

1.0 PURPOSE

The purpose of this report is to obtain the Commission’s feedback on the housing choice principles proposed for the HRA Refresh policy project.

2.0 GUIDING POLICY AND REGULATIONS

2.1 Official Community Plan

Adopted in 2017, the Official Community Plan (OCP) provides a vision, goals, and policies for New Westminster to the year 2041. Together, these elements connect the community’s aspirations with the tools needed to achieve them, including specific actions, development guidelines, and land use designations. The OCP is implemented by the City in various ways, including through policy initiatives, public programs, civic projects, and bylaws. Implementation also occurs privately through avenues such as development.

“Missing Middle” Residential Land Uses

Providing more housing choice is a key focus of the OCP. Many of the OCP’s related goals and implementation projects look to encourage more ground oriented housing forms, especially those between single-detached houses and apartment units on the housing spectrum (which together make up the majority of the city’s housing stock). To date, supportive actions have included:

- Allowing **laneway and carriage houses** as an outright development option in all low density neighbourhoods (all properties designated “Detached and Semi-Detached Housing”);
- Creation of interim guidelines for rezonings to **duplexes** (available to properties designated “Detached and Semi-Detached Housing”);
- Providing opportunities for rezoning to **townhouses and rowhouses** in targeted areas (on properties designated for this form or generally for “Ground Oriented Infill Housing”); and
- Creation of interim guidelines for rezonings to allow **duplexes with suites, triplexes, and quadruplexes** (also available to properties designated for “Ground Oriented Infill Housing”).

Before the 2017 OCP, the housing forms above were rare and the policy frameworks did not exist to support their construction. Also, the OCP allows for more integration of these housing forms into established neighbourhoods than previous City policies.

Properties with Heritage Assets

The OCP indicates that, through a Heritage Revitalization Agreement (HRA), a property designated for “Detached and Semi-Detached Housing” or “Ground Oriented Infill Housing” permit housing forms listed in higher designations or zoning and design guidelines relaxations as incentives to conserve heritage assets through development.

2.2 Heritage Revitalization Agreements

Heritage Revitalization Agreements (HRAs) are negotiated agreements between the City and a property owner which typically exchange long term legal protection through a Heritage Designation Bylaw (see Appendix C) and exterior restoration for consideration of Zoning Bylaw or design guideline relaxations. When Council considers entering into an HRA with a property owner, one of the objectives is to balance the benefits to the property owner with the benefits to the public. Typically, the public benefit is considered to be protection of a heritage building and exterior restoration, if needed. For the past decade these negotiations were guided by the City’s Policy for the Use of HRAs (see more below).

HRAs are an important and successful component of the City’s heritage program. They are the primary method through which Heritage Designation is secured. Along with Vancouver, and Victoria, New Westminster is one of the leaders in the use of this tool in the province.

Many components of the City’s heritage program support the use of HRAs. For example, buildings which have been identified as having heritage merit (through listing on the Inventory or Register) are eligible for an HRA. As another example, demolitions of houses fifty years and older are reviewed by staff and/or the Community Heritage Commission for heritage value and, if warranted, are offered an HRA as incentive to protect and restore the building.

Policy for the Use of HRAs (2011)

The key elements of the City’s current policy are that HRAs should:

- be integrated with other important City policies and priorities (specifically the OCP and strategies related to housing);
- balance development benefits with community benefits;
- have a clear application process;
- include methods for accountability in construction; and
- meet “The Standards and Guidelines for the Conservation of Historic Places in Canada”, which are national best practices for heritage restoration and rehabilitation.

The current policy has established a strong foundation of practice in the past 10-15 years. The intent is for the HRA Refresh to build on, rather than replace, the current policy, and is targeted specifically at small-scale projects (see project “Scope” below).

3.0 PROJECT SUMMARY

3.1 Scope

The focus of this policy work would be those areas and building forms designated “Detached and Semi-Detached” and “Ground Oriented Infill” in the Official Community

Plan (OCP): houses, suites, laneway houses, duplexes, triplexes, cluster houses, and infill townhouses (with less than six units). These are the project types, across the city, for which there are the greatest City policy gaps. These policy gaps are also the same ones that Phase Two of the Infill Housing program would address in relation to non-heritage development proposals. Therefore, the two policy projects are being developed in a complementary way.

It is proposed that residential developments with six or more units, or those which would see a change in land use (such as commercial or institutional), continue to follow the existing regulations, process, and guidelines set out in the 2011 policy for the use of HRAs. These projects, which are similar to other large-scale rezonings, are already well integrated into existing policies and practices.

3.2 Overview

In the past five years, the development landscape in New Westminster has changed. The 2017 OCP set new directions on land use, in 2019 the City declared a Climate Emergency, and the region is generally facing more pressure for housing. Also in that time, the Queen's Park Heritage Conservation Area and incentive program was adopted (see Appendix C for additional information).

Given all this, the HRA Refresh project looks to provide renewed clarity to applicants and the community on both the requirements (heritage protection and restoration) and the benefits (development incentives) of an HRA application in today's context. The stated intents of the project are to:

- refine and update the policy to today's standards, while also maintaining the strong and long-standing policy framework that exists for the use of HRAs;
- build on lessons learned from near 40 small-scale HRAs completed in the past ten years, including identifying successes and patterns from those earlier projects; and
- address the project goals (outlined below).

The project's timeline and community consultation plan is included as Appendix A.

3.3 Goals

The policy work proposed includes the following three main goals, which would be have been expanded into program principles, which are the subject of this report:

1. Increase clarity, certainty, and expectations for applicants and the community
Increased clarity regarding project parameters such as density, number of units, and ownership model, would ensure the community knows what to expect in their neighbourhood, and applicants know what type of development projects may be supported by the City.

2. Provide equitable incentives and requirements city-wide
Incentives offered through the updated HRA policy would provide equitable opportunities throughout the city. To achieve this, the new policy would situate the incentives and protection offered through the Queen's Park Heritage Conservation Area within the larger, city-wide context of heritage protection policy.
3. Integrate with current City programs, policies, and Council priorities
Other relevant City policies, such as increasing housing choice and improving energy efficiency of existing buildings, will shape the HRA policy to ensure alignment with Council priorities.

4.0 ANALYSIS

4.1 Past Small-scale Residential HRA Applications

The Refresh is intended to build on lessons learned from the City's extensive past practice. Over 60 HRAs have been completed in New Westminster to date. 65% of these were for small-scale residential projects. Queen's Park and Brow of the Hill are the most common neighbourhoods for which those applications are received, with about 25% of those applications in each of the two neighbourhoods. Moody Park/Kelvin, Sapperton, and Glenbrooke North each represented about 10% of the applications. Though HRAs are not legally precedent setting, as each one is unique to a specific site, there are patterns which emerge from analysis of past applications. Through the analysis, five categories of development incentives were identified, as listed below:

1. *Density*
Primarily in the form of an addition to a heritage building, expanded basement or attic space; commonly over several floors.
2. *Subdivision*
Of the small scale HRAs, over 60% included subdivision. This incentive is commonly paired with roughly 20% increased density (usually from 0.5 to 0.65 floor space ratio/FSR).
 - a. *Small lot sizes* (3,000-4,000 sq.ft./ 280-370 sq.m.)
About half of subdivisions were to small lot sizes.
 - b. *Compact lot sizes* (<3,000 sq.ft./ <280 sq.m.)
Near 30% of subdivisions were to compact lot sizes.
3. *Stratification*
Without a small lot subdivision; this functions as a detached duplex or triplex. Though rare a decade ago, this is becoming a more common request as it allows creation of new units that are sold while providing more flexibility in the division of

land and its responsibilities than a standard subdivision (e.g. shared spaces with shared maintenance, like driveways).

4. *Conversion* (multiple units in a building)
Single-unit to multi-unit conversion of an existing larger building. Generally this involves duplexing or triplexing. The units could be rental or strata (ownership) or a mix of both.
5. *Infill*
Often rental infill tends to appear like a large or otherwise non-standard laneway or carriage house.

The above development options are not only examples of infill housing types in low density neighbourhoods, but are also an important element of the HRA program as they provide the incentive for legal protection as well as generate the funds needed for exterior heritage restoration work.

5.0 DISCUSSION

5.1 Complementary Goals

As highlighted above, foundational to the current policy (2011) is the balance of private and public benefits. The goal of the Refresh project is to make the balance of benefits more standardized, in order to:

1. provide greater clarity for applicants as well as the public, and
2. reduce the level of negotiation on each project, which otherwise draws out project timelines.

Reduced timelines and uncertainty help support small-scale infill projects, like HRAs, which are key to meeting the City's housing goals around the creation of "missing middle" housing, ground-oriented building forms, and family-friendly units. In this way, the City's housing goals can work in tandem with the City's goals to encourage heritage preservation.

Guiding discussion questions:

Does the committee support the HRA Refresh project; if so why?

Are land use and development items being appropriately integrated into the Refresh?

Are there further elements staff or Council should consider?

5.2 Infill as a Community Benefit

Work to date on the refreshed HRA policy identified some community benefits against which private development benefits (listed in Analysis) would be balanced. The principles are consistent with best practice and have been grouped into four key policy areas, which reflect those of current City policies and priorities in Council's Strategic Plan: (1) heritage conservation; (2) housing choice; (3) community diversity and

inclusion; and (4) energy reductions and environmental sustainability. A full list of the principles in each benefit category is included in Appendix B.

Guiding discussion questions:

Should infill housing be considered a community benefit; why or why not?

How could or should private benefits be balanced if/when considering infill as a community benefit?

5.3 Housing Choice Principles

As part of the consultation plan for this project (see Appendix A), four City committees have been selected to review the principles which correspond with their committee's mandate. The Advisory Planning Commission (APC) is being asked to consider the housing choice principles (listed below) and provide feedback to staff on their integration into the HRA policy for small-scale applications.

Development

- Allow development and change on sites with heritage assets
- Be consistent with the existing OCP land use designation and related heritage incentive

Infill

- Focus on “missing middle” ground-oriented infill housing forms (family-friendly sized units preferred)
- Prioritize on-site space for living (e.g. housing, green-space, etc.) rather than for vehicle parking

Rental

- Encourage the creation of rental units (such as through suite readiness)
- Do not reduce the number of existing rental units

Guiding questions:

Are the above listed principles sufficiently comprehensive, keeping in mind the small-scale projects they would apply to?

Is anything missing? Or is something listed not appropriate to include?

6.0 LAND USE QUESTIONS FOR APC

The Advisory Planning Commission is being asked to review the integration of the current Official Community Plan's infill housing goals into the HRA policy as well as the proposed housing choice principles for the policy update, and provide feedback to staff which will shape the draft policy update to be developed this winter.

ATTACHMENTS

- Appendix A: Project Timeline and Consultation Plan
- Appendix B: List of Proposed Community Benefit Principles
- Appendix C: Additional Information on Policy and Regulations

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Appendix A
Project Timeline and Consultation Plan

Project Timeline

Overall, key milestones for the HRA Refresh project will be:

Milestone	Timeframe
Post-implementation Evaluation of the Heritage Conservation Area*	Fall 2021
Research and Principles Development	Fall 2021
Community Consultation (WE ARE HERE) <ul style="list-style-type: none"> ○ Stakeholders (e.g. previous applicants, Preservation Society) ○ City committees and task forces ○ General public (online) 	Winter 2021-2022
Policy Framework for Endorsement	Spring 2022

**This work is outstanding from a 2019 program (prior to the Covid-19 pandemic) and is partially complete, and would include finalization of the Incentives Program. An understanding of the impact of the Conservation Area and clarity on the incentives available through the Zoning Bylaw in Queen’s Park will inform the integration of the Heritage Conservation Area into the city-wide HRA policy.*

Implementation Program

When the policy is presented to Council for endorsement, staff would also present a proposed Implementation Program. The Program would be launched in the summer of 2022 and includes tasks such as:

- Refining the legal tools and processes
- Developing application procedures
- Internal, interdepartmental coordination of construction requirements
- Creation of public guides and resources, and educational outreach as required
- Updating of related documentation and policies

Community Consultation Plan

Round 1: Principles (Nov 2021-Jan 2022)

The first round of consultation is currently underway and is focused on the five development incentives and the four groups of principles listed in Appendix B. The first round of consultation includes two main groups, and take place over the winter 2021-2022. The groups are:

1. Invitational Meetings/ Focus Groups
 - a. Past applicants from Heritage Revitalization Agreement (HRA) projects
 - b. Builders, designers, architects, and heritage professionals who have worked on HRA projects in the city

- c. New Westminster Heritage Preservation Society Directors
 - d. Queen's Park and Brow of the Hill Residents' Association Directors
2. City Committees and Task Forces
- a. Community Heritage Commission
 - b. Advisory Planning Commission
 - c. Reconciliation, Social Inclusion, and Engagement Task Force
 - d. Environment and Climate Advisory Committee

Each of the four City committees will be reviewing their corresponding principles. Other Task Forces would be engaged for feedback should issues for discussion be identified through consultation with other groups.

Round 2: Draft Policy (Feb-March 2022)

Following the first round of consultation, staff would report back to Council with a draft framework for the refreshed policy. The draft framework would build on the principles above, responding to the feedback gathered and Council's direction.

The draft would then be presented to the general community to seek feedback through:

- a. an online community survey;
- b. in-person community information session, should Provincial Health Guidelines be achievable; and
- c. virtual, telephone, or small in-person appointments with staff upon request, should an online or public event not be comfortable for the individual.

Appendix B

List of Proposed Community Benefit Principles

The principles have been grouped into four key policy areas, which reflect those of current City policies and priorities in Council's Strategic Plan: (1) heritage conservation; (2) housing choice; (3) community diversity and inclusion; and (4) energy reductions and environmental sustainability.

Heritage Conservation

Recognize and protect

- Include a site with confirmed heritage value
- Protect the heritage elements with a Heritage Designation Bylaw

Conserve

- Not require major restoration (which incentivizes neglect for the purposes of unlocking development potential)
- Include a Heritage Conservation Plan and long-term Maintenance Plan
- Engage a heritage professional for guidance in both the application review and construction phases of the project

Incentivize

- Consider heritage as a community amenity contribution
- Create sufficient development benefit to incentivize conservation and retention
- Be comparable in time, cost, flexibility, and complexity to other application types

Housing Choice

Development

- Allow development and change on sites with heritage assets
- Be consistent with the existing OCP land use designation and related heritage incentive

Infill

- Focus on “missing middle” ground-oriented infill housing forms (family-friendly sized units preferred)
- Prioritize on-site space for living (e.g. housing, green-space, etc.) rather than for vehicle parking

Rental

- Encourage the creation of rental units (such as through suite readiness)
- Do not reduce the number of existing rental units

Community Diversity and Inclusion

Equity and access

- Consider physical accessibility in both building and site design
- Provide a range of tenure and affordability options to expand the housing continuum
- Have equitable eligibility, benefits, and requirements for similar projects city-wide

More diverse stories

- Support projects with histories that are not already represented in the program
- Broaden the definition of heritage value to include more diverse narratives (across economic, social, and cultural groups)

Expanded values

- Define “heritage” as historic significance, not as an aesthetic
- Consider intangible heritage values or non-building attributes and places (e.g. trees, views, uses etc.)

Energy Reductions and Environmental Sustainability

Green space

- Provide access to at-grade on-site outdoor space for each residential unit
- Achieve appropriate storm water management and permeable surface ratios, with an emphasis on natural rather than engineered systems

Tree protection

- Emphasize tree retention (on-site and in the public realm)
- Process a Tree Permit application concurrently with the HRA review process

Green building

- Apply Step Code for new construction
- Ensure access to “green building” incentive programs (e.g. thick wall density or Energy Save New West)
- Identify energy upgrades for the heritage building in its Conservation Plan

Sustainable transportation

- Provide secured, weather protected bicycle parking for each residential unit
- Support relaxations for on-site vehicle parking spaces where alternative transportation options exist

Appendix C

*Additional Information on Policy and
Regulations*

Heritage Designation Bylaws

A Heritage Designation Bylaw is a form of land use regulation that places long-term legal protection on the land title of a property. It is the primary tool for restriction of demolition and can deny future development, even if otherwise allowable under the Zoning Bylaw. Any changes to a protected heritage property must first receive approval from City Council (or its delegate) through a Heritage Alteration Permit (HAP). Future development is no longer entitled to the property owner, but may be requested of Council. In New Westminster, properties which are subject to an HRA are required to be protected with a Designation Bylaw.

Queen's Park Heritage Conservation Area

A Heritage Conservation Area is a distinct neighbourhood, characterized by its historic value, which is identified in a City's Official Community Plan (OCP) for heritage conservation purposes. The Queen's Park Heritage Conservation Area was adopted in 2017 and includes single-detached dwelling properties south of Sixth Avenue, north of Royal Avenue, west of Sixth Street and east of Queen's Park.

The Queen's Park Heritage Conservation Area is a lower level of heritage-related protection than individual property Heritage Designation Bylaws. Rather, the Heritage Conservation Area is an area management tool, which includes both heritage protection for the exterior of existing buildings, and design control for new construction. The goal of a Heritage Conservation Area is to allow change, but ensure the change is respectful of existing heritage character. Like Designation Bylaws, Heritage Alteration Permits (HAPs) are used for managing change.

Development Entitlement (Zoning)

The Heritage Conservation Area provides a layer of regulation in addition to that of the OCP and the Zoning Bylaw, which apply to all properties in the Area. All properties, protected or not, continue to have the same density entitlement as other properties in the same zoning district. If a Heritage Alteration Permit is required for construction activity, that permit governs design of the construction, not the density, number of units, height, setbacks or other elements detailed in the Zoning Bylaw. Heritage Alteration Permits cannot vary zoning (this is only available through a rezoning or a Heritage Revitalization Agreement).

Incentive Program

During the process of creating the Queen's Park Heritage Conservation Area, neighbourhood property owners raised the issue of potential impacts to the area's property values. At that time, the City engaged an economic consultant who identified possible impacts, and mitigation options. The incentives program framework subsequently endorsed by Council in May 2018 was based on these recommendations and feedback from City committees.

The framework includes items implemented in the short (2018), medium (2018-2021), and long term (2023+).

The five short term incentives were adopted:

- Increased density (0.2 floor space ratio) for the principal building;
- Building Code alternate compliance options for the principal building;
- More achievable laneway and carriage house density;
- Relaxations for laneway and carriage house design; and
- Servicing upgrade relaxations when building a laneway or carriage house.

The seven medium term incentives were adopted:

- Refined evaluation checklist for removal
- Expedited permit process
- Added services for owners
- Support of Development Variance Permits

The two long term incentives (heritage grants and interpretive signage) have been integrated into appropriate departmental work plans for the next five years.