

CITY OF BURNABY

HOUSING COMMITTEE

*HIS WORSHIP, THE MAYOR
AND COUNCILLORS*

C

**RE: REZONING REFERENCE #02-48
6545 BONSOR AVENUE**

RECOMMENDATIONS:

1. **THAT** Council approve the use of the Community Benefit Bonus policy and authorize staff to include the density bonus provisions within a report to Council requesting advancement of the rezoning application to a Public Hearing on 2003 April 29, as outlined in this report.
2. **THAT** copies of this report be sent to Martin Bruckner, Hancock Bruckner Eng & Wright Architects, 300 - 1445 West Georgia Street, Vancouver, B.C. V6G 2T3 and Victor Durman, Claredon Holdings Ltd., 2800 Harbour Centre, Box 12091, 555 West Hastings Street, Vancouver, B.C. V6B 4N5.

REPORT

The Housing Committee, at its Open meeting held on 2003 March 17, received and adopted the attached report outlining a proposed use of the Community Benefit Bonus for the conversion of existing commercial space to create new residential rental units within the existing mixed-use high-rise rental apartment building at 6545 Bonsor Avenue.

The Committee noted that this proposal to convert commercial space to residential space entails increasing the residential density to allow a maximum site FAR of 2.60 which is beyond the maximum 2.2 FAR permitted under the RM5 Multiple Family Residential District.

The Committee advised that this rezoning proposal will result in 21 new residential units within Metrotown where there is an existing demand for rental units as reflected by low vacancy rates. The Committee further advised that the property owners are supportive of a proposal to register a covenant, guaranteeing the entire building to remain as rental housing.

Respectfully submitted,

Councillor C. Redman
Chair

Councillor D. Johnston
Vice Chair

Councillor C. Jordan
Member

:COPY - CITY MANAGER
- DIRECTOR PLANNING & BUILDING
- CHIEF BUILDING INSPECTOR

2003 March 13

TO: CHAIR AND MEMBERS
HOUSING COMMITTEE

FROM: DIRECTOR PLANNING AND BUILDING

SUBJECT: REZONING REFERENCE #02-48
6545 BONSOR AVENUE

PURPOSE: To submit a recommendation regarding a proposed use of the Community Benefit Bonus for the conversion of existing commercial space to create new residential rental units within the existing mixed-use high-rise rental apartment building at 6545 Bonsor Avenue.

RECOMMENDATIONS:

1. **THAT** the Housing Committee recommend that Council approve the use of the Community Benefit Bonus policy and authorize staff to include the density bonus provisions within a report to Council requesting advancement of the rezoning application to a Public Hearing on 2003 April 29, as outlined in this report.
2. **THAT** copies of this report be sent to Martin Bruckner, Hancock Bruckner Eng & Wright Architects, 300 - 1445 West Georgia Street, Vancouver, B.C. V6G 2T3 and Victor Durman, Claredon Holdings Ltd., 2800 Harbour Centre, Box 12091, 555 West Hastings Street, Vancouver, B.C. V6B 4N5.

REPORT

1.0 BACKGROUND

At its regular meeting of 2003 January 27, Council received the report of the Director Planning and Building regarding a rezoning application, Rezoning Reference #02-48, for the property at 6545 Bonsor Avenue and authorized staff to work with the applicant towards a suitable density bonus arrangement for the proposed rezoning on the understanding that a more detailed report would be submitted to the Housing Committee for their consideration, for which the following discussion is provided.

2.0 EXISTING MIXED-USE BUILDING

61 The subject property is currently zoned CD Comprehensive Development District, based on the RM5 Multiple Family Residential District and the C3 General Commercial District (see attached Sketches #1 and #2).

The site was originally developed as one of the City's first mixed-use developments through Rezoning Reference #46/70. The building, which is set back from the street in a landscaped front yard, features three main components with respect to building form and use. The base is a two-storey commercial/office podium, with a Floor Area Ratio (FAR) of about 0.43. Above is a one storey amenity level consisting of common lounge areas and recreation space, and an open recreation deck with a swimming pool and badminton court. The total floor area on the third floor amenity level included in the original density calculations amounts to approximately 63.4 m² (682 sq.ft.), representing the square footage of the change rooms. Above the amenity level is a fourteen storey residential tower consisting of thirteen residential storeys plus a penthouse, with a total of 106 apartment units. The density of the residential portion of the building is 2.1 FAR. Therefore, the total existing combined mixed use FAR is approximately 2.53. Some additional space on the third floor was subsequently enclosed, creating additional common amenity space.

3.0 REZONING PROPOSAL

The purpose of the proposed rezoning bylaw amendment to Amended CD (RM5) is to permit the conversion of existing commercial/office space within the mixed-use high rise rental apartment building to create new residential rental units, resulting in the entire building being for residential use.

This project represents an unusual case where a mixed use development was built on a street that evolved to downplay its intended commercial component. In general, street fronting ground level commercial space is encouraged today in developments occurring in the City's core areas. This provides for the service of some local needs as well as adding pedestrian activity and vitality to the streets and contributes to the variety of restaurant and retail space found in the city. Bonsor Avenue, although still in the core of Metrotown, has evolved into a predominantly residentially-oriented street opposite the Bonsor Recreation Complex and Park.

The new property owners are proposing to modernize the building and make it fully residential through the proposed conversion of commercial space to new residential space. As part of the building upgrades, the owners have indicated that as tenancy of the existing units changes, interior upgrades will be completed, including such items as new appliances and floor coverings as necessary.

Included in the rezoning proposal is the relocation of the on-site amenity space to part of the first floor, previously occupied by commercial space, and the conversion of the remaining commercial spaces on the first and second floors as well as the covered areas of the amenity level to additional residential units. The property owners have indicated that the presence of the existing office space within the predominantly residential building has given rise to situations of conflict between the commercial and residential uses with respect to building security and access. Although the office

space has been regularly occupied over the years, the owners propose that the conversion of the space to residential use will provide greater protection from potential vacancy problems and will create overall consistency within the building for its residential tenants. A total of 34 parking spaces are required for the proposed 21 residential units. On-site parking for the new units will be accommodated through the conversion of the existing 37 commercial parking spaces to meet the residential parking requirements. The proposed internal change of use represents a significant investment by the current property owners to modernize and upgrade the building, while providing additional residential rental units.

The density bonus arrangement discussed below provides for a maximum site FAR of 2.60, for a total gross floor area of 9,160 m² (98,000 sq.ft.) with the exclusion of up to five percent of the building's gross floor area or 278.7 m² (3,000 sq.ft.) for above grade amenity space.

4.0 COMMUNITY BENEFIT BONUS PROPOSAL

The use of density bonus provisions to achieve the proposed conversion of the existing commercial space at 6545 Bonsor Avenue for the creation of an additional 21 residential rental units was identified in the 2003 January 27 Council report as a means of permitting the proposed conversion of floor space. The City's Community Benefit Bonus policy for affordable housing and amenities in Town Centre areas was adopted by Council in 1997, with Section 6.22 of the Burnaby Zoning Bylaw providing the regulations for application of density bonus provisions within the City's four Town Centres. Section 6.22 (3)(d) of the Bylaw identifies guaranteed rental housing as an amenity eligible for consideration as affordable or special needs housing in an application for a density bonus. The background policy document, however, states that the provision of guaranteed rental housing would be eligible for a more modest density bonus, representing a portion of the maximum potential density bonus.

This project represents a unique situation, which was likely not envisioned when the Community Benefit Bonus regulations were established, with respect to an internal change of use and the application of density bonus regulations to the conversion of existing, built floor area, rather than for new construction. In this regard, the following is provided in support of the proposed conversion of commercial space for the creation of additional residential rental units on the basis that the proposed change of use represents the provision of guaranteed rental housing, which will be available at affordable rental rates relative to the rates associated with rental units within new buildings.

4.1 Guaranteed Rental Housing

For the purpose of developing the density bonus provisions, affordable or special needs housing was generally defined as housing that the private market cannot or does not provide, including housing that is affordable to low or moderate income households. Guaranteed rental housing is one form of housing that the private market does not readily supply. The construction of new rental housing within Burnaby is very limited primarily as a result of high market demand for condominium or strata unit ownership and that fact that condominium ownership commands a higher land value than rental housing.

Burnaby currently has a total of 13,800 purpose-built rental units, a number which has remained largely unchanged in recent years. The proposal is for the creation of additional 21 guaranteed rental units within the Metrotown core area which, according to the Canadian Mortgage and Housing Corporation (CMHC) statistics for the Metrotown area, has a total of 5,548 purpose-built rental units or approximately 40% of all such units in the city.

There are few examples of new guaranteed rental housing being constructed in Burnaby. Recent examples of proposed new rental construction are not for guaranteed rental housing, but rather for time-limited rental units that could be sold individually in the future. For example, the City is working with applicants on the rezoning of two properties within Brentwood Town Centre near the new Gilmore SkyTrain Station for the purpose of constructing two 19-storey and one 16-story high-rise buildings. These residential towers are proposed to be strata-titled; however, as a prerequisite of the rezonings, Section 219 covenants are to be required, guaranteeing that the units remain as rental for a minimum of 10 years, after which time the individual strata units can be sold. As guaranteed rental housing, the proposed new 21 units within the Metrotown area represent new rental housing that would likely not otherwise be provided by the private market.

The registration of a housing agreement/covenant on title for the entire building, guaranteeing that both the existing and the proposed new units remain as rental housing, is proposed to be included as a prerequisite of the rezoning. Although Council does not support the conversion and strata titling of existing rental apartment buildings, the registration of such a covenant is seen as testament of the owners' dedication to the provision of guaranteed rental housing and a further means of guaranteeing that the rental units are not converted into individual strata titled units in the future under amended provincial legislation.

4.2 Relative Affordability

The 2002 Rental Market Report, compiled by CMHC, indicates that Burnaby had an apartment vacancy rate of 1.6% in 2002, with the Metrotown area having a 2.0% vacancy rate in 2002. Existing average rental rates for Bonsor Towers are in the range of \$626 to \$642 for bachelor units, \$813 to \$887 for one-bedroom units and \$1,016 to \$1,060 for two-bedroom units, with the higher rates being for units on the upper floors within the building. The owners indicate that average rental rates between floors represent an approximate \$5.00 per floor increase in rental rates as you rise in the building, with the exception of the existing bachelor suites which have rental rates that vary less between floors.

The existing rental rates are between 13 - 19% above the average rates for Metrotown rental units; however, we would note that the Metrotown statistics include the Maywood area's rental housing stock, which is composed primarily of older, low-rise buildings that typically are available at lower rental rates. It appears that higher rental rates are achieved within the Bonsor Towers, a high-rise concrete building with views, in part due to its location, which benefits from close proximity to SkyTrain, Metrotown Centre, Bonsor Recreation Centre, and other neighbourhood amenities.

The owners are proposing that the rental rates for the new units be similar to the existing rental rates for Bonsor Towers, discounted in a similar manner of approximately \$5.00 per floor from the existing 4th floor rates, with the expectation that the proposed ground-oriented units may merit slightly higher rental rates to correspond to the benefit of direct ground orientation.

We note that greater affordability for the proposed new rental units can be achieved through the proposed conversion of existing floor area from commercial use to residential rental use than would be achieved through new construction of purpose-built units.

5.0 CONCLUSIONS

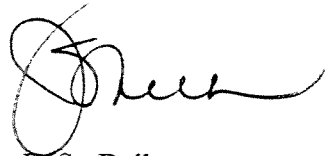
The development of mixed use projects in the City's town centres is common and such developments often achieve higher densities than single-use projects. The elimination of commercial space from mixed use projects is not usually supported. However, the subject building is located outside of a core commercial area on Bonsor Avenue, which has a quieter, non-commercial street character. The provision of relatively affordable rental housing is considered supportable in this situation. The subject rezoning application represents a unique situation proposing the internal change of use and the conversion of space within an existing structure. The provision of the proposed additional rental

units and the fact that the existing apartment building is to remain as guaranteed rental housing through the registration of a housing agreement/covenant are considered factors in justifying the desired density bonus. In addition, the existing commercial use is not considered to be compatible with the residential nature of this stretch of Bonsor Avenue. The owners are proposing to upgrade the building, representing a significant investment in the property which will result in an overall improved building and the creation of 21 new residential rental units.

6.0 RECOMMENDATIONS

Rezoning Reference #02-48 proposes an internal change of use to convert existing commercial floor space within the mixed-use high-rise building at 6545 Bonsor Avenue, for the creation of an additional 21 residential rental units. The proposal to convert the commercial space to residential space entails increasing the residential density beyond the maximum 2.2 FAR permitted under the RM5 Multiple Family Residential District.

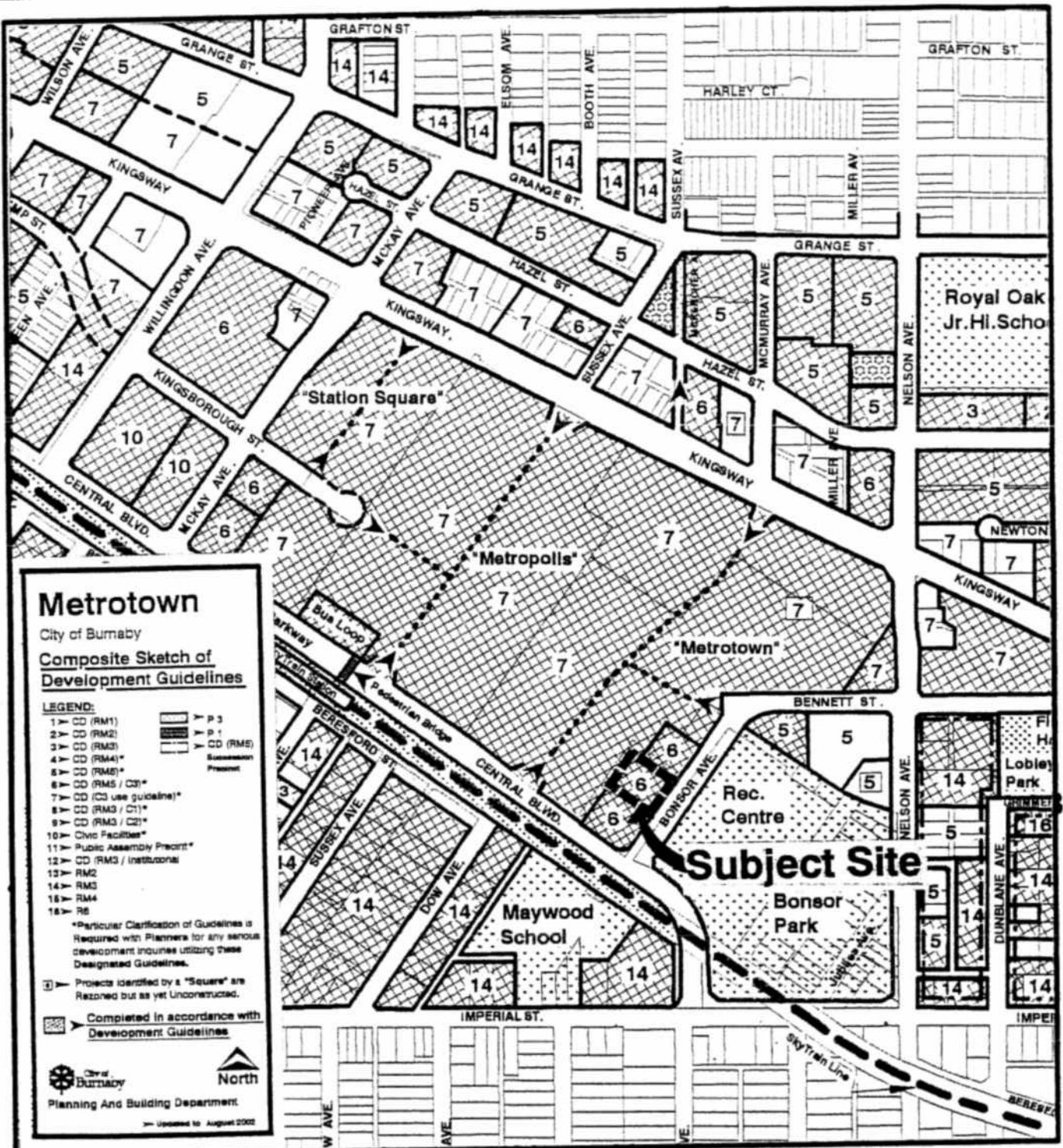
This Department supports the application of density bonus provisions as a means of achieving the proposed building conversion as the creation of new residential rental units will result in a public benefit. This rezoning proposal, Rezoning Reference #02-48, will achieve an addition of 21 new residential rental units within Metrotown where there is an existing demand for rental units, reflected by low vacancy rates. In addition, the property owners are supportive of the proposal to register a covenant, guaranteeing the entire building to remain as rental housing. As such, the City will benefit from the retention of the existing 106 units, and the proposed new 21 units as guaranteed rental housing. Use of the Community Benefit Bonus policy to allow a maximum site FAR of 2.60 is recommended.



J. S. Belhouse
Director Planning and Building

JK:gk
Attach

cc: Chief Building Inspector



Planning And Building Department

Scale: N.T.S.

Drawn By: J.P.C.

Date: September 2002

REZONING REFERENCE 02 -- 48

Sketch # 2

