

Reinhard Schauer
5868 Olive Avenue #201
Burnaby, BC V5H 2P4

April 27, 2021

City of Burnaby
Office of the City Clerk
4949 Canada Way
Burnaby, BC V5G 1M2

Opposition to Metrotown Rezoning Application #21-07 (6537 and 6521 Telford Avenue)

Dear council:

In council meeting March 29, 2021, Councillor Jordan pointed out significant misrepresentations in rezoning application Rez #21-07. During the 25-minute debate that ensued, it became obvious that council faced difficulties reconstructing the intent of Rez #21-07 relative to the adopted rezoning application Rez #17-26. Mayor Hurley requested from the Director of Planning that the Department of Planning and Building (City Planning) improve the presentation prior to the Public Hearing on April 27, 2021. This is the relevant excerpt:

Hurley, Mayor: Is there an easier way to explain that? It is complex.

Calendino, Cllr: Read carefully the report.

Jordan, Cllr: I have read it ... and it does not matter.

Kozak, Director of Planning: Your Worship, we are working on making this simpler, and we recognize that it can be hard to communicate. So, in future reports we'll certainly make it a lot more easy to understand. But this is a separate application from that which was previous.

Hurley, Mayor: But before it goes to the Public Hearing can we try and simplify it a little bit.

Kozak, Director of Planning: Yes.

Hurley, Mayor: Thank you.

As of April 27, 12 pm, five hours prior to the Public Hearing, the same rezoning application with the same mistakes, misrepresentations, falsehoods, and omissions of essential facts is attached to the Public Hearing's agenda item on the City's website. In fact, I am glad the Director of Planning ignored the Mayor's request to "*simplify it a little*," as that would have almost certainly only deflected from the real issues at hand. Unfortunately, I have seen many Metrotown rezoning applications from which I walked away with a sense of wilful deceit, and with disbelief about how financially and morally wrong they were to the public. Rez #21-07 is another one of this kind.

Before I write further, let me express my complete and utter frustration with the casualness with which City Planning approached yet again rezoning application #21-07. In addition to everything brought up by Councillor Jordan, an hour before submission deadline to the public hearing I recognized another

serious mistake about square footage in Rez #21-07. As the following excerpt of Rez# 21-07 indicates, City Planning suggests a total GFA of 333,564 sq.ft, comprising 293,618 sq.ft. for the market residential building and 48,860 sq.ft for the rental residential building. Problem is this would result in a total of 342,478 sq.ft rather than the indicated 333,564 sq.ft. So here I am again. There is a difference of 8,914 sq.ft, and I have to puzzle where the error might or might not have occurred. Judging by the FAR presentations, I believe the indicated 293,618 sq.ft is wrong and should be somewhere around 285,679 sq.ft. as calculated by $((4.75 \text{ FAR RM5s density} + 1.1 \text{ FAR offset density}) * 48,834 \text{ sq.ft GFA})$. But, this still does not completely yield the stated total of 333,564 sq.ft.

6.4 Gross Floor Area	30,989.11 m² (333,564 sq.ft.) total
Market (strata) residential building	27,278 m ² (293,618 sq.ft.)
- Amenity space exemption	517.8 m ² (5,574 sq.ft.)
- Adaptable unit exemption	137.5 m ² (1,480 sq.ft.)
Rental residential building (<i>No change</i>)	4,539.2 m ² (48,860 sq.ft.)
- Amenity space exemption	73.8 m ² (794 sq.ft.)
- Adaptable unit exemption	27.9 m ² (300 sq.ft.)

I have worked myself through similar situations before and can only reiterate how frustrating this is, especially in this case where even a councillor spoke up and presented the unacceptable presentations in Rez #21-06. Since I do not have correct square footages on which I can rely, I shall assume a reduced gross floor area for the market (strata) residential building of 285,679 sq.ft rather than the 293,618 sq.ft that Rez #21-06 states.

At high risk of being ignored myself at this point, let me start with the conclusion of what is at issue and what and should be debated:

Burnaby City Planning asks council to grant the applicant of Rez #21-07 an additional 34 high-floor condos (26,403 sq.ft) worth somewhere between \$25 and \$30 million in revenues, or more than \$10 million in profits – much is due to the cost-incremental nature of those high-floor high-valued condos on top of an already profitable development proposal. At the same time, City Planning proposes to further cut back on the square footage of 66 already almost minimum-sized rental units by another 652 sq.ft (or, by an average of 10 sq.ft per unit), while making us believe that “No Changes” to the rental space were made.

City Planning promotes the amendments in Rez #21-07 with the following advantages to the public:

- Of the 12 market rentals units, 5 will be converted to inclusionary units, although the introduction of the rezoning application states 3, most likely erroneously.
- The City will receive monetary benefits for an additional 0.247 FAR (12,062 sq.ft) of supplementary bonus benefits, but they would not quantify that value with a dollar amount, let alone describe how they determined that value.

And here are the real issues I am struggling with:

- This additional high-floor Metrotown condo floor space of 26,403 sq.ft will sell at an average of around \$1,200 per sq.ft. At a typical 85% of saleable FAR, this results in an additional \$27 million in revenues for the applicant. The Director of Planning himself suggests that the applicant would move forward with the prior council-approved Rez #17-26 in case council

opposed this amendment. This implies that Rez #17-26 already meets all financial needs of the applicant, and we should look at these additional 34 condo units as cost-incremental with most project and fixed costs not directly related to construction already covered.

Kozak, Director of Planning: There are two separate applications, and they were brought forward purposely so that if council did not approve of this proposal, they still have a bylaw that allows them to construct their original development.

As a result, the applicant may walk away from those 34 additional condos with an additional gross profit of beyond \$500 per sq.ft., valued beyond \$10 million. The unfortunate reality is that we have to speculate on all those numbers because City Planning refuses to provide them in the first place.

The question then arises how much of that additional value the City recuperates through the additional supplementary bonus density of 0.247 FAR. Again, secrecy abounds. City Planning does not tell us that value, let alone describe the method they applied to determine this value. This defies any sensible debate. We can only assume the City recuperates only a fraction of the amount, let alone use it for affordable rental. Moreover, reality is that most of that money will flow into the Metrotown Town Center Account and used for the \$1/2 billion Event Center, rather than for affordable housing. Worse, this Event Center will fuel the gentrifying effect in Metrotown, further support condo and market rental valuations, and as a consequence drive up the rents in the inclusionary units as well. Those are the realities nobody wishes to talk about.

- Rez #21-07 unequivocally states “No Changes” were made to the rental space. Only in response to Councillor Jordan’s questions, the Director of Planning clarifies that rental space was in fact cut from 1.0 FAR to 0.98 FAR, but he considers this reduction “miniscule” and seemingly not worthwhile of being mentioned in Rez #21-07. In my mind, any attempt to reduce already close to minimum-sized rental space by an average of another 10 square feet per unit while trying to increase the profit for the developer by a seven-figure dollar number is reprehensible.

Moreover, from the text of Rez #21-07 it is impossible to tell exactly from where these 652 sq.ft. rental space were cut – from the inclusionary rentals, from the market rentals, or from both. Sadly, I cannot even exclude anymore the possibility that the cut in rental square footage occurred only in the inclusionary rentals and that the square footage of the remaining market rental units may actually have been increased. We certainly cannot exclude this appalling scenario from the rezoning application.

I and others have written about the minimum sized P11e SFU District replacement units many times. I and others were ignored. The gist was that those units will make it almost impossible for established Metrotown renters *NOT* to refuse their hard-fought right to return to replacement units. And in this case of Rez #21-07 we have an opportunity to use some of that additional value to create indoor livability in the replacement building to which tenants may actually want to return. Par the for the course, City Planning proposes the exact opposite and seeks to cut rental space even further.

- City Planning Rez #21-07 emphasizes that the public will convert 5 market rental units into inclusionary units. When the text of Rez #21-07 refers to “*Council’s adopted Rental Use Zoning Policy*” (RUZP), I assume this refers to the latest 2020 version, entitled “*Finalized Rental Use Zoning Policy*.” May I remind council that the older Rez #17-26 was based on the 2019 RUZP, entitled “*Rental Use Zoning Policy and Initial Implementation Framework*,”

which would have required vacancy control for the 12 units. I can only infer that this requirement will go away in Rez #21-07 for the remaining 7 market rental units.

In view of the massive gentrifying effect that Metrotown will experience in the coming years as City Planning relentlessly supports the development industry to tear down our affordable, and in many cases perfectly livable low-rise rental stock, it is hard to tell whether the use of the non-vacancy controlled 2020 RUZP in Rez #21-06 will actually be more profitable for the applicant in the long run.

Much more could be said, not least about the additional grants the City and others provide to the developer, but I am running out of time. I give up at this point without a conclusion and leave the above to speak for itself.

Sincerely,

Reinhard Schauer

5868 Olive Avenue #201
Burnaby, BC V5H 2P4