Schedule 15 to the Minutes of the Public Hearing meeting of Richmond City Council held on Tuesday, February 22, 2022.

From: Sean Williams <Sean.Williams@fsresidential.com>

Sent: February 19, 2022 10:40 AM

To: CityClerk

Subject: Public Hearing Zoom Registration

Attachments: Boughton Law to City of Richmond June 2019.pdf; Gail Brown Note for City Council

Feb '22.pdf

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Greetings City Clerk,

I write as Managing Agent, representing Brown Bros. Holdings, relating the family owned residential rental buildings located at 6800 Westminster Hwy. and 6051 Azure Rd..

I am writing to register for the upcoming Public Hearing of February 22nd at 7pm, regarding proposed rezoning of 60 sites, including the aforementioned.

Following my discussion of February 15th with City Planner, Diana Nikolic - my understanding is that given current property values, and, existing density zoning, it is improbable that any redevelopment plan for 6051 Azure Rd. and 6800 Westminster Hwy., would be financially attractive to any developer, without first, applying for rezoning. This being the case, and, in light of the fact that any redevelopment plans require the approval of City Council - the rezoning now proposed by City of Richmond (which would negate the possibility of City Council even considering any redevelopment plan which included residential Strata units) seems to be unnecessary in any practical sense. Nonetheless, this proposed rezoning would place a restriction on land use, which by definition, devalues property. Therefore, City of Richmond's proposed rezoning would do little to change actual redevelopment; and yet it is still highly likely drop property values, negatively impacting the Brown family. It is worth pointing out that the Brown family has provided residential rental housing to the community for decades, and has no current plans to do anything other than continuing to provide residential rental housing. The proposed rezoning is punitive to landowners by diminishing equity in land, yet offers no practical benefit to the community. We are hopeful that City Council will reconsider the proposed rezoning.

Please find attached, a letter from June of 2019, sent to City of Richmond by the Brown family's legal counsel regarding this matter. A response to this letter was never received, however the arguments raised remain valid.

Please also find attached a letter from property owner, Gail Brown.

I can be reached via email, or at 778-988-6469

Yours truly, Sean Williams



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RE: 6800 Westminster Hwy & 6051 Azure Rd

The property at 6800 Westminster Hwy and 6051 Azure Road, known as Azure Estates, was purchased by my late father in the mid-1970s. First Service Residential professionally manages the property and for many years has been well maintained rental building of one and two-bedroom suites for our tenants. There is a continuous and ongoing maintenance program of upgrades, both interior and exterior. Brown Bros Holdings property has been a source of secure rental housing for many years in the City of Richmond. Many of our tenants have lived at Azure for over 20 years. It is their home, and we have no plans to change that.

Has the impact of restrictive zoning been considered? The property was purchased on the open market with no restrictions; however, with the proposed Bylaw Amendment 10014, it will be limited to sales within the specific demographic of those interested in building rental. This restriction effectively reduces the value of the property without any proposed compensation from the City of Richmond. How does the City plan to compensate owners for reducing the value of their properties?

There appears to be an assumption that everyone wants to develop. However, not everyone does. The bylaw devalues the property of those owners who wish to maintain the status quo. Even with Bylaw Amendment 10014 in effect, a developer would still have to apply for a change in density. Therefore, it will make little material change to any actual development and serves only to devalue those properties that have no intention of developing.

Azure Estates at 6800 Westminster and 6051 Azure Road is unique among the list of properties affected by the proposed bylaw due to its adjacency to the Richmond Hospital. At some distant future date, the imposition of this bylaw may seem to have been short sighted as the population of Richmond increases along with its need for a larger and more diversified hospital campus.

Finally if this tenure zoning does take place, City of Richmond <u>now</u> needs to set out and define the process generally to all Richmond residents and affected owners like Brown Bros. in particular. City of Richmond can't just

impose the tenure zoning without a full plan in place and full information to all affected residents and owners.

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June 14, 2019

BY EMAIL TO:

tatva@richmond.ca and jelmore@richmond.ca

City of Richmond Planning and Development Division Policy Planning 6911 No. 3 Road Richmond, BC V6Y 2C1

Attention:

Barry Konkin, Manager, Policy Planning

Tina Atva, Senior Planning Coordinator

Jeanette Elmore, Planner 2

Dear Sirs/ Mesdames:

Residential Rental Tenure Zoning - Proposed Rezoning and Public Consultation regarding Re: 6051 Azure Road and 6800 Westminster Hwy, Richmond, BC (collectively, the "Property")

We act as lawyers for Brown Bros. Holdings Ltd. ("Brown Bros."), owner of the Property and write with respect to your letter dated May 7, 2019, a copy of which is attached for your reference.

The purpose of our letter is to set out our client's comments regarding the May 7, 2019 letter and the recent actions taken by City of Richmond (the "City") with respect to its proposed residential rental tenure zoning.

We understand that the March 25, 2019 report presented to the City's Planning Committee on April 2, 2019 with respect to proposed Zoning Bylaw 8500, Amendment Bylaw 10014 (the "Bylaw Amendment"), to rezone 60 existing purpose-built rental housing sites to limit the tenure of their residential units to rental only, constitutes the City's intended approach to increase rental housing in the City. We further understand that the City has determined that the need for rental units is rising and new residential rental tenure zoning powers in favour of the City will meet the projected demand for rental housing by preserving or creating rental housing stock.

In our view, the City's approach creates a significant detriment to owners and stakeholders of these 60 housing sites. Also, the responsibility and onus to preserve or create rental housing stock should not fall on our client and other owners to fulfil the City's undertaking to preserve rental housing stock. While we act for Brown Bros, only, we note that the comments in our letter may have equal application to other owners of the 60 housing sites.

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The Bylaw Amendment should not apply to existing purpose-built rental housing, including the Property, for the following reasons:

A. Not Justified Based on Historic Use

The City indicates that rezoning existing purpose-built rental housing is based on records regarding the historic and current use of the Property for rental tenure, so that the City is only preserving the current and historic use of the buildings. The fact that our client has chosen to use and keep the Property as rental housing stock does not imply or mandate that future plans for the Property should be restricted solely to rental purposes. Further, the fact that Brown Bros.' historic use of the Property has created the benefit of rental housing for the community does not support the City's determination that the Property is intended to provide rental housing stock indefinitely.

B. Cannot Solely be the Owner's Burden

Although the 60 housing sites may have served as part of the City's rental housing stock in the past, it is not the permanent obligation of our client to maintain the rental housing stock or to serve at the prerogative of the City to supply rental housing stock. Rezoning the 60 housing sites to limit their tenure to rental on a permanent basis comes solely at the expense of our client, as it effectively eliminates changing the use of the Property in the future. See further discussion regarding Richmond General Hospital below as an example.

C. Disproportionate Burden

The City's 3 proposed steps set out in the March 25, 2019 report are as follows:

- Rezone Existing Purpose-Built Rental Housing.
- 2. Establish a Mandatory Market Rental Requirement in all Existing High-Density Apartment Residential Zones.
- Undertake Further Analysis and Stakeholder and Public Consultation to Assess the Feasibility of a Mandatory Requirement for Market Rental Units in All Future Apartment Multi-Family Developments,

In our view, step (1) imposes a disproportionate burden and impact on Brown Bros. as compared to the owners which may be affected under step (2) and step (3). Rezoning existing purpose-built rental housing will effectively limit and may go as far as eliminate, all future development opportunities for our client if there is no opportunity to develop the Property to include units for sale to the community in general.

Under step (2), the restriction only appears to come into effect at the time of redevelopment and under step (3) (by applying the mandatory requirement to certain apartment projects so that a minimum percentage of residential floor area or units are secured as market rental units) the City establishes rental housing stock to meet increasing demand while striking a balance in minimally restricting an owner's right to develop market housing stock. Under both steps (2) and (3), although there is the inclusion of a mandatory requirement, neither results in an absolute exclusion of units for sale as is the case with step (1).



D. Disadvantage as Compared to other Owners

The application of residential rental tenure zoning to the Property permanently limits the prospects for existing and future buildings constructed on the Property, which creates a disadvantage for Brown Bros. as compared to other owners of existing purpose-built rental housing not subject to residential rental tenure zoning.

Rezoning existing purpose-built rental housing effectively takes away our client's future right to develop other housing stock, even if there is no immediate plan to do so.

E. Richmond General Hospital

Brown Bros. has been contacted in the past regarding its potential sale of the Property to Richmond General Hospital for the future expansion of its medical facility. If the Property is zoned for residential rental tenure only, the Property presumably cannot be sold to Richmond General Hospital in the future, thereby removing a significant (albeit different) social benefit to the City's community.

F. No Compensation

Under step (3) a percentage market rental requirement will contribute a significant portion of the City's estimated need for new market rental units. The owners are encouraged to increase rental units in upcoming projects with incentives from the City such as a density bonus, which lessens the impact of decreased market housing stock while increasing rental housing stock.

When compared to step (2) and step (3), step (1) does not provide any balance of rights between the City and Brown Bros., nor does it incentivize any owner to create rental housing stock for the City. Under step (1), the City does not provide any incentive for an owner upon limiting the tenure to rental only and further, the City proposes no compensation for the loss of use and decrease in value that will affect each owner.

In our view, the proposed residential rental tenure zoning, though conceptually feasible to protect rental housing stock, must be refined so that fair treatment and due consideration is given to an owner's right to property ownership and their ability to make plans for the future. As public consultation is underway, we remain optimistic and confident that further consultation will result in a meaningful discussion where the rights of all owners and the City's community in general, are equally considered and respected.

Yours truly,	
Boughton Law Corporation	
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Per:	
Richard K.Uhrle	
RKU/ssyc	
Encl.	