



# City of Vancouver *Land Use and Development Policies and Guidelines*

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## HERITAGE POLICIES AND GUIDELINES

*Adopted by City Council May 13 and September 23, 1986, July 7, 1987, July 12, 1988 and July 5, 1994*

*Amended October 3, 1989, March 12, 1991, June 16, 1992, January 20, 1998 and September 10, 2002*

*Reaffirmed April 18, 1991*

### **The Vancouver Heritage Register**

City Council has agreed that the buildings, landscape resources, streetscapes and archaeological sites identified in the **Vancouver Heritage Register**, dated August 1986, have heritage significance.

### **Policy On Heritage Designation**

The following has been established as the City's policy on heritage designation:

- The City's long-term goal is to protect through voluntary designation as many resources on the Vancouver Heritage Register as possible.
- Legal designation will be a prerequisite to accepting certain bonuses and incentives.
- The City may initiate designation of buildings of extraordinary merit. Prior to proceeding with designation, the City will address the question of a compensation package to the owner.

### **Demolition Of A Category A Building**

Council has instructed that, prior to consideration of a proposal for the demolition of an "A" building, a formal independent consultant's report on the physical condition and economic viability of retaining the building should be reviewed by the Director of Planning. The consultant's report is to be carried out at the expense of the applicant. Council reaffirmed this policy on April 18, 1991.

### **Landscaping Adjacent To Heritage Buildings**

Council has instructed that as street trees and street landscaping adjacent to heritage buildings are perceived as a component to the building, each proposal to modify such adjacent public lands be considered on its own merit by the appropriate Department or Board as part of the City's heritage incentive package.

### **Development Permit Guidelines**

#### **Conditional Uses or CD-1 Districts**

Council has instructed the Director of Planning and the Development Permit Board to give special attention to the resources on the **Vancouver Heritage Register**, when approving any conditional use or in an area zoned comprehensive development, so that whenever possible, resources on the Register are conserved.

### **Relaxation of Regulations**

Section 3.2.5 of the **Zoning and Development By-law** and the interpretation sections of most official development plans permit the relaxation of regulations in order to conserve a building on the **Vancouver Heritage Register**. The Director of Planning may allow an increase in floor space ratio in order to permit a development that includes the conservation of a building on the Register, provided that he has regard to the cost of the heritage-related conservation, the value of the increased floor area, the impact upon livability and environmental quality of the neighbourhood and the appropriateness of requiring heritage designation as a condition of approval. Where the floor space increase being considered is more than 10 percent greater than the maximum permitted under the zoning, prior Council approval is required.

Section 3.2.1(e) of the Parking By-law permits relaxation for the retention of a heritage site, a building in an HA District or a building on the Vancouver Heritage Register, providing that the Director of Planning may require heritage designation of a building on the Register in exchange for the relaxation.

Council has advised the Director of Planning that it favours liberal use of this relaxation provision where required parking is an impediment to conversion of a building to residential use.

### **Bonus for Heritage Preservation**

The following procedure is to be followed in applying the heritage density bonus provision as permitted by the RM-5, RM-5A, RM-5B and RM-5C Districts Schedule and the Downtown Official Development Plan:

- (1) Eligibility: All Category A buildings on the **Vancouver Heritage Register** located in the RM-5, RM-5A, RM-5B and RM-5C districts and Downtown District (DD) are automatically eligible for consideration. Category B and C buildings may also be eligible for consideration, but must be first approved by Council. In making its decision, Council will consider the advice of the Director of Planning and the Vancouver Heritage Commission, which will be based on the heritage value and geographic concentration of the B and C buildings and the contribution of the proposal to the planning objectives and character of the local area.
- (2) The Director of Planning or the Development Permit Board, on the advice of the Vancouver Heritage Commission, defines the heritage features required to be retained in order to earn bonus density.
- (3) Developer reviews his proposals with Planning staff.
- (4) Bonus amount is calculated by city staff, with the assistance of the applicant, using standardized procedure (see next page).
- (5) Developer makes formal development permit application with appropriate supporting material to indicate details of and rationale for the proposal and analysis of relevant impacts. It is likely that the development permit application would be a “preliminary” one at this stage.
- (6) Director of Planning coordinates final staff review of the proposal with regard to appropriate by-laws, policies and guidelines and in consultation with relevant civic departments, Vancouver Heritage Commission and Urban Design Panel, including whatever public review process he deems appropriate.
- (7) The Development Permit Board or the Director of Planning considers the development permit application along with the recommendations of staff and advisory bodies and makes a decision on the development proposal, subject to Council approval to increase the floor space ratio.
- (8) Council considers a recommendation from the Director of Planning or the Development Permit Board and decides on the proposal to increase the floor space ratio.
- (9) In making a decision, the Development Permit Board and City Council can determine which portion of the heritage bonus density may be used on-site and which portion may be transferred to another site(s) under the **Transfer of Density Policy**.

### **Calculation of Density Bonus**

The following method is to be used in calculating the amount of bonus space for retaining heritage features of a building.

In calculating bonus floor space, two scenarios would be considered:

- (1) Value of land as if **unencumbered** by the heritage structure - the site would be utilized in its highest and best use.
- (2) Value of the land **encumbered** by the heritage structure - the site would be utilized in its highest and best use incorporating the required heritage features of the existing improvements.

The value of the land in Scenario 1 is estimated using the Market Comparison Approach, whereby the sale prices (per buildable square foot) of comparable sites is used.

The value of the land in Scenario 2 would be estimated using a Land Residual Technique, whereby the value of the land is calculated as follows and is a residual amount:

Market Value of the Completed Development - this value would be estimated by the appropriate appraisal method (i.e., Income Approach [income-producing project] or Market Comparison Approach [condominium project]).

Less: Construction (Hard) Costs

Less: Indirect (Soft) Costs - all indirect costs such as professional fees (for architect, lawyer, engineer, development manager), holding costs, contingencies, etc., are deducted.

Less: Developer's Profit

Equals: Residual Value of the Land

The difference between the values calculated under Scenarios 1 and 2 indicates the dollar amount a developer must be compensated to be indifferent between the "encumbered" and "unencumbered" options. By dividing this dollar amount by the market value of land per (buildable) square foot, the amount of required bonus space is estimated.

In order to provide the developer with an incentive to proceed with the "encumbered" option, a percent premium may be necessary. This premium should be applied against the value of the land unencumbered and not the encumbered land value; otherwise, a property "heavily" encumbered receives a very low incentive.

Again, the dollar value of the premium would be divided by the land value per buildable square foot to estimate the amount of additional incentive bonus space.

Once the total amount of bonus space (required plus incentive space) is calculated, the developer and city staff must determine whether the bonus area can be utilized on-site from both a density and highest and best use perspective. If not, a transfer of density may be appropriate and recommendations related to the transfer of density would apply.