

SCHEDULE 12 TO THE
MINUTES OF THE REGULAR
MEETING OF COUNCIL FOR
PUBLIC HEARINGS HELD ON
MONDAY, JULY 21, 2008



URBAN DEVELOPMENT INSTITUTE - PACIFIC REGION	
To: Public Hearing	
Date: July 21, 2008	
Item #: 6	
Re: Bylaw 8383	

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July 18, 2008

His Worship Mayor Malcolm Brodie and Council
City of Richmond
6911 No. 3 Road
Richmond, BC V6Y 2C1

Dear Mayor and Council:

Re: City Centre Area Plan (CCAP)

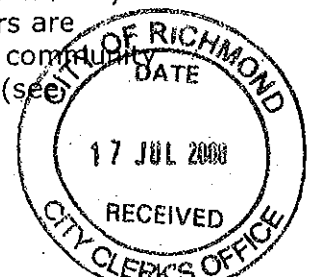
On June 17, 2008, the Urban Development Institute (UDI) informed Council that we could not support Richmond's proposed CCAP because of additions and changes to the Plan that we were not made aware of during the consultation process. UDI also had concerns with several matters related to the CCAP which were outlined in our April 18, 2008 letter to Council. These included green roof requirements, affordable housing and the funding of community facilities.

Since our June letter, City staff have worked with the industry to resolve some of these issues, but there are still several outstanding concerns that we would like to bring to Council's attention.

Capstan Station:

There are two issues of concern related to the Capstan Station. One is the proposed delay in developing in the Capstan Village until full funding is available for the station. When the CCAP was being finalized, the industry was not made aware of this requirement nor that there was a funding problem. We understand that City staff are working with TransLink to resolve the matter, and as our members have made significant investments in the area, we anticipate a rapid resolution.

We are also concerned that the City may still be contemplating a charge against development to fund the station. In the CCAP report, the City proposes legislative changes to impose a DCC to fund the station. UDI raised its objections a few years ago when the City implemented a RAV Fee, and we cannot support such a fee or a DCC to fund transit related infrastructure. We also note that the City collected significant funds from the RAV fee - in part to fund the Capstan Station. If there is a shortfall in funding for the station, the monies previously collected should be used to pay for the shortfall. Certainly, the industry should not be asked to pay for the station with a new charge or fee. Our members are concerned that if the industry is forced to pay for the station, then fees for other community facilities in the CCAP may also be established despite assurances to the industry (see below).



Green Roofs:

In our April 18th letter to the City of Richmond, we stated several industry concerns about the green roof requirements – especially for large one to two storey buildings (e.g. industrial buildings and big box retail). We have been able to determine that adding a green roof to these types of industrial/commercial developments can increase project costs by 20%. In addition, some developers cannot purchase insurance for projects with these types of roof systems due to liability issues.

In our moderate coastal climate, the resulting benefits associated with green roofs do not warrant this extra cost or liability. There are other ways to provide a "net gain" to the environment without implementing mandatory green roofs. Furthermore, industrial land commercial tenants will not likely pay the additional green roof costs, impacting the City's ability to attract new industrial/commercial development and investment.

The City of Richmond is contemplating a variance process that would include Council approval for waiving a green roof. A similar process was adopted in Port Coquitlam, and is of great concern to UDI members. This variance process can take several months and there was uncertainty with the outcome. Developers will not be able to purchase land without knowing the ultimate requirements (e.g. will Council grant a green roof variance or not?) that will be imposed on their projects by the City. This again will discourage investment, as tenants (a) are unable to take on the capital cost of green roofs and (b) unwilling to take on the uncertainty of the variance process.

A UDI member brought forward a green roof variance application in Port Coquitlam, and was able to demonstrate to Staff and Council that an alternate option to the green roof (e.g. energy efficient building design, sustainable storm water management) provided a net gain to the environment vs. a green roof, and was economically viable for the developer and tenant. Had this alternate option not been entertained, the City of Port Coquitlam would have jeopardized the 400 jobs associated with the project as the developer and tenant would not have been able to absorb the **additional \$5.6 million in green roof construction costs.**

City Staff are providing Council with another option – a "**sustainability points system.**" This is certainly an improvement from the original requirement. It is less costly, and more flexible, which allows us to approach development on a project by project basis. More work on this option is needed, but UDI would like to explore the "sustainability points system" further with Staff. For example, how will it change when new technologies emerge? UDI urges Council to approve this option in principle, and allow the industry to work with staff to finalize the approach.

Affordable Housing:

We have also raised concerns regarding Richmond's affordable housing strategy which was passed last year and which has been incorporated into the CCAP. City staff have met with UDI members and have proposed some improvements to the strategy. We urge Council to approve these changes.

However, one issue remains outstanding related to how the net area is calculated for the affordable housing units under the strategy. Currently, the gross area of the building is used – including non-saleable common areas such as hallways, stairwells and amenity spaces. As a result, the calculation skews the amount required for the actual affordable

units. This is an unfair mechanism which needs to be changed. City staff have made some improvements but are concerned about making further changes as they believe the process may become too complicated as information is not available on a site by site basis.

Therefore, we propose City staff use the same exempted areas for each zone as they appear in the zoning bylaw. In addition, amenity areas as well as spaces needed for accessibility/adaptability measures should be exempted. This information is available in development applications. UDI is willing to work further with City staff on this matter.

Funding Community Facilities:

We understand that the cost of community facilities for the CCAP is identified to be over \$250 million, not including land costs. The industry is already providing significant amenities and infrastructure improvements in the City Centre through DCCs and Density Bonusing. City staff note in their reports that development funding is already being fully utilized. They have also indicated in their reports to Council that other mechanisms can be used to fund these facilities. We trust and rely on this given the current development cost environment, as there will be no contingency available to pay additional charges..

We hope these matters can be resolved before Council approves the CCAP.

Original signed by

Maureen Enser
Executive Director