green project area is “Urban Centre (T5)” which provides for a base FAR density of 1.2 and an affordable housing bonus of 0.8 FAR, and a village centre bonus of 1.0 for the provision of non-residential uses, to the satisfaction of the City.

The proposed lower density of 2.9 FAR for the River Green proposal conforms with the CCAP. A more detailed discussion regarding the proposed site density is provided in the “Analysis” section of this report.

Affordable Housing Strategy

In accordance with the Richmond Affordable Housing Strategy and as secured through the original rezoning (RZ 09-460962), typically a development of this type and size would be required to provide constructed Affordable Housing units onsite.

Although this is the City’s preferred approach, Community Services staff recommends support for this request to provide funding towards the City’s capital Affordable Housing Reserve Fund in-lieu of building affordable housing units on the subject site.

This contribution would provide Council with the flexibility to provide funds for the construction of affordable housing elsewhere in the City. The City’s Affordable Housing Reserve Funds Policy No. 5008 and the affordable housing special development circumstance provisions in the Affordable Housing Strategy provide guidance on how the funds may be used by Council, at their discretion, in the future.

Richmond Zoning Bylaw

The proposal is consistent with Richmond’s Zoning Bylaw 8500. The bylaw specifies how affordable housing cash-in-lieu contributions are to be divided between capital and operating affordable housing reserve funds and also includes a provision that allows Council to set a different division.

Section 5.15 of the bylaw relates to density bonuses for affordable housing cash-in-lieu contributions and provides that:

- 70% of cash-in-lieu contributions be deposited to the capital Affordable Housing Reserve Fund established by Bylaw No. 7812; and
- the remaining 30% be deposited to the Affordable Housing Operating Reserve Fund established by Bylaw No. 8206; or
- Council may direct how cash-in-lieu contributions are to be deposited, if Council direction is received prior to the date of the owner’s payment.

If Council approves the recommendations contained within this staff report, the cash-in-lieu contribution will be allocated 100% to the City's capital Affordable Housing Reserve Fund.

Consultation

As part of the normal Zoning Text Amendment process, this application will undergo a Public Hearing, which will provide local property owners and other interested parties with opportunity to comment on the application.

Staff Comments

Based on staff's review of the subject application, staff are supportive of the subject Zoning Text Amendment, provided that the developer fully satisfies the Zoning Text Amendment Considerations set out in **Attachment 5**.

Analysis

Oval 8 Holdings Ltd. has made application for a Zoning Text Amendment for amendments to the "High Rise Apartment and Olympic Oval (ZMU4) – Oval Village (City Centre)" zoning district related to the provision of a cash contribution in-lieu of providing affordable housing on the subject site, minimum lot sizes, and non-accessory parking as detailed below.

Affordable Housing

As noted above, the original rezoning (RZ 09-460962) on 6611, 6622, 6655, 6811 and 6899 Pearson Way included the requirement to build 3,943.6 m² (42,450 ft²) of affordable housing, which was intended to be provided in Phase 3 in the form of a wood-frame "stand alone" building at 6899 Pearson Way.

The developer proposes to make a contribution to the City's capital Affordable Housing Reserve Fund in-lieu of building affordable housing units onsite. This contribution is based on an "Affordable Housing Value Transfer" (AHVT) approach, where the total area of required affordable housing is converted into a cash-in-lieu value. The conversion rate, or AHVT rate, is contemplated on a project specific basis, with the housing market and financial requirements taken into consideration and subject to the City's final determination. The cash-in-lieu funds would be deposited into the City's capital Affordable Housing Reserve Fund.

The subject application proposes amendments to the “High Rise Apartment and Olympic Oval (ZMU4) – Oval Village (City Centre)” zoning district, to provide for a voluntary cash-in-lieu developer contribution of \$6,791,769 to the City’s capital Affordable Housing Reserve. The value of this affordable housing contribution is derived from:

- a floor area of 3,943.6 m² (or approximately 42,448 ft²) (i.e. the total affordable housing floor area required to be provided in the subject development); and
- an AHVT rate of \$160/ft² (based on work specific to this project by GP Rollo and Associates Land Economists). This rate assumes (i) wood-frame construction for the stand-alone building and (ii) the developer not keeping the affordable housing floor area for market residential housing (i.e. reducing the maximum permitted floor area on the subject site by subtracting 3,943.6 m²).

The developer proposes that the \$6,791,769 contribution be in the form of a Letter of Credit that would be provided to the City prior to adoption of the subject Zoning Text Amendment Bylaw. The Letter of Credit would be accompanied by an agreement to permit the City to cash the Letter of Credit after adoption of the subject Zoning Text Amendment and the earlier of 18 months from adoption of the subject Zoning Text Amendment, or when Council approves the disbursement of funds to an affordable housing special development circumstance project.

In addition to amending ZMU4, amendments are required to the “no development” covenants registered on titles of 6611, 6655, 6811 and 6899 Pearson Way (BB1991737, BB1991739, BB1991741 and BB1991745), which were placed on title to secure the construction of affordable housing onsite.

As of the date of writing this report, the applicant is working towards completing requirements and obtaining Council approval of a Development Permit for 6611 Pearson Way (DP 11-587954). The associated Development Permit considerations include: providing the City with a Letter of Credit for \$2,461,028 (for onsite affordable housing construction at 6899 Pearson Way); and discharging the “No Development” Covenant from the title of 6611 Pearson Way (BB1991737). Should the Development Permit be approved prior to adoption of the proposed Zoning Text Amendment Bylaw, the \$2,461,028 affordable housing security would be returned to the developer upon adoption of the Zoning Text Amendment and receipt of the required \$6,791,769 Letter of Credit. If this Zoning Text Amendment is adopted before the Development Permit is approved for 6611 Pearson Way, the requirement to provide a Letter of Credit for \$2,461,028 would no longer be necessary.

Density

The ZMU4 zone provides for a base FAR density of 1.2 and a bonus of 1.8 FAR to a total of 3.0 FAR with the provision of: a community amenity monetary contribution; 464.5 m² of child care space, and 3,943.6 m² of affordable housing (at 6899 Pearson Way).

The permitted density in the ZMU4 zone is proposed to be amended to: decrease the amenity density bonus and to replace the requirement to provide affordable housing onsite with a requirement to provide a voluntary cash-in-lieu contribution of \$6,791,769 to the City’s capital Affordable Housing Reserve.

The amenity density bonus is proposed to be reduced by removing the 3,943.6 m² of required affordable housing floor area. A comparison of the existing and proposed density provisions in the ZMU4 zone is provided in the following table:

Permitted density in ZMU4 for 6611, 6622, 6655, 6811 & 6899 Pearson Way, regardless of subdivision:	Existing	Proposed
Maximum density	1.2 FAR	No change
Maximum density including amenity density bonus	3.0 FAR	2.9 FAR
Maximum floor area	118,083.0 m ²	114,139.4 m ²
Maximum residential floor area	114,821.1 m ²	110,877.5 m ²
Maximum floor area for all other uses	3,530.3 m ²	No change

Development Related Amendments

Separate from affordable housing, other changes are also proposed regarding minimum lot sizes and parking to address development issues that have arisen through detailed design and construction activities subsequent to the original rezoning (RZ09-460962).

Minimum Lot Sizes

There are minimum lot area requirements specified in ZMU4. Subsequent to the original rezoning, amendments to the minimum lot area requirements are proposed in order to accommodate detailed design, road dedication requirements, as well as pedestrian access routes through the overall development. Proposed lot size requirement details are provided in the attached Development Application Data Sheet (**Attachment 4**).

In addition to amending ZMU4, a subdivision is required to accommodate an identified pedestrian route between Pearson Way and the dike. Subdivision is a requirement of the Zoning Text Amendment to increase the width of 6655 Pearson Way by approximately 3 m and decrease the size of 6811 Pearson Way accordingly. The detailed design of this pedestrian connection will be secured through the future Development Permit for 6655 Pearson Way.

Non-Accessory Parking

There is a requirement for the subject site to provide off-site parking for the existing commercial building at 5111 Hollybridge Way, which is intended to be used for a restaurant in the future. Legal agreements on title and the ZMU4 zone identify that this non-accessory parking is permitted at 6622, 6655 and 6811 Pearson Way. The permanent parking for 5111 Hollybridge Way will be provided at 6622 Pearson Way. This permanent parking arrangement is being formalized as part of DP 11-587896 for 6622 Pearson Way. This Development Permit was endorsed by Development Permit Panel on August 22, 2012 and will be forwarded to Council for their consideration upon fulfillment of the Development Permit considerations. Temporary parking was intended to be provided during construction at 6655 and 6811 Pearson Way.

Subsequent to the rezoning, a construction settlement pond has been located at 6655 Pearson Way and the area is no longer available for temporary parking. However, there is an existing paved parking lot located at 6811 and 6899 Pearson Way which can accommodate the temporary parking requirement. Accordingly, an amendment to ZMU4 is proposed to accommodate the temporary parking requirement at 6811 and 6899 Pearson Way. The permanent parking arrangement will not change.

In addition to amending ZMU4, a covenant discharge is requested. There is a restrictive covenant (BB1991735) registered on 6655 Pearson Way, which prohibits non-accessory parking. With the removal of non-accessory parking as a permitted use for this lot, the covenant would no longer be needed. Discharge of this covenant is included as a Zoning Text Amendment consideration.

Financial Impact

None.

Conclusion

Staff recommends support for the subject Zoning Text Amendment on the basis that it provides a significant contribution towards the City's capital Affordable Housing Reserve Fund that may be used, at Council's sole discretion, to facilitate the construction of affordable housing special development circumstance projects elsewhere within Richmond.

The proposal also provides for revisions to minimum lot size requirements and alternate off-street parking area to accommodate detailed design and construction activities that have arisen subsequent to the original rezoning (RZ09-460962).

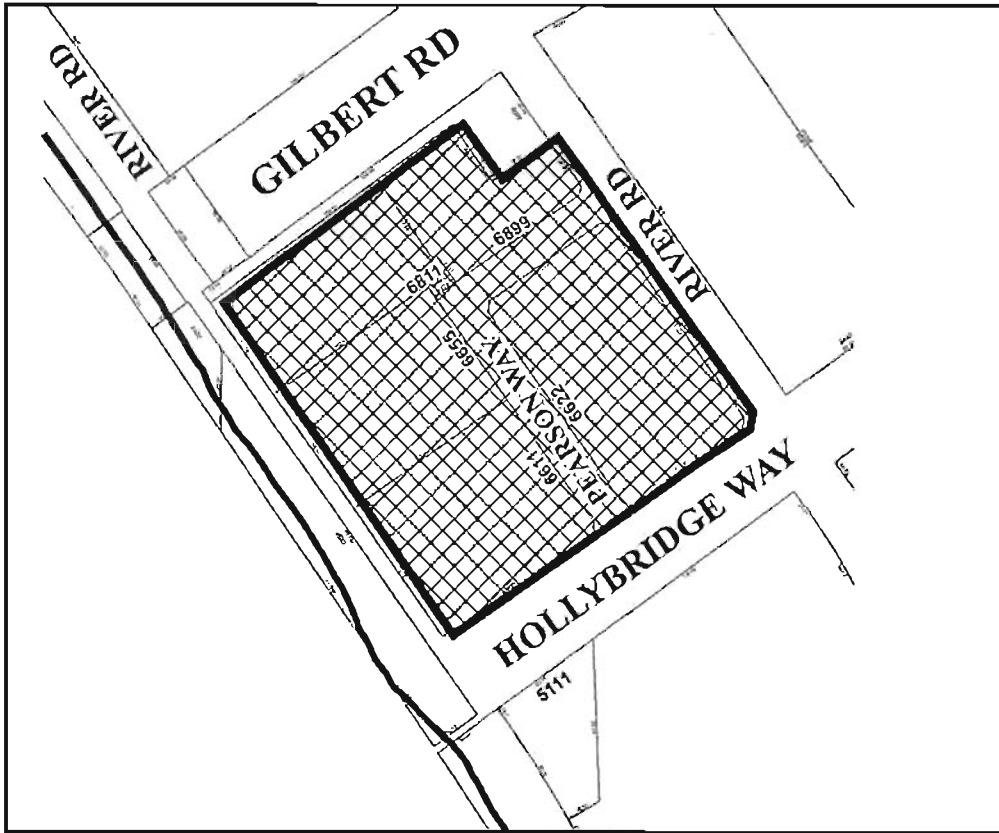


Sara Badyal, M. Arch, MCIP, RPP
Planner 2
(604-276-4282)

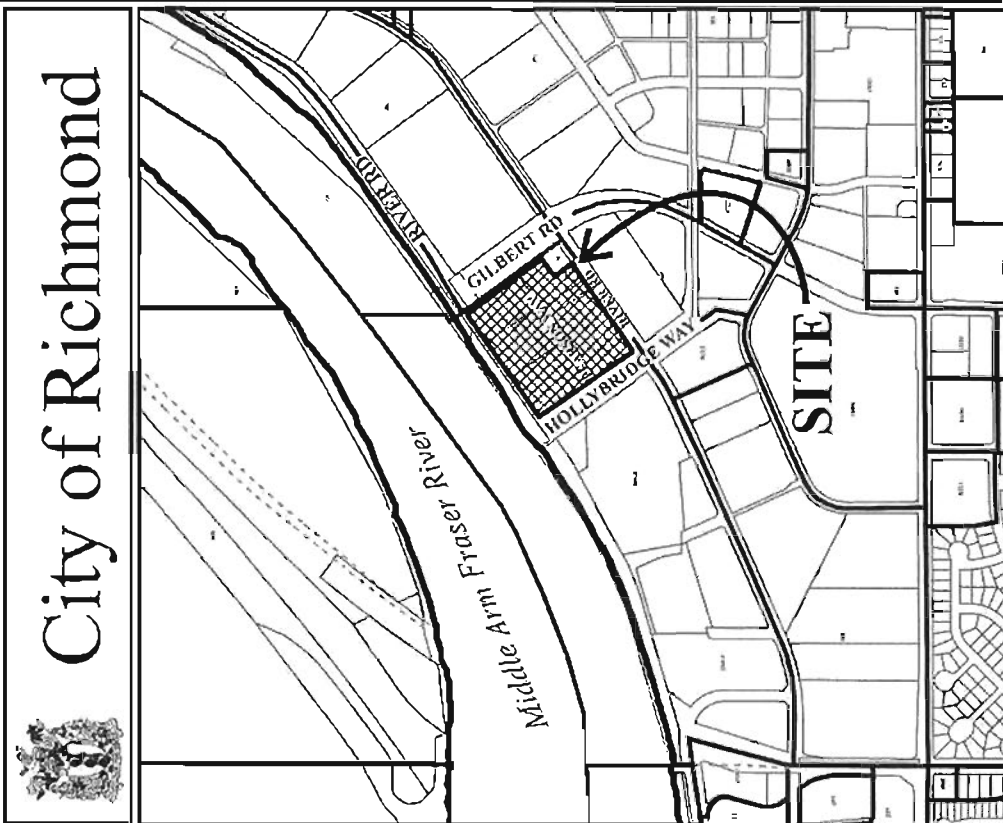
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Attachments:

1. Location Map
2. Aerial Photograph
3. City Centre Area Plan Specific Land Use Map: Oval Village (2031)
4. Development Application Data Sheet
5. Zoning Text Amendment Considerations Concurrence



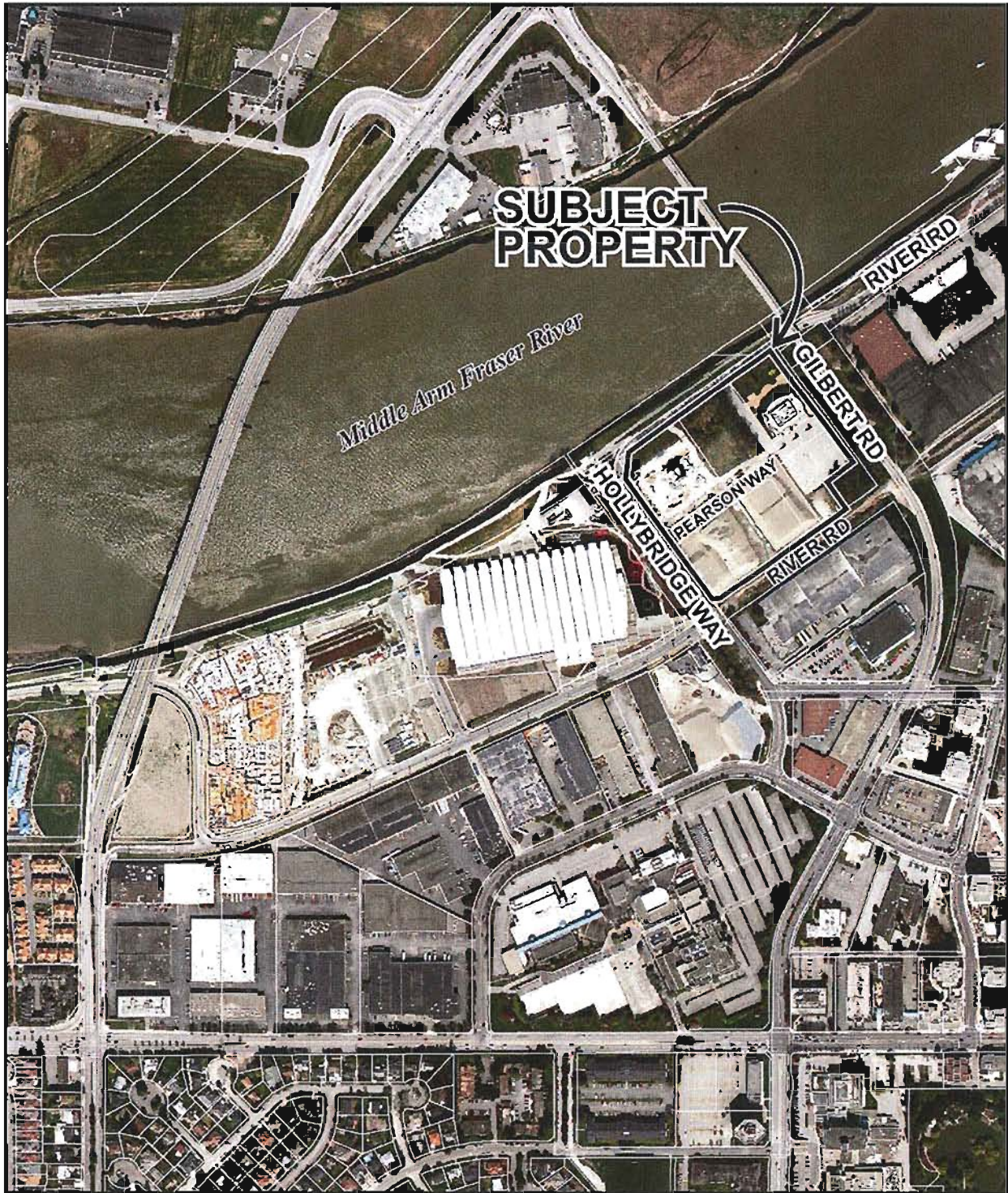
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Revision Date: 05/13/13
Note: Dimensions are in METRES



City of Richmond



ZT 12-610289



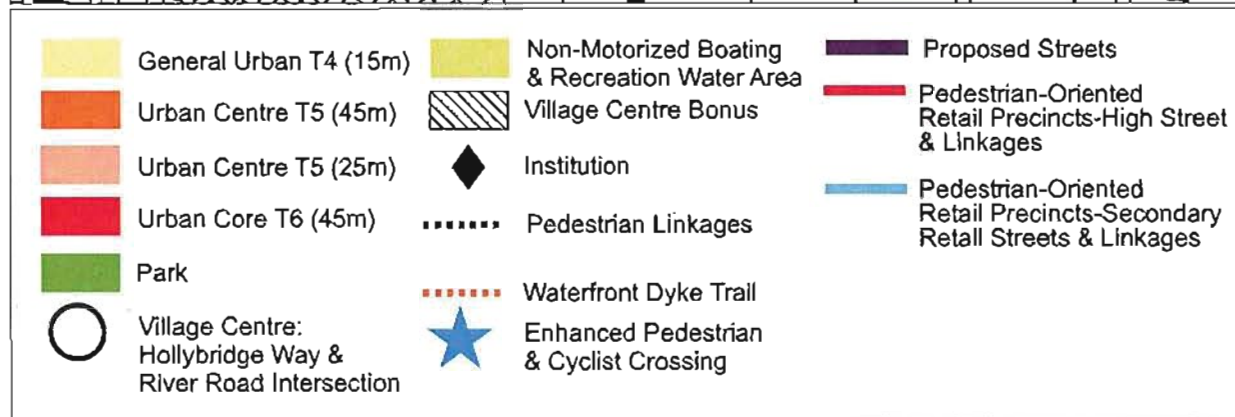
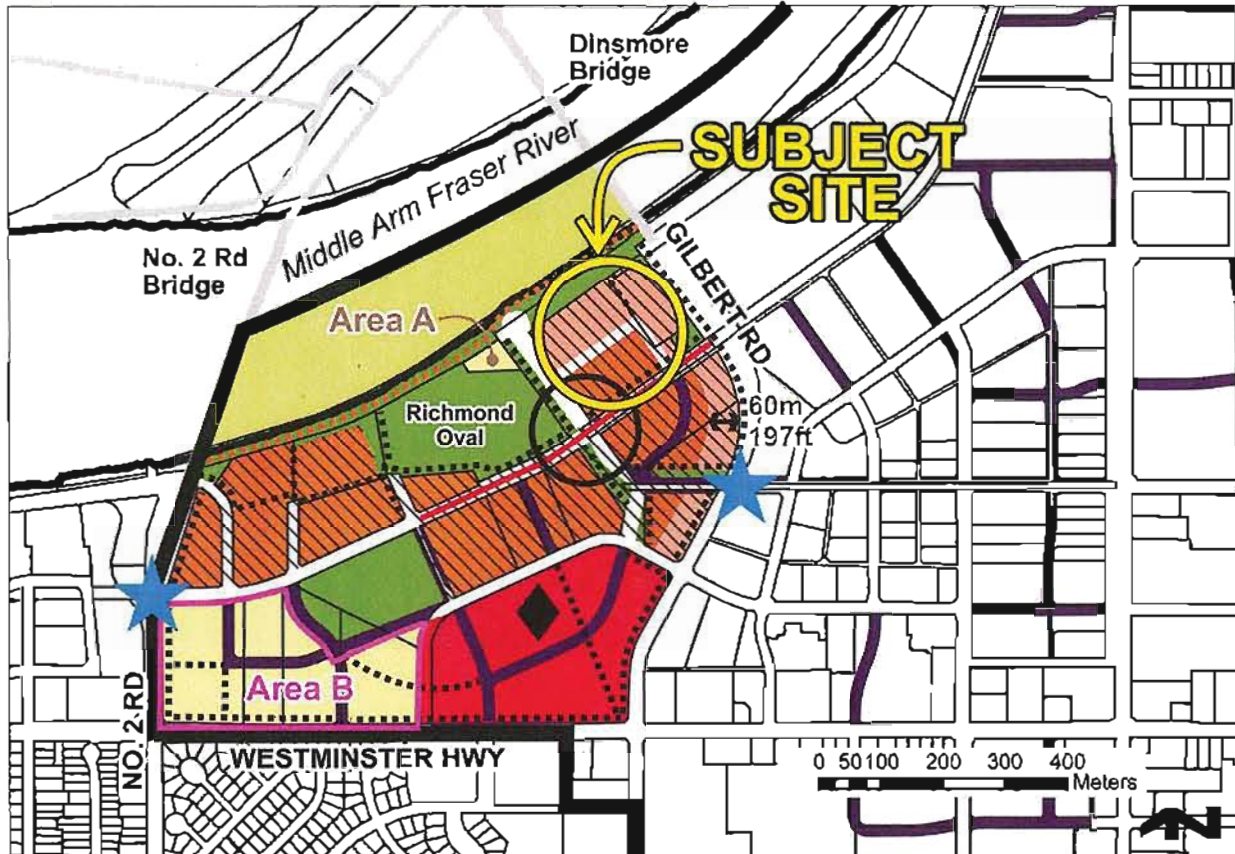
ZT 12-610289

Original Date: 07/01/12

Amended Date:

Note: Dimensions are in METRES

Specific Land Use Map: Oval Village (2031)





ZT 12-610289

Attachment 4

Address: 6611, 6622, 6655, 6811 and 6899 Pearson Way

Applicant Oval 8 Holdings Ltd.

Planning Area(s): City Centre (Oval Village)

	Existing	Proposed
Owner	Oval 8 Holdings Ltd.	No change
Site Size (m²)	39,360 m ²	No change
Land Uses	Vacant & office building	High-rise, mixed-use over below-grade parking & public open space (as per approved RZ 09-460962)
City Centre Area Plan (CCAP) Designation	<ul style="list-style-type: none"> • General Urban T5 (45 m & 25 m): 2 FAR max. • Village Centre Bonus: 1 FAR (limited to 100% commercial) • Pedestrian-Oriented Retail Precincts 	No change
Zoning	"High Rise Apartment and Olympic Oval (ZMU4) – Oval Village (City Centre)"	"High Rise Apartment and Olympic Oval (ZMU4) – Oval Village (City Centre)", as amended regarding affordable housing requirement, density, minimum lot areas, and non-accessory parking.
Number of Units	N/A	(To be confirmed at DP stage)
	Existing Zoning	Proposed Zoning
Floor Area Ratio (max.)	3 FAR with density bonus regardless of subdivision	2.9 FAR with density bonus regardless of subdivision
Lot Coverage (max.)	<ul style="list-style-type: none"> • Along riverfront: 45% • Along "new" River Road: 90% 	No change
Setback (min.)	3.0 m, except this may be reduced to 0 m along the Hollybridge Way greenway, as per an approved DP	No change
Height (max.)	Where a portion of a building is: <ul style="list-style-type: none"> • Greater than 50 m from the dyke: 47 m geodetic • 50 m or less from the dyke: 25 m, except this may be increased as per an approved DP 	No change
Lot Area (min.)	6611 Pearson Way: 7,800 m ² 6622 Pearson Way: 10,000 m ² 6655 Pearson Way: 8,100 m ² 6811 Pearson Way: 7,400 m ² 6899 Pearson Way: 4,900 m ²	no change no change 7,900 m ² 6,700 m ² 4,700 m ²
Non-accessory Parking	Permitted at 6655 and 6811 Pearson Way	Permitted at 6811 and 6899 Pearson Way



Zoning Text Amendment Considerations

Development Applications Division
6911 No. 3 Road, Richmond, BC V6Y 2C1

Address: 6611, 6622, 6655, 6811 and 6899 Pearson Way

File No.: ZT 12-610289

Prior to final adoption of Zoning Text Amendment Bylaw 9035, the developer is required to complete the following:

1. Registration of a Subdivision Plan to move the property line between 6655 Pearson Way and 6811 Pearson Way to the east by 3.1 m, to the satisfaction of the City.
2. Discharge Covenant BB1991735 from 6655 Pearson Way, which prohibits non-accessory parking.
3. City acceptance of the developer's voluntary AHVT cash-in-lieu contribution of \$6,791,769 to the City's capital Affordable Housing Reserve Fund, which contribution is to be secured by the developer providing a Letter of Credit together with entering into a legal agreement that permits the City to cash the Letter of Credit after adoption of the subject Zoning Text Amendment and the earlier of 18 months from adoption of the subject Zoning Text Amendment or when Council approves the disbursement of funds to an affordable housing special development circumstance project. This contribution is in exchange for the discharge of the Affordable Housing requirements pertaining to the 3,943.6 m² (or approximately 42,448 ft²) of affordable housing space to be constructed at 6899 Pearson Way (RZ 09-460962) based on \$160 per built square foot of required affordable housing space. 100% of the payment is to be deposited to the City's capital Affordable Housing Reserve Fund.
4. Entering into legal agreements with the City to remove the Affordable Housing requirements (Schedule D) in each of the following no development covenants:

Civic Address	Covenant
6611 Pearson Way	BB1991737*
6655 Pearson Way	BB1991739
6811 Pearson Way	BB1991741
6899 Pearson Way	BB1991745

*Covenant BB1991737 may be discharged through separate DP 11-587954 regarding 6611 Pearson Way

5. Release any Affordable Housing security provided to the City through DP 11-587954 regarding 6611 Pearson Way.

Signed _____

Date _____



**Richmond Zoning Bylaw 8500
Amendment Bylaw 9035 (ZT 12-610289)
6611, 6622, 6655, 6811 and 6899 Pearson Way**

The Council of the City of Richmond, in open meeting assembled, enacts as follows:

- I. Richmond Zoning Bylaw 8500, as amended, is further amended:
 - (a) by deleting subsections 20.4.4.3 and 20.4.4.4 and substituting the following:
 - “3. Notwithstanding Sections 20.4.4.2d, the reference to “1.2” is increased to a higher **density** of “2.9” provided that:
 - a) prior to the issuance of Building Permit, the **owner**:
 - i) provides a **community amenity** contribution of \$1 million to the **City** for the Oval Village waterfront; and
 - ii) enters into legal agreement(s) with the **City**, registered against the title to the **lot** and secured via Letter(s) of Credit, at the sole cost of the **owner** and in an amount to be determined to the satisfaction of the **City**, for the following **use** in the area identified as “M” in Diagram 1, Section 20.4.2:
 - **child care**, the **habitable space** of which shall be at least 464.5 m², excluding **floor area** not intended for the exclusive **use** of the **child care** and **floor area** not included in the calculation of **floor area ratio**; and
 - b) the **owner** has paid or secured to the satisfaction of the **City** a monetary contribution of \$6,791,769 to the **City**’s capital Affordable Housing Reserve Fund established pursuant to Reserve Fund Establishment Bylaw No. 7812.

4. Notwithstanding Sections 20.4.4.3, for the area identified as “I”, “J”, “K”, “L”, and “M” in Diagram 1, Section 20.4.2, the maximum total combined **floor area**, regardless of subdivision, shall not exceed 114,139.4 m², of which the maximum total combined **floor area**, regardless of **subdivision**, shall not exceed:
 - a) For residential: 110,877.5 m²; and
 - b) For all other **uses**: 3,530.3 m².”
- (b) by deleting paragraphs 20.4.8.2 (i) and (j) and substituting the following:
 - “i) 7,900 m² for the area identified as “J” in Diagram 1, Section 20.4.2;
 - j) 6,700 m² for the area identified as “K” in Diagram 1, Section 20.4.2;”
- (c) by deleting paragraph 20.4.8.2 (l) and substituting the following:
 - “l) 4,700 m² for the area identified as “M” in Diagram 1, Section 20.4.2.”
- (d) by deleting subsection 20.4.11.4 and substituting the following:
 - “4. The following **uses** are permitted within the area identified as “J” in Diagram 1, Section 20.4.2:
 - a) **boarding and lodging;**
 - b) **child care;**
 - c) **community care facility, minor;**
 - d) **congregate housing;**
 - e) **home business;**
 - f) **home-based business;**
 - g) **housing, apartment; and**
 - h) **housing, town.”**

(e) by adding the following after subsection 20.4.11.4:

“5. The following **uses** are permitted within the area identified as “K” in Diagram 1, Section 20.4.2:

- a) **boarding and lodging;**
- b) **child care;**
- c) **community care facility, minor;**
- d) **congregate housing;**
- e) **home business;**
- f) **home-based business;**
- g) **housing, apartment;**
- h) **housing, town; and**
- i) **parking, non-accessory.”**

(f) by adjusting the numbering in subsection 20.4.11 accordingly.

2. This Bylaw may be cited as “**Richmond Zoning Bylaw 8500, Amendment Bylaw 9035**”.

FIRST READING

PUBLIC HEARING

SECOND READING

THIRD READING

OTHER CONDITIONS SATISFIED

ADOPTED



MAYOR

CORPORATE OFFICER