

REPORT

Development Services

To: Mayor Coté and Members of Council **Date:** 12/4/2017

From: Jackie Teed **File:** 13.2605.40
Acting Director of Development
Services

Item #: 510/2017

**Subject: Queen's Park Heritage Conservation Area: Proposed Community
Consultation on Zoning Based Incentives for Protected Properties**

RECOMMENDATION

THAT Council direct staff to proceed with the community consultation program for zoning incentives for properties protected through the Queen's Park Heritage Conservation Area, as outlined in this report.

EXECUTIVE SUMMARY

In June 2017, a Heritage Conservation Area was adopted for the Queen's Park neighbourhood. At that time, Council also endorsed four ongoing implementation actions to be undertaken in the years following adoption, including the exploration of zoning incentives for protected properties. The community consultation described in this report would be the first step in the City's exploration of zoning incentives. Three potential incentives are being considered, which are outlined in this report, all related to permitted density: increase of Floor Space Ratio (FSR) entitlement, exempt basement space from FSR, and exempt existing attic space from FSR.

Through the winter, the City would conduct research and analysis on the three proposed incentives. This analysis would reflect the feedback gathered through the consultation process described in the report. It is anticipated that staff would report back to Council in February 2018 with draft zoning regulations.

PURPOSE

This report provides Council with an update on the zoning incentives being considered for protected properties (“Advanced” category) in the Queen’s Park Heritage Conservation Area. This report requests Council direct staff to proceed with the consultation program outlined in this report.

POLICY AND REGULATIONS

Queen’s Park Heritage Conservation Area

Enabled through Section 614 of the Local Government Act, 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 includes 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 Designations. 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 Queen’s Park Heritage Conservation Area applies primarily to single detached dwellings in the neighbourhood. The goal of a Heritage Conservation Area is to allow change, but ensure the change is respectful of existing heritage character. Heritage Alteration Permits are used for managing the change.

Levels of Heritage Protection

Buildings constructed in the Queen’s Park neighbourhood in 1940 or earlier, and those listed on the Heritage Register are protected through the Heritage Conservation Area (“Advanced” category). Protection requires that the owner obtain a Heritage Alteration Permit (HAP) from the City for construction activities on the front, sides or visible roof of the existing principal building. A HAP is also required to allow demolition of an existing protected building. The City may deny a HAP, should the proposal not be consistent with the Heritage Conservation Area’s policies and design guidelines.

There are approximately 80 properties which would be protected through the Heritage Conservation Area, but have been identified through the policy development process as having characteristics which may negatively impact the owner, should the house be required to be retained. Those properties form a “Special Limited” study category, which has a lower level of heritage protection while further study is underway.

The remaining buildings in the neighbourhood are not protected (“Limited” category). However, all subdivision, and any construction of new residential buildings on those properties, including detached accessory dwellings (laneway or carriage houses), requires a HAP.

Protection and Development Entitlement

The Heritage Conservation Area provides a layer of regulation in addition to the Zoning Bylaw, which applies 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 (HAP) 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 Revitalization Agreements

A Heritage Revitalization Agreement (HRA) is a negotiated agreement between the City and a property owner for the purposes of heritage conservation. In exchange for long-term legal protection (Heritage Designation) and exterior restoration, certain zoning relaxations, including an increase in density, are provided. An HRA is not legally precedent setting, as each one is unique to a specific site. Provisions for the local government to negotiate an HRA are set out in Section 610 of the Local Government Act.

BACKGROUND

Queen’s Park Neighbourhood Heritage Study Working Group Recommendations

The Queen’s Park Neighbourhood Heritage Study (2013-2016) included a Working Group of twelve Queen’s Park residents who explored heritage conservation options for the neighbourhood. The members of this Group performed research and neighbourhood consultation. At the Study’s conclusion, the Working Group provided formal recommendations to Council.

The Working Group continued to meet as part of the consultation and policy development phase of the Heritage Conservation Area. Potential incentives were discussed with the Group at their final meeting held in July 2017. The incentives put forward by the members were:

- Exempt full basements from Floor Space Ratio (FSR) calculations on existing, protected houses;
- Require new builds to have a basement of a certain size or percentage of Floor Space Ratio (FSR);

- Provide variances for the retention of significant trees;
- Encourage Heritage Register listing so properties are able to take advantage of alternate compliance methods in the BC Building Code;
- Prioritize heritage-related permits for renovations over demolition applications;
- Decrease the requirements for documentation and consultation on heritage projects;
- Increase the size of permitted laneway or carriage houses;
- Allow protected houses greater than 4,000 square feet to be stratified or transformed into a duplex without a Heritage Revitalization Agreement or rezoning;
- Exempt existing attic space from Floor Space Ratio (FSR) calculations on protected houses; and
- Increasing the Floor Space Ratio (FSR) entitlement for protected houses.

All of these incentives were generally supported by the Group. The zoning incentives put forward by the Working Group informed the work of staff, and the options being brought forward for consultation.

Previous Council Direction

During the process of creating the Queen's Park Heritage Conservation Area, concerns were raised by home owners about the impact of the Heritage Conservation Area on the value of protected properties. In response to these concerns, Council directed staff to explore zoning incentives, which could increase the value of protected houses thereby offsetting the potential impact of the Heritage Conservation Area.

On May 15, 2017 at First and Second Readings of the bylaws required to designate the Heritage Conservation Area, Council endorsed in principle a Work Plan which included four actions to be undertaken in the two years following adoption: a) an update to the Minimum Maintenance Standards for Protected Heritage Properties Bylaw; b) zoning incentives for protected properties; c) "Special Limited" category study and subsequent City-led Official Community Plan (OCP) amendment; and d) a program to encourage voluntary protection of post-1941 homes in the Heritage Conservation Area.

On October 16, 2017 a report was presented to Council that provided further detail regarding the Work Plan for each of the four tasks, including the zoning incentives. Council endorsed the Work Plan at that meeting.

DISCUSSION

Guiding Principles

Staff has established the following set of principles to guide the zoning incentives work:

1. Incentives should benefit the protected properties.

The intent of this principle is to ensure that the incentive program will work on the protected properties. The unique context, including diversity of building/property shape and size, must be taken into consideration when developing an incentive package.

2. The benefits to the property must be balanced with the benefits to the community.

The intent of this principle is to ensure that the benefit the community sees through heritage protection is relatively equal to the benefit the property owners receive through the incentive.

3. Consider the liveability and character of the Queen's Park neighbourhood.

The intent of this principle is to ensure incentives do not exceed the upper limit of density and building massing that is appropriate in a single detached dwelling context. New construction must fit within the context of the neighbourhood. Compatibility of the incentives with other city-wide programs, such as Heritage Revitalization Agreements and laneway/carriage houses, must also be considered.

4. Ensure that the incentives continue to allow meaningful opportunities for Heritage Revitalization Agreements (HRAs).

The intent of this principle is to ensure that HRAs are still attractive for homeowners. The incentives being considered for protected properties are some of the incentives that the City usually uses through HRAs. Since HRAs are a higher level of protection than the Heritage Conservation Area, it is important for the City to still be able to offer additional incentives.

5. Implementation of the zoning incentives must not result in needing to increase the incentives available for HRAs.

The intent of this principle is to maintain the current upper limit of incentives available in exchange for heritage protection. The highest level needs to be retained for HRAs across the city. A lower level of incentives is being considered for the protected properties in Queen's Park. The City will determine the appropriate level through this process.

Proposed Zoning Incentives

As part of the zoning incentive development process, a detailed analysis of each incentive would include exploration of the viability, potential uptake, and implications of each option. An economic analysis would also be conducted to better understand potential benefit of each incentive option on property value. Based on these findings, as well as input from the community, City committees and Council, staff would prepare a draft approach for amending the Zoning Bylaw. The recommended approach may include one incentive, all of the incentives or a combination of incentives.

Should any incentives be amended into the Zoning Bylaw they would become a property right of properties protected through the Heritage Conservation Area and no Council approval would be required should an owner chose to use the new incentive. The required approvals would include a Heritage Alteration Permit, based on the Heritage Conservation Area policy's requirements, and a Building Permit. An application for a Heritage Alteration Permit would be reviewed for compliance with the Heritage Conservation Area Design Guidelines, and issued by the Director of Development Services.

Three potential incentives are being considered for properties protected through the Queen's Park Heritage Conservation Area, which are outlined in more detail below. The incentives being considered are:

1. Increase the Floor Space Ratio (FSR) entitlement;
2. Exempt basements from FSR calculations; and
3. Exempt attics from FSR calculations.

1. Increase the Floor Space Ratio (FSR)

Floor Space Ratio (FSR) is the tool the City uses to regulate the size of houses. FSR links the size a house to the size of the property. A majority of the Queen's Park neighbourhood is zoned RS-1 for single detached dwellings. Per this zone, a house is permitted to be built to 0.5 FSR (the total square footage in the house may be up to 50% of the size of lot).

One incentive being considered would be to increase the permitted FSR for properties protected through the Heritage Conservation Area. This would increase the amount of floor space that could be built on each property. For example, if the FSR were to be increased by 0.1 (or 10%) a 6,000 square foot property may qualify for up to an additional 600 square feet. If this is a preferred incentive, the exact amount of the FSR increase would be explored during the next steps.

The Zoning Bylaw was recently amended in conjunction with the adoption of the Official Community Plan. New entitlements were added that allow owners, including owners of properties protected through the Heritage Conservation Area, to build a laneway or carriage

house. This change increased the maximum density in the RS-1 zoning district from 0.5 to 0.6 FSR. The further increase offered as an incentive for properties protected through the Heritage Conservation Area must also account for this recent increase in entitlement.

Additionally, approximately 20 properties in the Queen's Park neighbourhood are zoned RS-6, which was developed prior to the Heritage Revitalization Agreement program to incentivize the retention of houses with heritage value. The RS-6 zone already allows an FSR of 0.6 (or 60%), though does not allow laneway or carriage houses.

With this incentive, the exact amount of new floor space to which each property would be entitled would be easy to determine. This would be the easiest incentive for the City to administer.

2. Exempt Basements from FSR Calculations

This incentive would exempt basement space from the FSR total. This could mean that a basement could be added to a house currently without a basement, even if the existing house is already at the maximum FSR. For a house with an existing basement, this exemption would effectively reduce the total FSR of the building which may allow the owner to build an addition.

With this incentive, it would not be clear exactly what additional FSR would be available for each property, and the amount of floor space that each property would qualify for could vary significantly. This incentive would be more challenging for the City to administer.

3. Exempt Attics from FSR Calculations

Under the City's current zoning, the floor space in an attic (that has a floor to ceiling height of more than four feet, and is reasonably accessible) counts towards the total FSR. This incentive would exempt attic space from the FSR total. This may increase the opportunity for owners to make use of existing underutilized space in their house. For houses with useable attics, this exemption would effectively reduce the total FSR of the building which may allow the owner to build an addition.

With this incentive it would be difficult for the City to determine what each property would qualify for. It also may not be feasible for some owners to take advantage of this space due to the access requirements (e.g. it may be too costly or there may not be space to add stairs that meet the requirements of the Building Code). This incentive would be the most challenging for the City to administer.

CONSULTATION

Consultation would be the next step towards the development of zoning incentives for properties protected through the Queen's Park Heritage Conservation Area.

The purpose of this first round of consultation would be to:

- Provide an update to community and committee members who have been actively involved in the Queen's Park Heritage Conservation Area process to date, while also seeking feedback from Queen's Park residents who have not yet been active in the process;
- Understand the level of support for each of the proposed incentives, and the reasoning behind the support/lack of support; and
- Understand the priority ranking for the proposed incentives, and to understand why some incentives may be prioritized over others.

Public Consultation

Two open houses would be scheduled, both of which would be held in the lobby of City Hall:

1. Thursday, December 7, 2017 from 5:00pm to 7:30pm
2. Saturday, December 9, 2017 from 11:30am to 2:00pm

The events would be a drop-in format. The same material would be presented at both open houses. The materials would summarize the background and policy context, next steps, and the three proposed incentive options.

A survey with the same material as the open houses would be made available through the City's website from December 7 to 27, 2017. The survey questions would reflect the questions being asked of participants at the open houses. The survey should take approximately 15 minutes to complete.

Given the compressed Work Plan timeline, as endorsed by Council on October 16 2017, the advertising for the open houses and the survey has already begun and includes:

- Post cards sent to all residents in the Queen's Park neighbourhood;
- Notices in City Page;
- The City's Social Media (Facebook and Twitter);
- Update posted on the City website under "What's Happening", and on the project page; and
- An invitation sent to the Queen's Park Residents' Association.

Committee Consultation

The zoning incentives would be presented to the Community Heritage Commission and the Advisory Planning Commission who would be requested to provide feedback and recommendations to Council on the incentives being considered.

NEXT STEPS

After this round of consultation, staff would compile and analyse the results to inform the detailed analysis of each of the incentives. Based on the findings of the consultation and the analysis, staff would draft an approach to implementation, including the preparation of draft zoning regulations.

It is anticipated that all of the findings would be presented to Council in February 2018. The report would include a summary of the consultation feedback and the detailed analysis. The report would also include preliminary staff recommendations. Revision would be made based on feedback provided by Council. The resulting proposed approach would then be presented to the community for their review and feedback in March.

Final revisions would be made and presented to Council in the spring. The process of adopting the zoning changes would then begin. It is expected that the public hearing and adoption of the amendment to the Zoning Bylaw would take place before the summer of 2018.

INTERDEPARTMENTAL LIAISON

Staff is providing updates to other Departments on this work on an ongoing basis.

OPTIONS

The following options are available for Council's consideration:

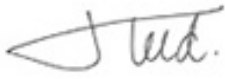
1. That Council direct staff to proceed with the community consultation program for zoning incentives for properties protected through the Queen's Park Heritage Conservation Area, as outlined in this report;
2. That Council provide alternative direction.

Staff recommends Option 1.

This report has been prepared by
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Approved for Presentation to Council



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