



**POLICY REPORT
DEVELOPMENT AND BUILDING**

Report Date: May 29, 2015
Contact: Jane Pickering
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VanRIMS No.: 08-2000-20
Meeting Date: June 9, 2015

TO: Vancouver City Council

FROM: General Manager of Planning and Development Services

SUBJECT: Heritage Action Plan Update: Recommendations to Adopt a Heritage Conservation Area Official Development Plan and New District Schedule for First Shaughnessy

RECOMMENDATION

- A. THAT the Heritage Conservation Area Development Plan attached as Appendix A (the "HCA Development Plan"), which will provide stewardship and long-term protection for areas of the City possessing significant heritage resources and distinct heritage value and character and will designate the First Shaughnessy Heritage Conservation Area (as defined in the HCA Development Plan) as the first heritage conservation area ("HCA") in the City, be referred to Public Hearing prior to considering approval of such plan.
- B. THAT, subject to Council adopting the HCA Development Plan as recommended in Recommendation A, a by-law to repeal the First Shaughnessy Official Development Plan and to adopt the HCA Development Plan as an Official Development Plan known as the "Heritage Conservation Area Official Development Plan" (the "HCA ODP"), generally as outlined in Appendix B, be referred to Public Hearing;
- FURTHER THAT the Director of Legal Services be instructed to bring forward the necessary HCA ODP by-law for consideration at the Public Hearing.
- C. THAT, subject to approval of Recommendations A and B, Council authorize the General Manager of Planning and Development Services to notify owners and occupiers of properties in the First Shaughnessy HCA of the Public Hearing for the HCA ODP by-law in accordance with the *Vancouver Charter* (Sections 599 and 600), and to remove any posted notices following the public hearing.

- D. THAT, subject to approval of Recommendations A and B, the General Manager of Planning and Development Services be instructed to make application to bring forward a Heritage Procedure By-law, generally as outlined in Appendix C, to provide clear procedures for managing heritage property in the City;

FURTHER THAT the Heritage Procedure By-law be referred to the same Public Hearing as the HCA ODP;

AND FURTHER THAT the Director of Legal Services be instructed to prepare the necessary by-law for consideration at the Public Hearing.

- E. THAT, subject to approval of Recommendations A and B, the General Manager of Planning and Development Services be instructed to make application to bring forward a Heritage Property Standards of Maintenance By-law, generally as outlined in Appendix D, to ensure the long-term maintenance and upkeep of designated protected heritage property and property within an HCA;

FURTHER THAT the Heritage Property Standards of Maintenance By-law be referred to the same Public Hearing as the HCA ODP;

AND FURTHER THAT the Director of Legal Services be instructed to prepare the necessary by-law for consideration at the Public Hearing.

- F. THAT, subject to approval of Recommendations A and B, the General Manager of Planning and Development Services be instructed to make application to bring forward a by-law to amend the Zoning and Development By-law, generally as outlined in Appendix E, to create a new District Schedule for First Shaughnessy and to repeal the current First Shaughnessy District Schedule;

FURTHER THAT the by-law be referred to the same Public Hearing as the HCA ODP;

AND FURTHER THAT the Director of Legal Services be instructed to prepare the necessary by-law for consideration at the Public Hearing.

- G. THAT, subject to approval of Recommendations A and B, the General Manager of Planning and Development Services be instructed to make application to bring forward a by-law to amend the Heritage By-law, as generally outlined in Appendix G, to include reference to HCAs;

FURTHER THAT the by-law be referred to the same Public Hearing as the HCA ODP;

AND FURTHER THAT the Director of Legal Services be instructed to prepare the necessary by-law for consideration at the Public Hearing.

- H. THAT the General Manager of Planning and Development Services be instructed to make application to bring forward a by-law to amend the Parking By-law, as generally outlined in Appendix H, to delegate authority to the General Manager

of Planning and Development Services to relax parking requirements for protected heritage property in an HCA.

Note: Recommendations B, D, F and G must be adopted by at least 2/3 of the votes cast at the Public Hearing in accordance with Section 579(1) of the *Vancouver Charter* regarding delegation of Council authority.

REPORT SUMMARY

This report provides Council with recommendations resulting from the review of the First Shaughnessy Official Development Plan (FS ODP), undertaken as part of the Heritage Action Plan. The purpose of this review is to strengthen the City's long-standing goals for the conservation and preservation of neighbourhood character and pre-1940 heritage homes in the First Shaughnessy area. The report summarizes the analysis and findings and provides recommendations to ensure the on-going protection of heritage character of this area.

What is proposed in this report is a new regulatory structure for heritage property in the City - a Heritage Conservation Area ODP. The proposed First Shaughnessy HCA is the first area to be designated as a Heritage Conservation Area (HCA) under the ODP (see Appendix A1 of the HCA ODP By-law attached as Appendix B).

Based on input from consultants and a comprehensive public engagement process, it is recommended that Council take the following steps to administer the new regulatory regime for heritage property in the City and further conserve the heritage value and character of the First Shaughnessy area:

- Adopt the HCA Development Plan attached as Appendix A as the HCA ODP, with the First Shaughnessy HCA designated in the HCA ODP as the first HCA in Vancouver;
- Adopt a Heritage Procedure By-law and Heritage Property Standards of Maintenance By-law to clarify procedures and standards for heritage properties in the City;
- Adopt a new District Schedule for First Shaughnessy, with regulations to ensure compatible new development; and,
- Make minor amendments to the Parking By-law and Heritage By-law.

The Heritage Action Plan was a set of strategic actions adopted by City Council in December 2013; once complete, the Plan will result in an updated, comprehensive Heritage Conservation Program. The status of work to implement other aspects of the Heritage Action Plan is provided in a companion report (Heritage Action Plan Update, RTS#10654), with the balance of the work to be completed by the end of 2015.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

First Shaughnessy Official Development Plan (1982)

First Shaughnessy Design Guidelines (1982)

- the First Shaughnessy Heritage Inventory (1994) is included as Appendix B, to the First Shaughnessy Design Guidelines (1982)

Heritage Action Plan (2013)

- Action #7 - Review and Update the First Shaughnessy Official Development Plan

The Vancouver Charter:

- Part XXVIII (Heritage Conservation) of the *Vancouver Charter* provides the authority for Council to delegate certain authorities under this part, including, among other things, mechanisms for heritage review, and tools and methods for temporary protection and continuing protection of heritage property.
- Section 596B(1) of the *Vancouver Charter* prohibits certain actions affecting protected heritage property and property within an HCA unless the action has been authorized by a heritage alteration permit.

Temporary Control Periods:

First Temporary Control Period

- By enacting the *First Heritage Control Period (First Shaughnessy) By-law (2014)*, Council adopted a Heritage Control Period for temporary protection of First Shaughnessy for a period of 1 year, which will expire on June 24, 2015.

Further Temporary Protection Period

- Pursuant to Section 589A(1) of the *Vancouver Charter*, all property within an area to be designated as an HCA has temporary protection for a period of 120 days beginning on the date of first reading of a by-law to adopt a development plan designating the HCA. Approval by Council of Recommendation B in this report would constitute first reading of the by-law in Appendix B, and initiate an additional 120 days of temporary protection for property within the First Shaughnessy HCA, during which period, Section 596B(1) of the *Vancouver Charter* applies to such properties.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The General Manager of Planning and Development Services RECOMMENDS approval of the foregoing.

REPORT

Background/Context

The review and update of the First Shaughnessy Official Development Plan (FS ODP) was initiated by Council in December 2013 through adoption of the Heritage Action Plan (Action #7). This action directed consideration of an HCA for First Shaughnessy as a more appropriate way to manage land use planning for this unique and historic part of the City. Adopted by Council in 1982, the FS ODP was developed through a comprehensive planning process involving the community, consultants and staff and served to fulfil the fundamental intent to preserve and protect the unique pre-1940s character of the First Shaughnessy area (bounded generally by West 16th Avenue and West 15th Avenue to the north, West King Edward Avenue to the south, Oak Street to the east, and East Boulevard to the west). In 1994, Council adopted

the First Shaughnessy Heritage Inventory, which is a list of all buildings in First Shaughnessy that were constructed prior to 1940. This list is currently attached as Appendix B to the First Shaughnessy Design Guidelines (1982) and the properties on the list are eligible for development incentives to encourage retention as provided in the FS ODP. Despite the incentives in the FS ODP to encourage retention, many significant heritage properties have been demolished in First Shaughnessy. Additionally, new development has not necessarily contributed to the area's historic character to the degree desired by the neighbourhood or intended by Council.

In the 18 months leading up to the approval of the Heritage Control Period for the temporary protection of First Shaughnessy in June 2014, the number of inquiries proposing to demolish pre-1940 buildings in First Shaughnessy had risen from an average of 0.4% per year to 5% per year, with 19 inquiries active at that time. The increase in proposals to demolish resulted from a lack of requirements to retain the pre-1940s homes, and the current zoning regulations have also enabled development of some of the largest homes in the City.

Some of the pre-1940 buildings that have been proposed to be demolished in First Shaughnessy are listed in the Vancouver Heritage Register and in the opinion of the General Manager of Planning and Development Services, have sufficient heritage value or character so as to be worthy of conservation but are not "protected heritage property" as defined in the *Vancouver Charter*. Protected heritage property is provided with continuing protection, as it is property that has either been protected under the Provincial *Heritage Conservation Act*, designated as protected under the *Vancouver Charter* or listed in a schedule included in an ODP designating an HCA. When real property is listed in the Vancouver Heritage Register but is not protected heritage property, Council may withhold an approval or make an order to provide temporary protection for the property. However, unless further action is taken, such as designating the property as protected heritage property (which may require compensation to be made to the owner), or entering into a Heritage Revitalization Agreement with the owner, the property is not provided with continuing protection and may be subject to demolition.

Responding to the increase in proposals to demolish pre-1940 homes, an administrative bulletin was prepared in 2012 requiring that all pre-1940s homes be evaluated for character merit prior to approval of demolition permits. This process in First Shaughnessy required an applicant to prepare a Statement of Significance for their property and explore retention options. Unfortunately, even though owners took these steps, demolition was still often pursued.

On June 24, 2014, Council enacted a Heritage Control Period By-law for First Shaughnessy along with interim procedures to identify and encourage retention of pre-1940 character houses. At the same time, Council advanced the review of the FS ODP in the Heritage Action Plan work program. These actions prevented the demolition of character homes in First Shaughnessy while the review was underway, which Council directed should include consideration of designating the area as an HCA to provide continuing protection.

Strategic Analysis

Heritage Value of First Shaughnessy

In 1907, the Canadian Pacific Railway set in motion the establishment of a prestigious new residential area in Vancouver. Aimed at drawing the city's elite from the increasingly crowded West End, the new neighbourhood of First Shaughnessy was to be both tranquil and elegant. An example of the "Garden City" movement, the neighbourhood still possesses many of the fundamental characteristics that defined its origins: winding, tree-lined streets that followed the topography of the land, and layered views of elegant homes on lushly landscaped lots. The historic value of the area is described in depth in the First Shaughnessy Historic Context Statement and Thematic Framework, and the Statement of Significance; prepared by consultant Donald Luxton & Associates (see the appendices of Appendix I).

In particular, the Statement of Significance identifies First Shaughnessy's Key Character Defining Elements to be:

- Direct evidence of a close association with the CPR, as illustrated by the area's street names and the name of the neighbourhood;
- Continuous residential use;
- Distinctive pattern of planned development as expressed by: street layout centred around a crescent and park system; pattern of curved streets; boulevards; large lot sizes; generous setbacks; large private gardens and early outbuildings; enclosed site boundaries with rock walls, fences, iron gates and perimeter plantings; early concrete light standards; and the grand scale of principal residences and estate properties;
- Cultural landscape of individually-designed estate properties, linked by their large scale proportions and conforming to traditional styles including British Arts and Crafts, Tudor Revival, Queen Anne Revival, Craftsman and Colonial Revivals;
- Generous landscaping in both public and private spaces including lush, mature street landscaping, screening, unusual imported tree species and landscaped parks with mature trees and plants; and
- High-quality residential masterworks built with superior materials and craftsmanship, designed by many of B.C.'s most prominent early twentieth century architects.

There are currently 595 properties in First Shaughnessy, of which 317 were constructed before 1940. Only 25% (80) of these properties are listed on the Vancouver Heritage Register, with only 3.4% (11) protected from demolition through heritage designation and/or a Heritage Revitalization Agreement.

Best Practices for Protecting Heritage Areas

Municipalities across North America have policies and programs in place to protect heritage neighbourhoods and districts. These range from special legislation to establish landmark districts or heritage precincts, to development incentives and grant programs, depending on the legislative tools available.

In British Columbia, the Provincial government granted municipalities a robust set of heritage conservation tools through the *Heritage Act* (1994). For Vancouver, these authorities are outlined in Part XXVIII (Heritage Conservation) of the *Vancouver Charter*, while in other municipalities they are enabled through the *Local Government Act*. One of the most effective tools to protect a heritage area is the establishment of an HCA. Province-wide, there are approximately 60-70 HCAs in approximately 30 municipalities that have been established since 1994.

In Vancouver, the HCA tool has not yet been used as our heritage areas were protected through special zoning developed before the current tools were in the *Vancouver Charter*. In Gastown (HA-2) and Chinatown (HA-1), this special zoning is combined with the heritage designation on title of all properties, resulting in protection similar to that which would be provided through an HCA. While the FS ODP zoning in First Shaughnessy provides clear goals and objectives for heritage, it was not combined with the designation of properties and thus did not have the same effect.

Consideration of a Heritage Conservation Area for First Shaughnessy

Two regulatory framework options were explored with the goals of achieving greater protection of heritage and character homes as well as the preservation of trees and existing landscape features in First Shaughnessy. The analysis undertaken is described in the consultant report and is outlined briefly in Table 1 below. For a more fulsome discussion, see Section 2 and 3 of Appendix I, First Shaughnessy Consultant Recommendations Report, Donald Luxton & Associates. Note in both options that improvement to the compatibility of new development is possible by amending the zoning regulations that relate to built form and building siting, and also by refining the area’s design guidelines.

Table 1 - Comparison of Regulatory Options Considered for First Shaughnessy

	ADVANTAGES	DISADVANTAGES
Option 1 Maintain the current FS ODP	<ul style="list-style-type: none"> No changes to regulatory framework required. 	<ul style="list-style-type: none"> Ongoing confusion over the meaning of a listing on the Heritage Inventory. Properties on the Heritage Inventory that are not protected heritage properties can be demolished. Lengthy enquiry processes when demolition proposed. Possible continuation of price escalation due to speculation of development expectations for pre-1940 homes. Continued erosion of neighbourhood character and loss of heritage homes.
Option 2 Adopt the HCA Development Plan as the HCA ODP	<ul style="list-style-type: none"> Clarity of heritage merit for pre-1940s homes through a detailed list of pre-1940 properties scheduled under the HCA. No loss of development potential for protected heritage property, thus no compensation required (unlike a heritage designation process). 	<ul style="list-style-type: none"> Possible dampening of price growth for pre-1940 homes, which may be offset by overall value retention if area’s heritage character is maintained.

	ADVANTAGES	DISADVANTAGES
	<ul style="list-style-type: none"> • Shorter enquiry process for pre-1940 homes and Statement of Significance no longer required. • Ongoing maintenance standards can be established through a Minimum Maintenance Standards Bylaw. • Less reliance on time-consuming Heritage Revitalization Agreements to achieve heritage conservation outcomes. • Removal of requirement for heritage designation of individual properties. 	

In Option 2, analysis of numerous scenarios was conducted regarding the current First Shaughnessy Heritage Inventory appended to the First Shaughnessy Design Guidelines, as explained in Section 3 of the consultant report (See Appendix I, Donald Luxton & Associates). The key advantage to listing the properties in a schedule to the HCA ODP is that these properties become protected heritage property. Based on the analysis undertaken, the consultant recommends Option 2 and that Council designate First Shaughnessy as an HCA and schedule all pre-1940 properties in the area as protected heritage property under the HCA ODP.

In other municipalities, HCAs are established under their Official Community Plans. For Vancouver, Council would need to adopt the HCA Development Plan as the HCA ODP in order to implement Option 2. The HCA ODP will apply to all areas of the City that are designated as HCAs, with the First Shaughnessy HCA being the first HCA to be designated. As required by Section 596A of the *Vancouver Charter*, the draft by-law attached to this report as Appendix B includes the following information for the First Shaughnessy HCA:

- A description of the special characteristics that justify the designation of First Shaughnessy as an HCA and the objectives of the designation (in Appendix B, see Section 3 and Schedule A2).
- Design guidelines for the First Shaughnessy HCA respecting the manner in which the objectives are to be achieved (in Appendix B, see Schedule A3).
- A list of buildings, structures, lands or features in the First Shaughnessy HCA to be designated as protected heritage property (in Appendix B, see Schedule A4).

In the future, the same information will be required for any other areas of the City that are designated as HCAs. The question of whether there are other parts of the City that should be considered for designation as an HCA will be examined as part of the upgrade of the Vancouver Heritage Register and review of the Heritage Conservation Program, being undertaken through the Heritage Action Plan. Should other areas be identified, an amendment to the HCA ODP would be required in order to schedule the area as an HCA and add the same information listed above regarding each proposed HCA to the HCA ODP by-law, following a Public Hearing.

Updated First Shaughnessy Heritage Inventory

The current Council-adopted First Shaughnessy Heritage Inventory was reviewed and updated by the consultant as described in their report attached as Appendix I (see Appendix C of the consultant report for details). The final recommended list to be scheduled in the HCA ODP as protected heritage property includes 317 properties (exclusive of separate strata lots within a property that has been subdivided by strata plan). A total of 43 properties were removed from the existing list of 353 properties that comprised the First Shaughnessy Heritage Inventory as they are now demolished, while 7 properties have been added that were not previously listed but have been now confirmed by the consultant as being built prior to 1940.

Schedule A4 of the HCA ODP is inclusive of all strata titles associated with a pre-1940s building, as common property may include heritage features and strata properties may have shared obligations under the new regulations.

The consultant notes that a small number of sites have been significantly and/or unsympathetically altered, but should remain on the list as they might one day be restored. Once adopted, any amendments to this list must be made by Council after a public hearing.

Heritage Procedures & Standards of Maintenance

The current FS ODP has been found to be declining in its effectiveness to manage the conservation of heritage buildings and character in First Shaughnessy in today's development climate. While the HCA ODP will vastly improve the way change is managed in the area, it is also necessary to adopt clear procedures and standards of maintenance in order clarify processes for all proposed development in the HCA.

The recommended Heritage Procedure By-law (see Appendix C) delegates certain authorities to the Director of Planning and Chief Building Official to enable a faster response to heritage concerns and provides details on procedures for Heritage Alteration Permits. Heritage Alteration Permits (processed concurrently with Development Permits) are generally required when changes are proposed to a designated building or property listed in a schedule to a Heritage Conservation Area. The Heritage Procedure By-law will provide greater clarity to the public and owners of designated heritage properties across the city regarding the procedures the City uses to manage heritage property, as provided for in Part XXVIII - Heritage Conservation of the Vancouver Charter.

The Heritage Property Standards of Maintenance By-law (see Appendix D) outlines minimum requirements for maintenance of property in the First Shaughnessy Heritage Conservation Area to ensure the objectives of the area are upheld and that further "demolition through neglect" of pre-1940 homes is avoided. It is recommended that the Heritage Property Standards of Maintenance By-law apply only to property within the First Shaughnessy HCA at this time. However, as it could be beneficial to the management of heritage resources across the City, staff and the consultant will consider extending its applicability to designated heritage properties city-wide as part of the forthcoming Heritage Conservation Program review.

Implications for Future Rezoning Applications

Section 561(3) of the *Vancouver Charter* requires that all development plans include housing policies respecting affordable housing, rental housing and special needs housing. To develop this policy, consideration was given to Council's current Interim Affordable Housing Rezoning Policy and the proposed First Shaughnessy HCA. The recommended policy for First Shaughnessy is that future rezoning applications for these purposes be considered on the area's main arterial streets of West King Edward Avenue, Granville Street, and West 16th Avenue on sites with a rear lane and where there would be no loss of pre-1940 homes. To ensure that applications meet the objectives of the First Shaughnessy HCA, design guidelines have been developed and are included in Appendix B (see Schedule A3).

Zoning Regulation Changes

For many years, concerns have been expressed by members of the First Shaughnessy Advisory Design Panel and the broader community about the compatibility of new development with the area's character. Concerns expressed include the extreme size and scale of new buildings, faux heritage elements and interpretations of grandeur, and impacts of building setbacks and underground parking ramps on mature landscaping, trees, and streetscape views. There is also concern that the continuation of current development trends will result in the significant erosion of the neighbourhood's historic character and the distinct qualities outlined in the FS ODP and First Shaughnessy Design Guidelines.

To address the issues raised, the following process was conducted: a comprehensive technical review of the zoning regulations; review of past studies of the area; consultation with the public, stakeholder, and advisory groups; practitioner round-tables to consult with architects and design experts to identify solutions; and additional consultation with the public and advisory groups on the proposed changes. Should Council choose to designate First Shaughnessy as an HCA, a new District Schedule will be required to regulate development in the area as the FS ODP would be repealed. The new District Schedule for First Shaughnessy, as generally outlined in Appendix E, is based on the regulations in the FS ODP with updates to reflect the solutions that have been identified to address the issues of compatibility. In addition, the regulations have been updated and enhanced to improve support for the restoration of pre-1940 homes and to ensure that as many homes as possible are able to take advantage of flexibility in the zoning aimed at facilitating heritage building rehabilitation.

A key objective of the proposed zoning changes is to balance the opportunities, or level the playing field, for both pre- and post-1940 homes. It is widely acknowledged that much of the pressure to demolish pre-1940 homes in recent years is due to the advantages the current zoning affords to new buildings, such as minimal setbacks, significant buildable floor area, and large floor area exclusions. The proposed changes will provide new and improved benefits in the zoning for pre-1940 homes, while at the same time introducing updated regulations for new buildings that will result in homes more compatible with the area's heritage character and scale.

The key benefits for pre-1940 homes with the proposed zoning changes include the following:

- More pre-1940 sites qualify for Infill and Multiple Conversion Dwelling (MCD) use than under current regulations.

- New Coach House use is added for smaller pre-1940 properties that are not eligible for Infill or MCD.
- Increase in allowable floor area for pre-1940 homes resulting from the exclusions of basements from floor area calculations.
- Greater flexibility for retention projects through broad relaxation provisions specifically for pre-1940 homes.
- Overall balancing of redevelopment opportunities for pre- and post-1940 properties, resulting from:
 - New regulations for yards, setbacks, building depth and building footprint so that buildings better reflect existing built form patterns.
 - Introduction of a maximum floor area for new developments (9,800 s.f.) that better respects the historic character of the area.
 - Reduction of currently oversized floor area exclusions (i.e. parking, open to below spaces).
 - Required retention of mature trees and landscaping.

A table describing how the new District Schedule for First Shaughnessy differs from the regulations in the current FS ODP with regards to regulations around use, built form, and building siting, along with a description of the benefits provided by the changes, is attached as Appendix F. Also included in this table is a list of miscellaneous housekeeping amendments that are also recommended.

It is anticipated that adopting a new District Schedule for First Shaughnessy with the above noted revisions to the current regulations will address the community's concerns of the scale, siting and style of buildings. It will also address impacts of new development on the area's mature landscaping and trees, and provide architects and designers with flexibility for creative responses to unique site conditions and client desires, while ensuring that new buildings contribute rather than detract from neighbourhood character.

Consequential Amendments to Existing By-laws

Should Council approve the adoption of the HCA Development Plan as the HCA ODP, it will be necessary to make minor amendments to two existing by-laws. Amendments to the Heritage By-law will add references to the existence of HCAs, as outlined generally in Appendix G. The Parking By-law amendments will also add reference to the existence of HCAs, and will extend the current relaxation provisions for heritage buildings to include protected heritage property located in HCAs, as outlined in Appendix H.

Economic Analysis of Recommendations

Throughout the review process, concerns have been expressed about impacts of the proposed designation of First Shaughnessy HCA on land values. Similar concerns have been raised in other neighbourhoods through the Heritage Action Plan process, particularly around the temporary procedures adopted in Council in June 2014 to encourage retention of character homes. In general, people are mostly supportive of heritage and character home retention but want to ensure property values are not negatively affected.

Coriolis Consulting was part of the consulting team and they examined the issues to support Council's understanding of the economic implications of the proposed Heritage Conservation

Area in First Shaughnessy and zoning changes. Their analysis looked at trends in sales volume and price for different types of properties over key periods of time, and is included in Appendix K. They compared sales in First Shaughnessy to a nearby neighbourhood, as well as to the overall west side of the City.

Generally, the consultant's findings show that the First Shaughnessy area has consistently performed the same or better than both the comparable neighbourhood and the west side average. In addition, the data shows that the City's efforts to slow demolition, by implementing a character review process and a temporary Heritage Control Period, have not caused un-renovated pre-1940 character homes to drop in property value. In addition, new homes in First Shaughnessy saw greater increases in sales value during the periods examined.

The consultants note that it is difficult to quantify the market impact of designating First Shaughnessy as an HCA based on past sales, due to the small number of sales overall and the significant diversity among First Shaughnessy properties in terms of lot size and condition of existing buildings. With this in mind, the following highlights of the study are worth noting:

- The average sales price of unrenovated pre-1940 homes has risen 73% in the past 5 years, including the periods when the City implemented the administrative bulletin on character merit and adopted the Heritage Control Period (See Exhibit 11B in Appendix K). Renovated pre-1940 homes saw an 83% price increase while properties built between 1940 and 1999 saw a 51% during this same period.
- Looking at the 9 months following the adoption of the Heritage Control Period, the average sales price of unrenovated pre-1940 homes increased by 24%.
- Comparatively, average sales prices for pre-1940 homes in the comparable study area outside of First Shaughnessy increased 28-30% in this 5 year period (See Exhibit 8B in Appendix K).

While this growth in average sales price in First Shaughnessy may be due to speculation that properties could eventually be demolished or unique features of the homes being sold, it also demonstrates the high desirability of the neighbourhood and shows that buyers are not deterred by heritage controls in this prestigious area.

Coriolis also looked at changes in average sales per month over the previous 5 years, with the following notable highlights:

- The average sales of unrenovated pre-1940 homes in First Shaughnessy increased by 67% after the City implemented the administrative bulletin on character merit, and then increased a further 17% after the adoption of the Heritage Control Period (See Exhibit 12A in Appendix K).
- During the same two time periods as noted above, the west side average sales increased only 7% and then decreased -11%, while unrenovated pre-1940 homes in the comparable study area increased 77%, and then decreased by 19% respectively.

As shown in the consultant study, changes to sales volumes over time can be quite dynamic due to a variety of factors. Despite this, and the measures taken by the City to retain

heritage buildings in First Shaughnessy over the past few years, the impact on sales volume of unrenovated pre-1940 homes has been similar to or better than the average sales of similar properties in other parts of the city.

Overall, it is believed that First Shaughnessy has maintained its value over time due to the emphasis in the FS ODP on the heritage value of the neighbourhood, and that with strengthened zoning the area will continue to maintain value. While there may be some recalibration of sales values from the exponential growth experienced historically, the growth experience during the Heritage Control Period is expected to continue.

The analysis shows that the area is highly desirable by the market, and even during a period of uncertainty due to the zoning review, growth in sales price for unrenovated pre-1940 homes was still occurring. While the designation of First Shaughnessy as an HCA may temporarily dampen the growth rate for property values of pre-1940 homes, they are expected to experience growth and are not expected to reduce in value.

As for the impact to land value stemming out of the proposed processing and regulatory changes in First Shaughnessy, the consultant looked at impacts based on their knowledge of market response to these types of changes. They report that the changes in processing, which include a shorter enquiry process for development permits for pre-1940s homes, are not expected to have a negative impact on the market. Regarding the regulatory changes, they note that the market may view the proposed changes as more restrictive for pre-1940 homes and that the off-setting incentives for small homes on small sites may not be sufficient to prevent a change in market interest on these sites. To address this, revisions have been made to the proposed changes to ensure that the development opportunities for pre-1940 homes are considerable, useful, and effective, and include:

- Revisions to the criteria for Infill and Multiple Conversion Dwelling, both of which can be strata-titled;
- The addition of Coach House as a rental-tenure dwelling use for small lots; and
- Additional clarity in language in relaxation provisions.

Finally, for new construction, the consultants note that the proposed changes might have an upward influence on value for smaller sites, as the proposed changes result in a small amount of increased floor area, while the reverse might be true for larger sites. They conclude that, any risk of negative impacts may be felt in dampening the pace of price growth not an actual decline in property value.

Summary of Public Engagement and Consultation Activities

Public consultation in the implementation of the Heritage Action Plan, including the zoning review for First Shaughnessy, has been multi-faceted, providing the public with a variety of ways to get involved, learn more and provide their feedback. A description of the process, as well as a summary of findings, is described in the Consultation Summary Report attached as Appendix J. Highlights of the various engagement opportunities are summarized below.

Heritage Action Plan Public Advisory Committee

- Established to provide input and guidance to the overall Heritage Action Plan, and includes representatives from First Shaughnessy, as well as City advisory bodies and other stakeholder groups.
- The committee has met 8 times since the Fall of 2014, with a focus on First Shaughnessy at most meetings.

Advisory Committees and Stakeholder Groups

- Staff and consultants attended 24 meetings with advisory bodies and other stakeholder groups, including 4 meetings with the Shaughnessy Heights Property Owners Association.

Open Houses & Learning Sessions (February - March 2015), Info Sessions (April 2015)

- 3 open houses held on the Heritage Action Plan and the zoning review of First Shaughnessy, with approximately 240 attendees. To promote these open houses, 652 post-card notifications were mailed to First Shaughnessy property owners, posters were placed in community centres and libraries, and email notices were distributed through community email lists.
- To provide opportunity for more in-depth learning and discussion about the technical aspects, 4 learning sessions were offered specifically on the First Shaughnessy review. Due to low public interest, only 1 session was held with 5 people attending to discuss the technical aspects of the zoning review.
- 2 information sessions were held to provide the public with the opportunity to review the recommendations and provide additional feedback, with approximately 70 attendees.

Questionnaires (February - March 2015, and April 2015)

- A survey on general heritage attitudes was distributed online through TalkVancouver.
- A longer survey on the options for First Shaughnessy was made available at the Open Houses in February/March and online.
- A third questionnaire on the proposed recommendations for First Shaughnessy was made available at the 2 information sessions in April and online.
- Detailed summaries of the surveys are available online at: www.vancouver.ca/heritage-action-plan (see the “Documents” tab)

Online Opportunities

- In addition to the above, online opportunities were provided and feedback was enabled through the city’s website and social media channels. The Heritage Action Plan email notification list has over 200 registrants and is used regularly to provide updates on the HAP and opportunities to be involved.

Concurrent Partner Events

- The HAP consultant also worked with the Heritage Vancouver Society on a speaker series, including a discussion entitled “Are Heritage Conservation Areas Right for Vancouver?”

To ensure the public had the opportunity to understand the proposed changes for First Shaughnessy before completion of the report, several additional engagement activities were undertaken. These included 5 meetings with advisory and stakeholder groups and 2 public

information sessions, at which a short questionnaire was available to collect feedback. The recommendations and questionnaire were also posted online for public review and feedback. Approximately 70 people attended the information sessions and 62 questionnaires were received.

Summary of Public Feedback

As described above, a robust public engagement process with many opportunities for the public to learn about the options under consideration and to express their concerns was provided. The following briefly summarizes the feedback received.

Survey Responses

- ***Most people value heritage and neighbourhood character***
 - 94% place a lot or some value on historic places or heritage buildings
 - 73% think that we need to preserve heritage buildings whenever possible
 - 92% place a lot or some value on character buildings
 - 90% think that the retention of character buildings should be encouraged

Source: Short Questionnaire #1 (Feb-March TalkVancouver Survey)

- ***Most people support heritage in First Shaughnessy***
 - 62% support or mostly support the current zoning's intent and heritage goals
 - 13% don't support the current zoning's intent and heritage goals

- ***Most people support establishing a Heritage Conservation Area (HCA) in First Shaughnessy, but there are some concerns***

In the February-March questionnaire:

 - 59% strongly support or support the establishment of an HCA
 - 21% don't support or strongly don't support the establishment of an HCA

In the April questionnaire:

 - 64% fully support the establishment of an HCA, or are supportive with changes
 - 27% don't support the establishment of an HCA

- ***Most people support the proposed zoning changes***
 - 59 - 66% strongly support or support the development options presented at the February-March Open Houses

Source: Long Questionnaire #2 (Feb-March Open Houses)

 - 70-72% fully support or support with changes the proposed zoning changes presented at the April information sessions, except for minor amendments to existing by-laws where 51% fully support or support with changes and 23% of respondents were not sure.

Source: Short Questionnaire #3 (April Information Sessions)

Public Advisory Committees

Both the Vancouver Heritage Commission (VHC) and the First Shaughnessy Advisory Design Panel (FSADP) have been engaged throughout this process. Both committees have been

supportive of the concept to establish a Heritage Conservation area for the area, as they have been concerned about the loss of character homes in recent years and the form that new development has been taking.

The VHC passed a motion of support on May 4, which states:

THAT the Vancouver Heritage Commission supports the recommendations that are being made by the Heritage Action Plan team with regard to the First Shaughnessy District and designates Richard Keate to speak to Council on behalf of the Commission.

While the FSADP has been supportive of the recommendations to protect the area's heritage, it has also expressed concern regarding several implementation details. Of concern to the FSADP has been the benefits for pre-1940 home owners, the proposed rezoning policy for affordable, rental and special needs housing, impact to neighbourhood character and the degree to which landscapes will be protected in the future. At their meeting on May 28, the FSADP heard staff present additional information and updates on recent adjustments to the proposals that addressed key concerns, and passed a resolution of support for the information as presented.

Key Areas of Public Concern

Overall, the areas of greatest concern from the public and advisory committees include:

- Uncertainty of benefits for pre-1940 homes and concern that HCA and zoning changes will negatively impact property values.
- Changes to neighbourhood character due to increase in Infill/Multiple Conversion Dwelling and related parking requirements.
- Changes to neighbourhood character that may result from potential future rezoning applications under the proposed rezoning policy in the HCA ODP.
- Concern for protection of heritage landscape features, mature landscaping and trees.

In response to these concerns, the following adjustments have been made to the proposals and are reflected in the recommendations of this report:

- *Uncertainty of benefits for pre-1940 homes*
 - Increased clarity of language around the broad relaxation provisions for pre-1940s homes in the District Schedule.
 - Added the provision for “coach house” use (habitable space above accessory building or garage) for pre-1940 homes that are not eligible for infill or Multiple Conversion Dwelling due to lot size.
 - Adjusted the minimum lot size for infill dwellings to a minimum of 18,000 s.f. from 23,000 s.f. so that more properties qualify.
 - Revised the formula for Multiple Conversion Dwelling eligibility from a minimum existing floor area, to a minimum lot size so that more properties qualify.

- *Concern for changes to neighbourhood character due to Infill/ Multiple Conversion Dwelling and parking requirements*
 - Reviewed feedback and property statistics and determined that need to provide additional benefits in the zoning for pre-1940 home owners outweighed concerns raised regarding a potential increase in infill and Multiple Conversion Dwelling buildings.
 - Recommended parking relaxations for protected heritage property will ensure that each development application is reviewed on a case-by-case basis to ensure site context and parking needs are carefully considered.

- *Rezoning policy for affordable, rental and special needs housing*
 - Reviewed concerns in the context of Council's policies to increase affordable housing choices across all neighbourhoods and made the following amendments:
 - Removed consideration of rezoning applications for lots without a lane, as well as lots fronting on arterials east of Granville Street (as identified in the Interim Affordable Housing Rezoning Policy) due to street size, character, and location in the HCA
 - Added additional detail to ensure that rezoning applications meet design guideline requirements regarding compatibility with neighbourhood character, mature landscape retention, and quality of building materials
 - Added design guidelines provisions to specify that setbacks and height requirements of zoning shall be met.

- *Protection of Heritage Landscape features, mature landscaping and trees*
 - The Historic Context for First Shaughnessy (attached as Schedule A - Appendix A2, in Appendix A of this report) describes the heritage character of First Shaughnessy as being inseparable from its landscape.
 - Additional language incorporated into Design Guidelines and the new District Schedule to ensure the retention of distinctive heritage landscape features, mature landscaping, and trees are considered in all developments.
 - Coordination with initiatives arising from the Urban Forest Strategy, including the Protection of Trees By-law, will be undertaken to improve measures to protect the urban forest of First Shaughnessy and other character neighbourhoods through the balance of the Heritage Action Plan, including the update of the Vancouver Heritage Register.

The feedback indicates that the majority of the community supports the objective of retaining the pre-1940s heritage character of First Shaughnessy, and the establishment of an HCA. There are concerns about impact on land values; implementation of the HAC and related new by-laws; and the proposed changes to zoning regulations that require modified building forms and massing. Concern over these areas may lessen as the new regulations become more established and their overall benefit to the neighbourhood is realized.

Financial Implications

Real Estate Services has reviewed the report and consultant study, including the economic analysis by Coriolis Consulting and agree with the findings.

There are no significant financial implications to the City as a result of the establishment of an HCA for First Shaughnessy and adoption of a new District Schedule and related heritage by-laws.

Implementation

Part XXVIII (Heritage Conservation) of the *Vancouver Charter* outlines the authorities available to Council related to delegation of Council authorities under this part, mechanisms for Heritage Review, and tools and methods for temporary protection and continuing protection, including the designation of an HCA. The recommendations in this report would provide the City with new mechanisms for heritage conservation that will enhance the way in which heritage resources are managed and supported. There are aspects of the implementation process for these new mechanisms that should be considered by Council, as outlined below.

Temporary Protection of First Shaughnessy

- Pursuant to Section 589A of the *Vancouver Charter*, all property within an area to be designated an HCA has temporary protection for a period of 120 days beginning on the date of first reading of a by-law to adopt a development plan establishing the HCA because the prohibitions set out in Section 596B(1) apply to property within the HCA as though the by-law to adopt the HCA ODP was already adopted. Approval by Council of Recommendation B in this report would constitute first reading of the by-law appended in Appendix B, and initiate an additional 120 days of temporary protection. This new protection period will take effect after the expiry of the current Heritage Control Period (First Shaughnessy) By-law on June 24, 2015.
- Section 596B(1) of the *Vancouver Charter* prohibits certain actions affecting protected heritage property and property within an HCA unless the action has been authorized by a heritage alteration permit.

Implications for Applications in Stream

- A number of applications and enquiries in respect of property in First Shaughnessy are currently being processed under the current FS ODP and the Heritage Control Period (First Shaughnessy) By-law enacted in June 2014. Should Council approve the recommendations in this report, these applications may be impacted as Section 596B(1) of the *Vancouver Charter* will apply for 120 days following approval of Recommendation B. This will require heritage alteration permits to be issued for certain actions affecting property within the proposed First Shaughnessy HCA. Heritage alteration permits could be issued in accordance with the *Vancouver Charter* and the current Heritage By-law during the 120 day temporary protection period until the new by-laws are enacted.

The City would not be required to issue any heritage alteration permits during the 120-day period. The new by-laws are intended to be enacted prior to the expiry of the 120 day temporary protection period. After enactment, applications and any current enquiries must be considered under the new by-laws and zoning regulations

Special Notification Requirements

- *Vancouver Charter* Section 599 and 600 outline special notification requirements for Part XXVIII (Heritage Conservation) and are described below.
- Reasonable effort needs to be taken to notify owners and occupiers of properties that will be listed as Protected Heritage Property.
- To meet the notification requirements of the Charter, the following approach will be implemented:
 - Registered mail to all property owners in the proposed First Shaughnessy HCA, including the list of properties to be added to the Schedule to the HCA ODP as protected heritage property
 - Letters to occupiers of all properties to be added to the Schedule to the HCA ODP as protected heritage property
 - Posted notices on all properties to be added to the Schedule as protected heritage property. Council is required to give the General Manager of Planning and Development Services the authority to enable this action, as outlined in Recommendation C.

CONCLUSION

This report proposes a new regulatory structure for heritage property in the City, with First Shaughnessy being the first area to be designated as a Heritage Conservation Area. The designation of First Shaughnessy as an HCA, along with the adoption of new zoning regulations for First Shaughnessy, related heritage by-laws, and amendments to existing by-laws as described in this report would uphold Council-adopted goals and objectives for the heritage protection of the unique and important part of the City. This action will ensure the on-going intrinsic and tangible heritage values of this area are maintained for future generations. In turn, this will ensure that property owners in this neighbourhood will be assured the area will remain one of Vancouver's most prestigious residential areas, as was the initial plan for this neighbourhood at the time it was established by the CPR in 1907.

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