



City of Richmond

Report to Committee

To: Planning Committee **Date:** March 19, 2024
From: Wayne Craig **File:** RZ 17-782750
 Director, Development
Re: **Request to Extend the Rezoning Adoption Deadline for the Application by Landa Oval Development Ltd at 6851 and 6871 Elmbridge Way.**

Staff Recommendation

That Landa Oval Development Ltd.'s request to extend the rezoning adoption deadline for Bylaw 10423 (6851 and 6871 Elmbridge Way; RZ 17-782750) to June 10, 2024 be denied.

Wayne Craig
Director, Development
(604-247-4625)

Att. 2

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

Staff Report

Origin

Landa Oval Development Ltd. has submitted a request to extend the rezoning adoption deadline for their application at 6851 and 6871 Elmbridge Way (RZ 17-782750; Bylaw 10423) from April 15, 2024 to June 10, 2024. A location map is provided in Attachment 1.

The current application is to rezone 6851 and 6871 Elmbridge Way from Industrial Business Park (IB1) to High-Density Mixed Use (ZMU52) – Oval Village (City Centre) to permit a high density mixed-use project. The April 15, 2024 deadline is because the subject rezoning was considered as an in-stream proposal with respect to affordable housing requirements in place prior to the approval of the amendments to the Low End Market Rental (LEMR) program on November 15, 2021.

On November 15, 2021, amendments to the City's Affordable Housing Policy (LEMR program) were approved by Council to increase the amount of residential floor area as affordable LEMR units from 10% to 15% (applicable for projects larger than 60 units within the City Centre). When these policy changes were approved, City Council adopted the following provisions for enabling in-stream rezoning applications to proceed in accordance with the LEMR policy in place prior to November 15, 2021:

- Council granting 1st reading of the rezoning bylaw within 1 year of the affordable housing policy (LEMR) change (i.e., November 15, 2022); and
- the rezoning bylaw is adopted within 1 year of Council consideration.

The rezoning for 6851 and 6871 Elmbridge Way was granted 1st reading on November 14, 2022. At the December 19, 2022 Public Hearing, the rezoning was referred back to staff and the developer to address traffic and lane comments. As a result of the referral, a report responding to these matters and presenting revisions to the development was endorsed by Council on April 24, 2023 and forwarded to the Public Hearing on May 15, 2023 where 3rd reading of the rezoning amendment bylaw was granted.

In keeping with the in-stream protection measures referenced above and to account for the referral back to staff at the December 19, 2022 Public Hearing, a rezoning consideration item (Item 25) was secured to require adoption of the rezoning bylaw by April 15, 2024. The subject rezoning application is not able to meet the April 15, 2024 deadline.

The applicant's submitted written request for rezoning adoption extension to June 10, 2024 is provided in Attachment 2 and is based on requesting an extension to in-stream protection for affordable LEMR program requirements applicable to this project. The requested extension date by the applicant complies with current in-stream protection related to the market rental housing policy change that ends on June 20, 2024. If the proposed rezoning adoption deadline extends beyond June 20, 2024, the current market rental policy provisions would apply to this development.

The rezoning staff report and accompanying rezoning consideration item providing for an April 15, 2024 deadline indicated that if this deadline cannot be achieved, staff will bring

forward a report to Council to update on the status of the rezoning for Council consideration to determine whether the redevelopment should comply with current City policy related to affordable LEMR housing. As a result, this report is being forwarded to Council to:

- Inform Council of the applicant's rezoning adoption extension request;
- Provide information on the status of the rezoning; and
- Provide Council with options and a staff recommendation on the applicant's rezoning adoption extension request, in consideration of the City's current affordable LEMR housing and associated in-stream protection deadlines outlined above.

Findings of Fact

Project Information

The subject development is a high-density mixed use project located in the City Centre Area Plan (CCAP) – Oval Village Sub Area that consists of:

- Commercial floor area that includes a hotel containing approximately 190 rooms in a tower on the north east portion of the site and commercial space at grade along the street frontage of the subject site.
- Residential floor area in two residential towers located at the north west and south west portion of the site and within the development's podium. Approximately 321 strata residential units and 35 affordable LEMR residential units is proposed. This consists of 10% of the total maximum residential floor area for the project, which was consistent with the City's affordable housing LEMR policy in place prior to November 15, 2021.
- Infrastructure works generally include a new road that will be secured on the west side of the subject site, frontage upgrades (River Road and Elmbridge Way) and lane widening upgrades and works City water, storm and sanitary services to applicable City standards. These works will be completed through a Servicing Agreement (SA 23-035702).

Analysis

Status of Rezoning and Related Development Applications

This section provides information on the status of the subject rezoning application, including certain development applications that are related to the completion of the rezoning considerations, for Council to consider in reviewing the applicant's requested extension.

Since 3rd reading of Bylaw 10423 was granted on May 15, 2023 the following work has been undertaken to help facilitate completion of the rezoning considerations for this project:

- The submission, review and approval of a road functional plan to finalize BC Land Surveyor plans needed for identified dedications and statutory right-of-ways. Once finalized, submission of the plans to the City that are needed to prepare all applicable legal agreements for this rezoning.
- Preparation of the various legal agreements identified in the rezoning considerations was initiated upon submission of the necessary plans required from the applicant's BC Land Surveyor. The process to complete the legal document drafting is ongoing.

- The submission of a Development Permit application (DP 21-945917) during the processing of the rezoning application to enable concurrent application review. Multiple Development Permit re-submissions have been made to respond to various staff comments, including the Council referral on December 19, 2022, which resulted in modifications to address vehicle circulation and access for the project.
- The Development Permit was reviewed and supported by the City's Advisory Design Panel on December 6, 2023. City staff and the applicant have been working towards finalizing the Development Permit drawings so that the project can be brought forward to the Development Permit Panel for consideration.
- A Servicing Agreement (SA) is a rezoning consideration requirement for the design and construction of all road, lane widening, frontage and servicing/infrastructure works applicable to this development. To date, the applicant has:
 - Submitted required engineered design drawings by the applicant's civil consultant on February 26, 2024.
 - The City review of first submission was completed on March 19, 2024 with all comments provided to the civil consultant for response.
 - Based on review to date, if the second submission addresses all of the provided staff comments, a preliminary Servicing Agreement can be considered with the associated bond amount to be approved by Engineering.
- The Housing Agreement Bylaw to secure the affordable LEMR units proposed as part of this project was endorsed by Planning Committee on March 19, 2024, which is required to complete the affordable housing rezoning consideration item for this project.

The above summary of the status of the rezoning application for completion of the rezoning considerations demonstrates that both the applicant and City staff have been actively working to advance the rezoning to meet April 15, 2024 adoption deadline. However, the present status of the rezoning considerations will result in the subject rezoning application not being able to meet the April 15, 2024 adoption deadline.

Staff believe it is possible to complete rezoning considerations by the June 10, 2024 should an extension be granted.

Options

The applicant's requested rezoning adoption deadline date of June 10, 2024 for Bylaw 10423 is an extension of approximately 2 months from the original April 15, 2024 deadline that, if achieved, would enable the redevelopment to proceed under the originally intended affordable housing LEMR provisions.

Option 1 (Recommended) – Deny the applicant's extension request

While progress has been made on completion of some rezoning consideration items since the application was granted 3rd reading on May 15, 2023, the current rezoning application status will not enable adoption by Council on or before the April 15, 2024 deadline.

Based on changes to the City's affordable LEMR policy in November 15, 2021 and accompanying in-stream protection for applications and associated deadlines established, a

rezoning adoption date beyond April 15, 2024 would not be compliant with in-stream protection applicable to this policy. As a result, staff recommend that the extension request be denied.

If Council denies the applicant's rezoning adoption extension request, a new rezoning application will need to be submitted that would be subject to all current City LEMR and Market Rental housing policies.

Option 2 – Grant the applicant's extension request

Option 2 would provide for an approximate 2 month extension to complete the remaining rezoning consideration items and bring the rezoning Bylaw 10423 to Council for adoption on or before June 10, 2024. Granting the rezoning adoption extension request would result in the development being able to proceed in accordance with the original affordable LEMR housing policy contribution (i.e., 10% of residential floor area secured as affordable LEMR units).

If Council decides to grant the requested rezoning adoption request, the following draft resolution has been prepared for reference:

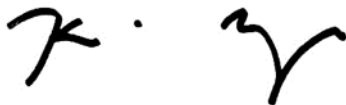
That the rezoning adoption extension request, by Landa Oval Development Ltd., be granted and that the Rezoning Considerations (Item 25) be revised to require Bylaw 10423 to be adopted on or before June 10, 2024.

Financial Impact

None.

Conclusion

Landa Oval Development Ltd. has submitted a request to extend the rezoning adoption deadline for their project at 6851 and 6871 Elmbridge Way (RZ 17-782750; Bylaw 10423) from April 15, 2024 to June 10, 2024. Staff recommend that the rezoning extension request be denied for the reasons provided in this report.



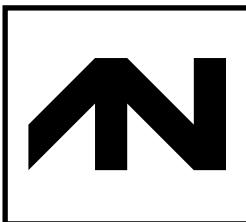
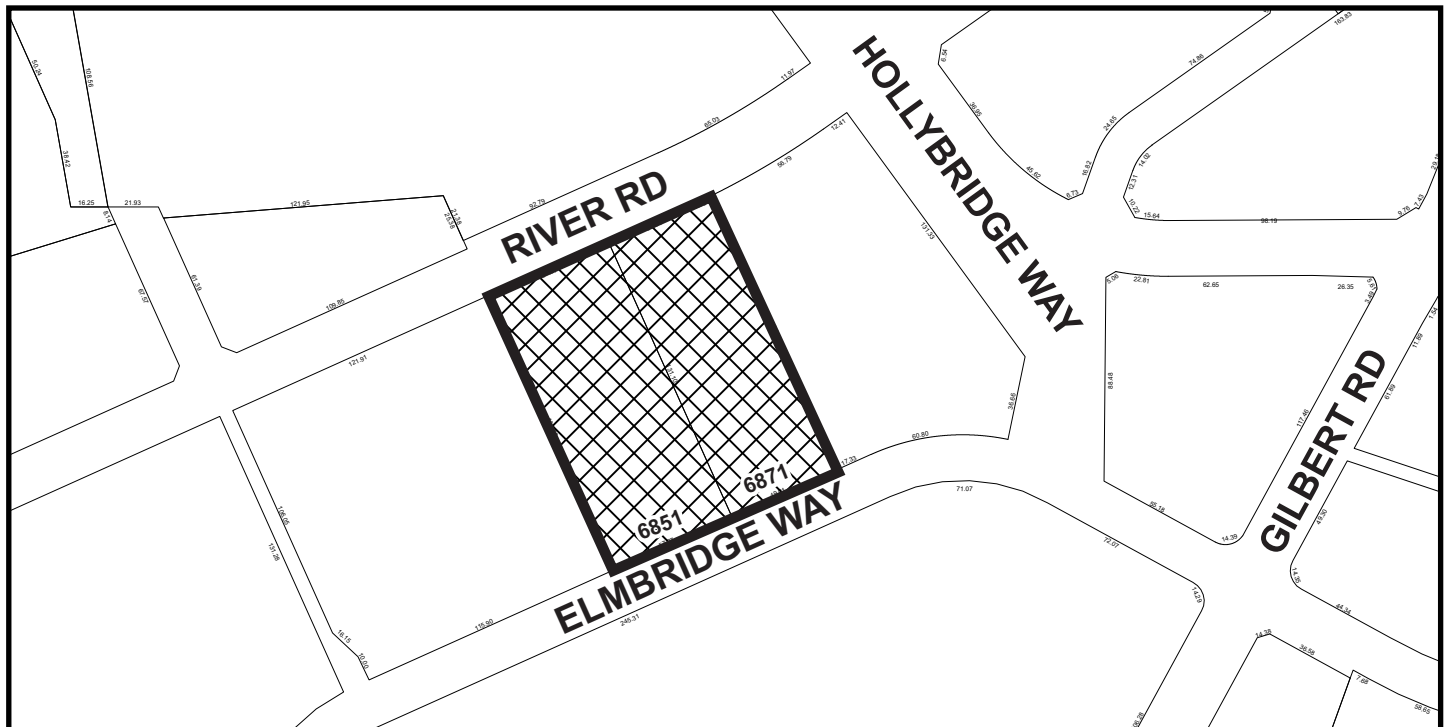
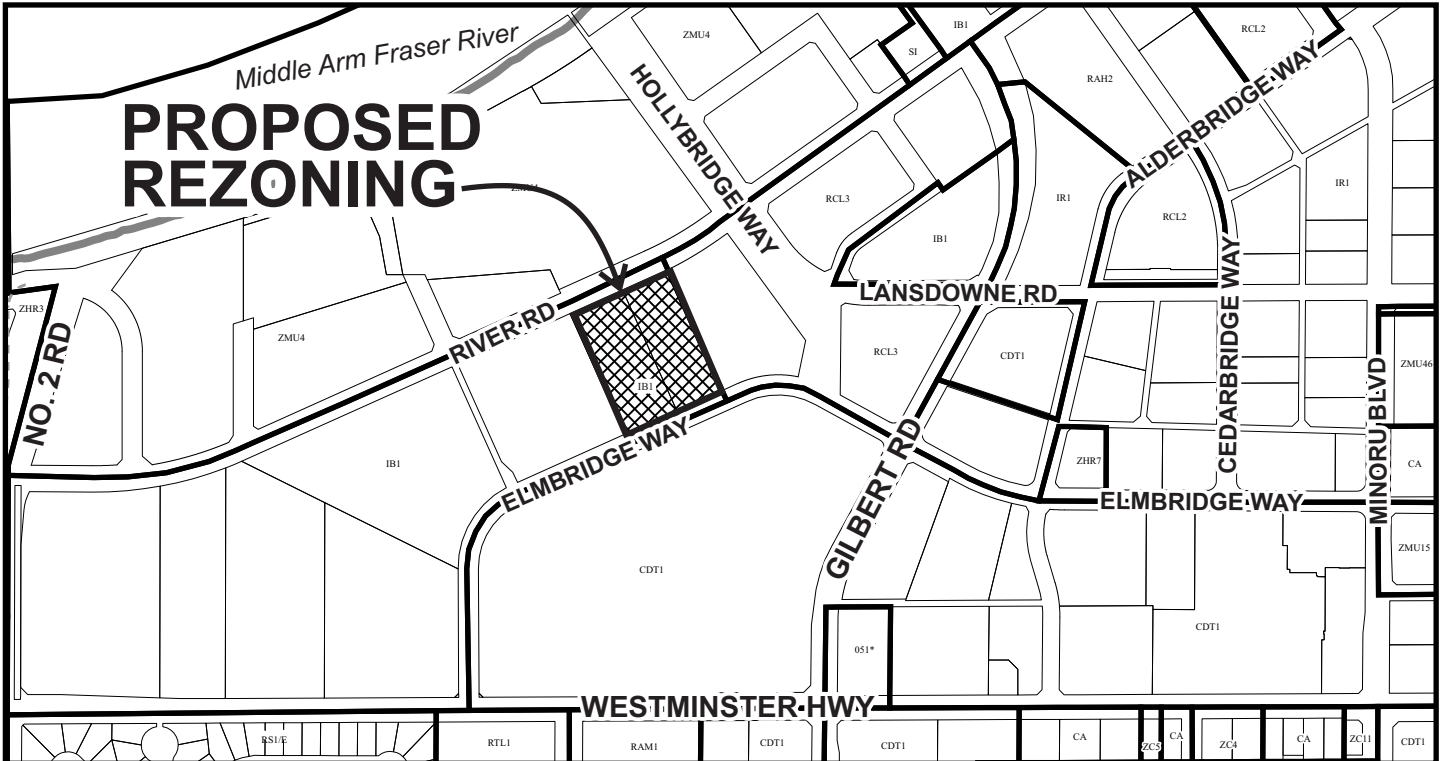
Kevin Eng
Planner 3
(604-247-4626)

KE:cas

- Att. 1: Location Map
2: Applicant's Letter Request for Extension of Rezoning Adoption Deadline



City of Richmond



RZ 17-782750

PLN - 86

Original Date: 08/28/17

Revision Date: 10/13/22

Note: Dimensions are in METRES



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March 12th, 2024

Kevin Eng | Senior Planner
City of Richmond
6911 No. 3 Road
Richmond, BC V6Y 2C1

Dear Kevin Eng,

Subject: Request for Extension of Rezoning Adoption Deadline for 6851 & 6871 Elmbridge Way.

I am writing on behalf of Landa Global Properties (Landa) regarding the rezoning project at 6851 & 6871 Elmbridge Way, Richmond. We are requesting an extension of the Rezoning Adoption deadline from April 15th, 2024, to June 10th, 2024.

Since passing Public Hearing on May 15th, 2023, the development and design teams have been working tirelessly to progress the project. Milestones achieved since Public Hearing include:

- Updated Development Permit application drawings and documents and submission to the City on Jul 7th, 2023
- Working with City staff to gain approval for the design of the Functional Plans from initial submission on Feb 26th, 2023 through to approval on Nov 29th, 2023
- Compiling design rationale booklet and submission to the Advisory Design Panel on Nov 19th, 2023
- Presenting to the Advisory Design Panel and gaining full support from the panel on Dec 06th, 2023
- Completion of full Building Permit set of drawings and submission of Building Permit application to the City on Nov 23rd, 2023.

However, despite these efforts, meeting the April 15th, 2024 deadline for Rezoning Adoption has become challenging. Despite the dedicated efforts of City staff, design drawings for off-site works have not been reviewed by relevant City departments, increasing the risk of being unable to form a Servicing Agreement or Preliminary Servicing Agreement before April 15th. Additionally, Landa's legal counsel has yet to receive the required legal agreements for Rezoning Adoption, posing a significant hurdle due to insufficient time for review. Extending the deadline would allow the engineering department more time to review off-site design and provide the legal counsel with adequate time for agreement review.

Alongside the extension for rezoning adoption, Landa are seeking an extension for the in-stream provision regarding 10% low-end market rental (LEMR) and the in-stream provision for implementing market rental units into the project. Increasing the LEMR rate to 15% and introducing 15% market rental units would have devastating financial implications for the project.

The site was purchased in 2019, and since then, Landa have diligently worked to advance the project. A significant amount of time was dedicated to ensuring that the lane design and hotel drop-off fully considered the impacts on neighboring properties. However, over the course of the design process, we have faced challenges such as significantly increased interest rates and unprecedented rises in construction costs. 15% LEMR and 15% market rental was not a consideration when the site was purchased in 2019 and implementing this into the project at this stage would render the project unviable.

Landa is fully committed to advancing this exciting project. The architectural design and integration with the surrounding context have been the driving forces behind the development. Landa believes that this approach will contribute to the diversification of Richmond City's urban fabric. In addition, Landa aims to improve the lives of the Richmond community through this project, which offers a wide range of benefits, including:

- Developer's voluntary community amenity cash contribution of \$6,022,453
- 52 parking stalls for the use by the Richmond Olympic Oval during special events.
- Future employment opportunities including 110 Hotel jobs and additional jobs required for the extra 14,000sf of commercial/retail space
- Dedication and construction of the new west road along the west edge of the site
- Upgrades to the River Road and Elmbridge Way street frontages including sidewalks, boulevards and multi-use pathways
- Widening of the existing lane and traffic measures to minimize the impact on vehicular access to the neighbouring property to the east
- A unit mix with over 50% family friendly 3&2-bed units
- Over 9,000sf of indoor and 29,000sf of outdoor amenity space for affordable housing and market strata units
- District energy utility connection and significant landscaping at both street level and on top of the podium (Level 6)

Landa believes that extending the Rezoning Adoption deadline to June 10th, 2024, is crucial for the successful completion of this exciting project. Your support in presenting this to Council would be greatly appreciated.

Sincerely,



Kevin Cheung | CEO
Landa Global Properties