AGENDA - COMMITTEE OF THE WHOLE

Thursday, July 4, 2019, 9:00 A.M.

COUNCIL CHAMBERS, CITY HALL, 1 CENTENNIAL SQUARE

The City of Victoria is located on the homelands of the Songhees and Esquimalt People

Pages

A. APPROVAL OF AGENDA

B. CONSENT AGENDA

C. READING OF MINUTES

D. UNFINISHED BUSINESS

E. LAND USE MATTERS

F. STAFF REPORTS

G. NOTICE OF MOTIONS

H. NEW BUSINESS

A report recommending that 2020 budget discussions include the allocation of new assessed revenue for parks and greenspace acquisition, and amenities in neighbourhoods where development is occurring.

I. ADJOURNMENT OF COMMITTEE OF THE WHOLE

MINUTES - COMMITTEE OF THE WHOLE

March 7, 2019, 9:00 A.M.
COUNCIL CHAMBERS, CITY HALL, 1 CENTENNIAL SQUARE
Located on the traditional territory of the Esquimalt and Songhees People

PRESENT: Mayor Helps in the Chair, Councillor Alto, Councillor Isitt, Councillor Loveday, Councillor Thornton-Joe, Councillor Young, Councillor Dubow, Councillor Collins

ABSENT: Councillor Potts

STAFF PRESENT: J. Jenkyns - City Manager, C. Coates - City Clerk , P. Bruce - Fire Chief, S. Thompson - Deputy City Manager / Director of Finance, F. Work - Director of Engineering & Public Works, T. Soulliere - Director of Parks, Recreation & Facilities, B. Eisenhauer - Head of Engagement, J. Jensen - Head of Human Resources, C. Havelka - Deputy City Clerk, A. Meyer - Assistant Director of Development Services, A. Hudson - Acting Director of Sustainable Planning & Community Development, T. Zworski - City Solicitor, C. Medd - Planner, M. Sandhu – Manager of Corporate Initiatives, J. O'Connor - Deputy Director of Finance, B. Cockle - Head of Bylaw, D. Manak - Chief Constable - Vic PD.

A. APPROVAL OF AGENDA

Moved By Councillor Alto
Seconded By Councillor Collins

That the agenda be approved.

Amendment:

Moved By Councillor Collins
Seconded By Councillor Alto

That the Agenda of the March 7, 2019, Committee of the Whole meeting be amended as follows:

Consent Agenda:

C. 1 – Minutes from the Committee of the Whole Meeting Held February 28, 2019

C. 2 – Minutes from the Committee of the Whole Meeting held January 10, 2019

G. 1 – Proclamation – Purple Day

CARRIED UNANIMOUSLY

Main Motion as amended:

That the agenda be approved with the following consent agenda:

Consent Agenda:

C. 1 – Minutes from the Committee of the Whole Meeting Held February 28, 2019

C. 2 – Minutes from the Committee of the Whole Meeting held January 10, 2019

G. 1 – Proclamation – Purple Day

CARRIED UNANIMOUSLY

B. CONSENT AGENDA

Moved By Councillor Alto
Seconded By Councillor Collins

That the following items be approved without further debate.

C.1 Minutes from the Committee of the Whole Meeting held February 28, 2019

Moved By Councillor Alto
Seconded By Councillor Collins

That the minutes from the meeting held February 28, 2019, be adopted.

CARRIED UNANIMOUSLY

C.2 Minutes from the Committee of the Whole Meeting held January 10, 2019

Moved By Councillor Alto
Seconded By Councillor Collins

That the minutes from the meeting held January 10, 2019, be adopted.

CARRIED UNANIMOUSLY

G.1 Proclamation - Purple Day

Moved By Councillor Alto
Seconded By Councillor Collins

That the *Purple Day* Proclamation be forwarded to the March 14, 2019 Council meeting for Council's consideration.

CARRIED UNANIMOUSLY

D. Presentation

D.1 Fourth Quarter 2018 Update

Committee received a report from the Chief Constable regarding the fourth quarter update.

Committee discussed:

- *Approach to policing; traffic enforcement; reconciliation and relationship building; and measures to ensure privacy.*

Moved By Councillor Thornton-Joe
Seconded By Mayor Helps

That Council receive the Victoria Police Quarter Four report for information.

CARRIED UNANIMOUSLY

Committee received a report from the City Manager and the Manager of Corporate Initiatives regarding the fourth quarter update.

Moved By Councillor Isitt
Seconded By Councillor Alto

That Council receive the Quarter Four report for information.

Committee discussed:

- *Report back on strategic plan timelines; third party contractors*

Amendment:

Moved By Councillor Isitt
Seconded By Mayor Helps

That Council direct staff to report back at quarterly updates on new contracts awarded for external procurement of goods and services where the total anticipated contracted amount exceeds $50,000

Committee discussed:

- *Future plans for local government involvement in creating values when procuring goods and services.*

CARRIED UNANIMOUSLY

Amendment:

Moved By Councillor Isitt
Seconded By Mayor Helps

3

That the Statement of Financial Information be appended to the first quarterly update after it is published.

Committee discussed:

- *Further details on various in-progress projects;*
- *various resource impacts;*
- *comparatives of previous years specifically in terms of development applications.*

CARRIED UNANIMOUSLY

On the main motion as amended:

CARRIED UNANIMOUSLY

E. UNFINISHED BUSINESS

E.1 Letter from the Minister of Municipal Affairs and Housing

Committee considered information in a letter dated February 12, 2019 from the Minister of Municipal Affairs and Housing regarding Short-Term Rentals.

Moved By Councillor Isitt
Seconded By Councillor Young

That Council suggest the Mayor request on behalf of Council a meeting with the Minister to discuss the City and the Province's position on the matter of BC Assessment Authority's valuation of commercial, short term rental units.

CARRIED UNANIMOUSLY

F. LAND USE MATTERS

F.1 1491 Edgeware Road & 2750 Gosworth Road - Rezoning Application No. 00659 & Development Permit with Variances Application No. 00090 (Oaklands)

Committee received a report dated February 21, 2019 from the Acting Director of Sustainable Planning and Community Development regarding an application to rezone two existing lots from the R1-B Zone, Single Family Dwelling District, to the R1-S2 Zone, Restricted Small Lot (Two Storey) District, in order to subdivide the property and construct four new small lot houses.

Moved By Councillor Alto
Seconded By Councillor Loveday

Rezoning Application No. 00659

That Council instruct staff to prepare the necessary Zoning Regulation Bylaw Amendments that would authorize the proposed development outlined in Rezoning Application No. 00659 for 1491 Edgeware Road and 2750 Gosworth Road, that first and second reading of the Zoning Regulation Bylaw Amendments be considered by Council and a Public Hearing date be set.

Development Permit with Variances Application No. 00090

That Council, after giving notice and allowing an opportunity for public comment at a meeting of Council, and after the Public Hearing for Rezoning Application No. 00659, if it is approved, consider the following motion:

"That Council authorize the issuance of Development Permit with Variances Application No. 00090 for 1491 Edgeware Road and 2750 Gosworth Road, in accordance with:

1. Plans date stamped January 15, 2019.
2. Prior to issuance of the Development Permit with Variances, refine plans to include detailed elevations of fences and landscape screens meeting all bylaws, and making revisions to the landscape plan in order to correct inconsistencies to the Satisfaction of the Director of Sustainable Planning and Community Development.
3. Development meeting all Zoning Regulation Bylaw requirements, except for the following variances:

   Proposed Lot 1
   i. decrease the lot width from 10.0m to 9.99m
   ii. decrease the front yard setback from 6.00m to 2.48 m
   iii. decrease the rear yard setback from 6.00m to 1.50m
   iv. decrease the front yard setback for an accessory building from 18.0m to 3.74m
   v. allow an accessory building to be located in the side yard.

   Proposed Lot 2
   i. decrease the lot width from 10.0m to 9.99m
   ii. increase the site coverage maximum from 40% to 40.79%.

   Proposed Lot 3
   i. decrease the lot width from 10.0m to 9.99m
   ii. increase the site coverage maximum from 40% to 40.4%.

   Proposed Lot 4
   i. decrease the minimum side yard setback with a habitable window from 2.40m to 1.50m.
4. The Development Permit lapsing two years from the date of this resolution.

Amendment:

Moved By Councillor Isitt
Seconded By Councillor Loveday

That the motion be amended to include the following:

'And that staff be directed to provide information and advice regarding traffic calming on Gosworth and provide this information in conjunction with the public hearing.'

CARRIED UNANIMOUSLY

On the main motion as amended:

CARRIED UNANIMOUSLY

J. ADJOURNMENT OF COMMITTEE OF THE WHOLE

Moved By Councillor Collins
Seconded By Councillor Alto

That the Committee of the Whole Meeting be adjourned at 11:24 a.m.

CARRIED UNANIMOUSLY

CITY CLERK MAYOR

CITY OF VICTORIA

Committee of the Whole Report

For the Meeting of July 4, 2019

To: Committee of the Whole **Date:** June 20, 2019

From: Andrea Hudson, Acting Director, Sustainable Planning and Community Development

Subject: **Residential Rental Tenure Zoning**

RECOMMENDATION

That Council direct staff to:

1. Prepare draft zoning bylaw amendments to apply residential rental tenure zoning to existing purpose-built market rental properties through a phased approach.
2. Exclude the application of residential rental tenure zoning from secondary suites and garden suites.
3. Undertake focused consultation with affected property owners and the public to seek feedback on the draft zoning bylaw amendments and report the outcomes to Council.
4. Prepare zoning bylaw amendments for first and second readings for consideration at separate public hearings.

EXECUTIVE SUMMARY

The purpose of this report is to present Council with a proposed work plan for applying residential rental tenure (RRT) zoning to existing purpose-built multi-unit residential market rental properties in response to a Council motion from December 13, 2018 that outlines a range of directions for introducing and applying RRT zoning. This initiative aligns with and advances key objectives from the City's *Housing Strategy* and Council's *Strategic Plan* that seek to improve the provision and retention of rental housing and overall housing choices within Victoria's challenging housing market.

RRT zoning was introduced by the Province of British Columbia in May 2018 and gives municipalities new legislative authority to limit housing tenure to rental in multi-family residential zones. Since RRT zoning only regulates tenure, the City will continue to require housing agreements for new purpose-built rental projects that are subject to a rezoning process to address other related matters, such as levels of affordability and target income groups, where applicable.

To date, staff have completed the other directions from the Council motion, including the introduction of RRT zoning into the City's zoning bylaws, which staff and Council have been considering for new purpose-built multi-unit residential rental developments that are subject to a rezoning process.

The proposed initiative will focus on the potential application of RRT zoning on properties identified on the City of Victoria's rental database on VicMap that includes approximately 500 existing purpose-built multi-unit residential market rental properties across the city that comprise

the vast majority of the city's rental housing stock. In consideration of the potential impacts of Council's direction to apply RRT zoning to rental properties, staff recommend a comprehensive, phased approach that begins with the completion of a related RRT economic study through UBC, refinement of the rental properties database and development of online engagement tools this summer. The completion of this work will provide key materials and information to support a focused public engagement process with property owners and the community this fall. Public engagement will be structured to provide direct access to information about the project and individual properties through a searchable database and interactive map. Members of the public will also be able to provide direct feedback through the City website and public open houses. It is anticipated that the public engagement process will reflect similar questions, comments and key considerations as outlined in this report, such as the overall rationale, proposed approach, effectiveness and potential economic and development impacts. Many of these considerations were also identified and considered through initial public consultation as part of the City of Victoria Housing Summit and RRTZ Workshop (UBC) that were held earlier this year.

Following the public engagement process, staff will provide Council with a summary of public feedback prior to bringing forward three separate sequential zoning bylaw amendments later in the year. The zoning bylaw amendments will be structured to apply RRT zoning to groupings of existing properties, beginning with older properties as a priority given that they may be at greatest risk of redevelopment. This phased approach allows staff and Council to consider smaller manageable groupings of properties through separate public hearings rather than a single public hearing for over 500 properties.

Staff have also recommended against applying RRT zoning to secondary suites and garden suites, as this may result in several unintended consequences.

PURPOSE

The purpose of this report is to present Council with a proposed work plan for applying residential rental tenure (RRT) zoning to existing purpose-built multi-unit residential market rental properties through a phased approach.

BACKGROUND

In May 2018, the Province of British Columbia approved changes to the *Local Government Act* to provide municipalities the ability to enact zoning bylaws that limit the form of tenure to rental in zones where multi-family residential is permitted. To better support the retention of existing and future rental buildings, City Council passed the following motion on December 13, 2018 related to residential rental tenure zoning:

"That Council direct staff to:

1. Introduce residential rental tenure zoning in Victoria by:
    a. preparing general amendments to *Zoning Bylaw 2018* and the *Zoning Regulation Bylaw;*
    b. adding residential rental tenure regulations to zones permitting secondary and garden suites;
    c. adding residential rental tenure regulations to all new zones proposing:
        i. purpose-built rental projects;
        ii. projects seeking bonus density per the draft *Inclusionary Housing and Bonus Density* policy;
    d. report back by February 2019 with a workplan for adding residential rental tenures regulations to existing purpose-built rental housing.

2. Add residential rental tenure zoning as a priority action item in the forthcoming *Victoria Housing Strategy, 2016-2025* update to explore options for broader utilization, with implementation to begin in 2019;
3. Participate in a University of British Columbia School of Community and Regional Planning (SCARP) sponsored rental tenure zoning research project, with costs estimated to be approximately $2500 and allocated from the contingency fund.

In response to the Council motion, staff developed a definition of residential rental tenure (RRT) and a related framework for inclusion in the *Zoning Regulation Bylaw* and *Zoning Bylaw 2018* that was approved by Council on March 28, 2019. This initiative addresses item 1(a) from the Council motion. The inclusion of the new RRT definition and framework in the zoning bylaws also addresses 1(c) (i) and (ii) of the above Council motion by facilitating RRT regulations to be included in site-specific zoning when rezoning applications propose purpose-built rental units. This will be an ongoing consideration as part of the rezoning process.

The City of Victoria has also contributed $2500 to support a RRT study that is being conducted by the Housing Research Collaborative in partnership with the Sauder School of Business Centre for Urban Economics and Real Estate (UBC). The study, which is currently underway, is primarily focused on the economic considerations of RRT zoning and is expected to be complete by August 2019.

Therefore, this report is focused on the remaining items in Council's motion, including outlining a potential approach for considering the application of RRT zoning on existing purpose-built multi-unit residential rental developments as identified in item 1 (d) of the Council motion, which also serves to support the broader utilization of RRT zoning as identified in item 2.

ISSUES & ANALYSIS

1. Alignment with Victoria Housing Strategy

The implementation of RRT zoning supports a wide variety of objectives in the current *Housing Strategy* (2016-2025) that collectively seek to improve affordability, stability and choice for renters in Victoria. City staff are also currently in the process of updating the *Housing Strategy* to add new housing actions to better support the related objectives from Council's new *Strategic Plan* (2019-2022). One of the key actions contained in the draft Housing Strategy update is direction to implement rental-only zoning and engage with the community to explore other opportunities created through the new residential rental tenure authority. Therefore, the application of RRT zoning to both new and existing purpose-built rental properties is a first step in providing added assurance that these developments remain rental, as once they are zoned for RRT, property owners would be required to undergo a subsequent rezoning should they wish to change the property's tenure in the future. Once the updated Housing Strategy is approved, it is expected that staff will explore further opportunities to encourage property owners to seek RRT zoning, such as through a density bonus system or in conjunction with other incentives.

2. Existing Rental Properties

In 2018, City staff worked with a consultant to develop a City-wide database of all purpose-built multi-unit residential market rental properties, excluding properties that are owned and operated as rental housing by non-profit housing providers or government. This information is available on VicMap to illustrate the spatial distribution of rental buildings based on the number of units in each building as well as the age of the building. Staff have further refined the database to identify buildings with four or more dwelling units that typically represent multi-unit residential. As such, there are over 500 multi-unit residential market rental properties comprised of approximately

16,000 individual dwelling units in Victoria, as illustrated in Attachment A. Staff have proposed to use these properties as the basis for considering the application of RRT zoning, with the understanding that the database will be further reviewed and refined over the summer for improved accuracy prior to commencing public engagement efforts in the fall.

3. Age of Rental Buildings

As illustrated by Attachment A, approximately 96% of existing purpose-built rentals were constructed prior to 1980. More specifically, 27% were constructed between 1870 and 1939, 17% constructed between 1940 and 1959 and 52% were constructed between 1960 and 1979. It is these older buildings that will require significant capital improvements and that are at risk of redevelopment. Therefore, staff recommend an approach for implementing RRT zoning that allows staff to prepare three separate zoning bylaw amendments whereby subject properties would be grouped based on age, with a priority on bringing forward the older properties first for Council's consideration.

4. Proposed Approach

In consideration of the information presented in this report, staff recommend an approach that includes public engagement and consultation prior to bringing forward three separate draft zoning bylaw amendments to Council, as outlined in Option 1. This means that staff would undertake a public engagement process for all the affected properties, followed by staff bringing forward three separate zoning bylaw amendments with a priority on the older properties first. The primary benefit of a phased approach is that it allows Council to consider smaller batches of properties through three individual public hearings, rather than bringing forward a single bylaw for more than 500 affected properties to a single public hearing.

Option 1 Approach (Recommended)

Process	Timing
• undertake internal review of existing zoning and potential land use agreements for all potentially affected (existing) purpose-built multi-unit residential rental properties within each neighbourhood • includes review for alignment with new RRT definition and regulations • refine database	July 2019
• initiate and complete RRT Study (UBC)	May - August 2019
• undertake public consultation with a focus on affected property owners	September - October 2019
• report to Council with summary of public engagement feedback, findings from RRT study and proposed zoning bylaw amendments for first group of affected properties for first and second reading	November 2019
• public hearing for first group of affected properties	TBD
• report to Council with subsequent zoning bylaw amendments for remaining properties	TBD

Staff have also provided Council with the option to undertake a more streamlined approach that excludes additional public engagement beyond the required public hearings, as outlined in Option 2.

Option 2 Approach (Excludes Public Engagement)

Process	Timing
• undertake internal review and analysis of all potentially affected (existing) purpose-built multi-unit residential rental properties within each neighbourhood • includes review for alignment with new RRT definition and regulations • refine database	July 2019
• initiate and complete RRT Study (UBC)	May - August 2019
• report to Council with findings from RRT study and draft zoning bylaw amendments for consideration of first and second reading	September 2019
• public hearing	TBD
• report to Council with zoning bylaw amendments for remaining properties	TBD

5. Consultation

Option 1, as outlined in this report, is premised on undertaking focused public engagement given the multitude of existing rental properties across the City that would be affected and the potential impacts to existing property rights. Consultation efforts will allow staff to clearly inform affected property owners, property management companies, communities and other key stakeholders of the potential changes to existing zoning as well as what these changes would mean with respect to development rights, land values and the benefits that RRT zoning provides in protecting the provision of rental housing. A public consultation process for a project of this nature is also supported through the City of Victoria's *Engagement Framework,* which outlines the importance of consultation and helps to guide the overall process. Public engagement will also be structured to receive questions and feedback that will be shared with Council prior to their consideration of potential zoning bylaw amendments.

Public engagement will utilize public open houses as well the City's new public engagement portal (Have Your Say) that is available on the City's website. This webpage will include a detailed explanation of the initiative as well as background information, staff reports, etc. The engagement portal will also include a link to a property search tool where property owners and the public can view an interactive map of potentially affected properties as well as search affected properties based on civic address. The interactive maps and property search tool will ensure that property owners and members of the public have easy access to view and consider individual affected properties prior to attending a public open house or a public hearing.

Option 2 provides Council with a more streamlined approach that will focus on the expedited development of zoning bylaw amendments with public consultation being restricted to the public hearings. This approach would not align with the City's *Engagement Framework.*

6. Effectiveness of Residential Rental Tenure Zoning

According to 2016 Census data, over 61% of residents in Victoria live in rental housing, and with a current rental vacancy rate of 1.1%, Victoria continues to remain a highly challenging housing market. The application of RRT zoning to existing rental properties may be able to support the ongoing delivery of rental housing as it would provide clarity through zoning regulations that the only permitted form of tenure on a property is rental, thereby helping to reduce or eliminate redevelopment pressure for non-rental residential projects. This means that the owner of an existing rental property would not be able to convert or redevelop their property into a non-rental building such as owner-occupied condominiums unless approved by Council through a rezoning process. Since RRT zoning only regulates tenure and it is a new regulatory tool, staff will continue to require housing agreements to address levels of affordability and target income groups to secure affordability in new purpose-built rental developments subject to an applicant initiated (site specific) rezoning process.

Staff have also identified that some of the properties on the VicMap database may already be subject to existing zoning, housing agreements or other legal agreements requiring the provision of rental housing in perpetuity. Therefore, the application of the new RRT zoning would continue to align with and support these other legal and regulatory tools, ensuring the on-going protection and longevity of rental housing on some of these properties.

There may also be properties where the provision of rental housing was approved by Council for a specified period of time as a condition of rezoning and secured through a housing agreement. If RRT zoning is applied to these properties (in perpetuity), it may contradict the previous legal agreement between the property owner and the City. Therefore, as part of the proposed work plan, staff will undertake a review of all affected properties identified in the rental properties database during the summer months to confirm alignment with the new RRT definition and regulations and to ensure that this information is accurate prior to the public engagement process in the fall.

7. Feedback from 2019 Housing Summit

On March 11, 2019, the City hosted a Housing Summit that included a presentation and workshop on residential rental tenure zoning. The RRT zoning session was attended by nearly 70 participants including building owners, property managers, development industry representatives, non-profit housing providers, rental advocacy groups, community associations and other levels of government. Participants learned about the new RRT zoning tool and provide feedback through facilitated round table discussions. Key questions focused on the potential benefits, impacts, approaches and effectiveness of implementing RRT zoning as a means of improving the local rental housing market. Common themes that emerged from the cross-sectoral feedback included:

- RRT zoning can help to support the retention of existing rental properties
- RRT zoning should only be applied through individual rezonings to avoid unintended consequences on existing properties that may occur from blanket zoning
- RRT zoning should only be applied in strategic locations that align with or support specific land use policies rather than a City-wide approach
- municipalities should develop related incentives to encourage property owners to seek RRT through (applicant initiated) individual rezonings
- municipalities need to carefully assess the potential legal risks and impacts on land value that may occur from applying RRT zoning
- the application of RRT zoning on existing rental properties may reduce land values which may impact the property owner's ability to borrow from the property equity for maintenance and upgrading

- RRT zoning will not result in affordability or prevent existing buildings from being redeveloped, as it only regulates tenure.

8. Capital Region RRT Zoning Workshop

A half-day workshop to discuss the application of RRT zoning within the Capital Region was held on May 30, 2019 at the University of Victoria. The workshop was organized by the Housing Research Collaborative (HRC) from the University of British Columbia (UBC) with sponsorship from the Capital Regional District (CRD). The workshop was structured to present an overview of how RRT zoning is being applied in BC communities and to encourage a cross-sectoral discussion of RRT zoning to generate a better understanding of this tool so that it can be implemented by BC municipalities in ways that achieve its intended uses. Participants provided feedback on approaches for implementation, best practices, benefits and impacts. Overall, the feedback received at the Capital Region workshop echoed the feedback received at the Housing Summit. The HRC will also be hosting a similar workshop in the Vancouver region and another in the Okanagan later this year. The HRC is currently preparing a summary report of the feedback received from the Victoria workshop. This report should be completed by August and will be used to support the City's proposed public engagement and consultation efforts on RRT zoning this fall.

9. Residential Rental Tenure Zoning Study

The Housing Research Collaborative in partnership with the Sauder School of Business Centre for Urban Economics and Real Estate (UBC) are in the process of undertaking a detailed study on the economic considerations of RRT zoning. The study seeks to understand the impact of RRT zoning on property values, potential implications for density bonus systems that are predicated on increased land value, influences on delivering levels of affordability and potential impacts on leveraging property value/equity to support needed, high value capital upgrades, property maintenance and improvements. The City of Victoria is currently participating in the study along with the City of North Vancouver and the City of Maple Ridge. The study commenced in May 2019 and is expected to be completed by August 2019. The findings will provide important information to better understand the potential implications of RRT zoning and will also be used by the City of Victoria to support public engagement and consultation efforts later this year.

10. Impacts on Secondary Suites and Garden Suites

Staff had previously recommended exploring the application of RRT zoning on secondary suites and garden suites as outlined in item 1 (b) of the Council motion. However, in exploring this further with Legal Services, this approach may result in several unintended consequences that would impact the operation and use of these dwelling units. For example, the application of RRT zoning would restrict the use of garden suites and secondary suites to rental only, where a rental agreement is in place subject to the *Residential Tenancy Act*. This means that a property owner would not be able to occupy or use their garden suite or secondary suite as additional living space for their own family, such as for aging parents, nor would the property owner be permitted to move into their suite and rent out the main dwelling as they age or when family composition changes. This would limit flexibility, the ability for residents to age in place, and would mean that single family homes suitable for families are excluded from the rental market.

In addition, between 2010 and 2017, the City offered a $5000 grant program to encourage the development of secondary suites, which resulted in the development of approximately 50 new legal secondary suites. One of the conditions of the grant was for the property owner to enter into a legal agreement, registered on title, to restrict the use of the secondary suite as rental only for a period of five years, after which the property owner would be able to apply to have the City

discharge the covenant. Approximately 36 of these original agreements have now lapsed, thereby allowing property owners to continue using the secondary suite as a rental or for other purposes, such as extended living space in their home.

Therefore, if the City applied RRT zoning to all secondary suites and garden suites, this would reinstate a rental restriction on these properties in perpetuity, which would undermine the intent and good faith of the original (time limited) agreements. There is also a risk that this additional restriction may deter property owners from seeking City-authorized building permits for the construction or refurbishment of secondary suites and garden suites.

Finally, the City's current zoning regulations prohibit the use of secondary suites and garden suites for short term rental use, except when limited to a home occupation by the occupant (up to 2 bedrooms only and not the entire unit). Considering the potential impacts noted above and given that current zoning regulations are sufficient to maintain the intended purpose of these types of secondary residential units, staff recommend against applying RRT zoning to secondary suites and garden suites. However, if Council directs staff otherwise, then staff would propose that the current definition of residential rental tenure be amended to also allow the use of the dwelling by a family member or a periodic house guest without a formal rental agreement.

OPTIONS AND IMPACTS

Option 1 (Recommended):

Direct staff to prepare zoning bylaw amendments to apply residential rental tenure zoning to all existing purpose-built multi-unit residential market rental properties identified in the City's database through a phased approach, excluding secondary suites and garden suites and undertake public consultation.

This option will allow staff to consult and receive direct feedback from affected property owners and the public about the potential changes to existing zoning including key considerations and benefits. Property owners and the public will also have access to an online database and interactive map of the affected properties, thereby allowing them to confirm the properties or similarly identify any potential corrections prior to Council's consideration of the separate draft zoning bylaw amendments.

Option 2:

If Council prefers a more streamlined approach, staff could be directed to prepare zoning bylaw amendments without additional public consultation and proceed directly to public hearings.

This approach can be completed in a shorter timeline than Option 1 and would still allow for public feedback through a public hearing. However, the lack of a more robust public engagement process for a project with City-wide impacts may not align with the City's *Engagement Framework* and may prevent the City from understanding any unintended impacts of this untested application.

Accessibility Impact Statement

The application of residential rental tenure zoning does not have any impacts on accessibility.

2019 – 2022 Strategic Plan

The implementation of RRT zoning is identified as a 2019 action in the *2019 – 2022 Strategic Plan* which directs staff to 'Implement rental-only zoning' as identified in Strategic Objective 3: Affordable Housing.

Impacts to Financial Plan

The application of residential rental tenure zoning will not have any impacts to the *Financial Plan*.

Official Community Plan Consistency Statement

This project is consistent with the *Official Community Plan* (OCP, 2012) which supports access to appropriate, secure, affordable housing (Goal 13 A), as well as supporting a wide range of housing types, tenures and prices that give residents choices (Goal 13B). Chapter 13 (Housing and Homelessness) of the OCP has several specific policies (13.23 – 13.31) that address the retention, regeneration and provision of market rental housing.

CONCLUSIONS

The application of residential rental tenure zoning to existing purpose-built multi-unit residential market rental properties may be an effective tool to ensure the provision of rental housing within Victoria's challenging housing market. This initiative helps to implement key directions for rental housing as contained in Council's *Strategic Plan 2019-2022*, the *Official Community Plan* and the *Victoria Housing Strategy 2016-2025*. The proposed approach for engaging with property owners and the community provides the opportunity to share information and receive feedback on a range of key economic and development considerations that may arise from RRT zoning prior to reporting to Council with a summary of public feedback and separate zoning bylaw amendments.

Respectfully submitted,

Robert Batallas
Senior Planner
Community Planning Division

Andrea Hudson, Acting Director
Sustainable Planning and Community
Development Department

Report accepted and recommended by the City Manager: Jocelyn Jenkyns

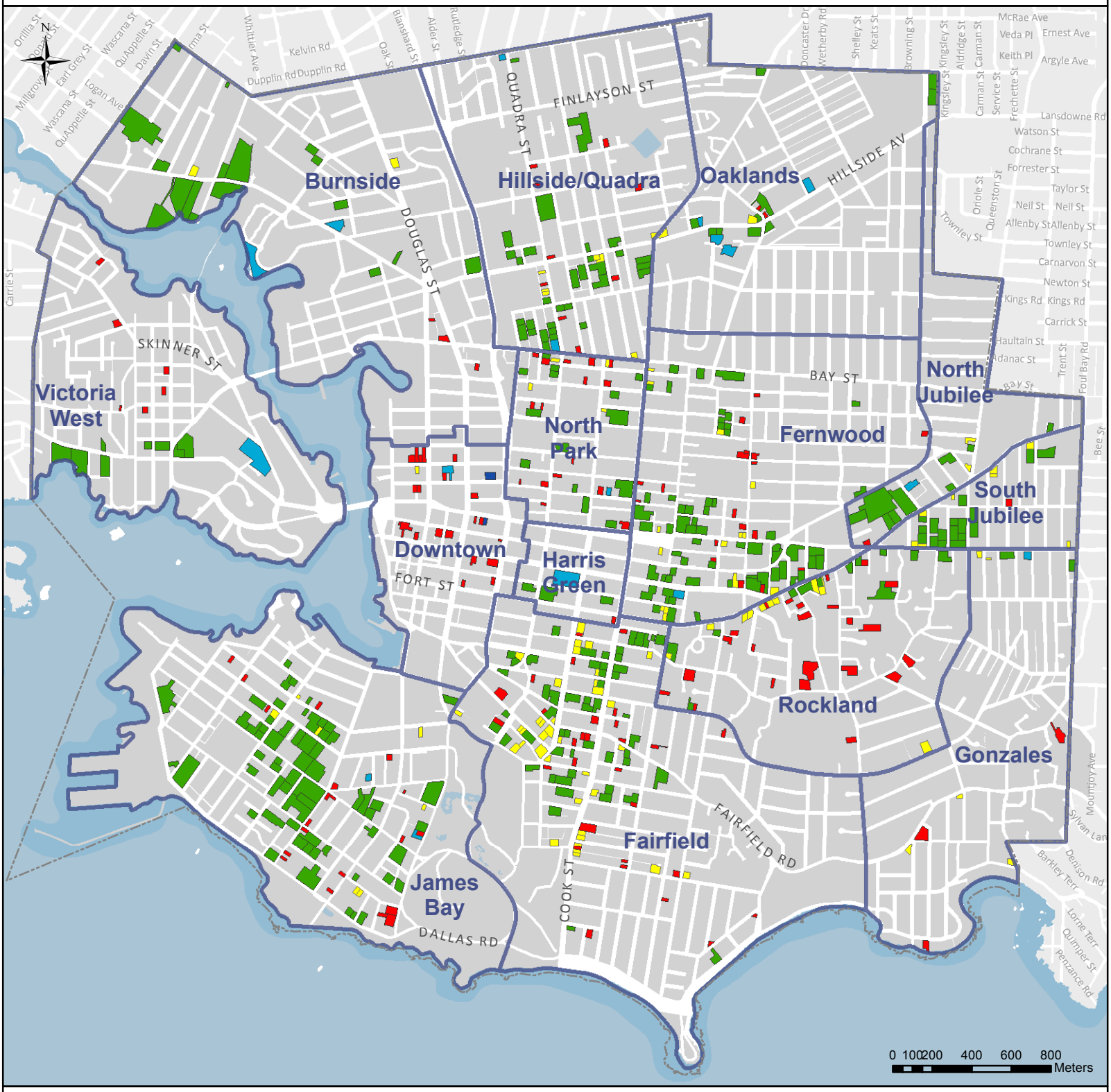
Date: June 26, 2019

List of Attachments

- Attachment A: Rental Building Inventory by Age.

Rental Building Inventory By Age

ATTACHMENT A

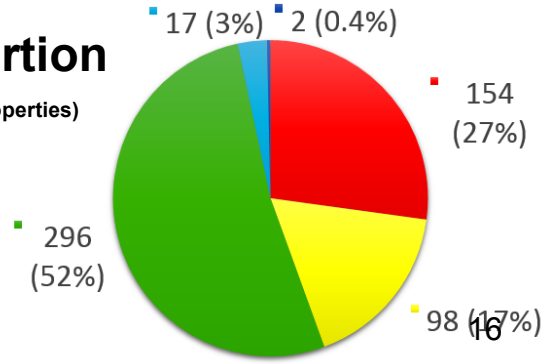


Year Built

- 1870 - 1939
- 1940 - 1959
- 1960 - 1979
- 1980 - 1999
- 2000 - 2019

Proportion

(567 Total Properties)



Date: 6/11/2019

Committee of the Whole Report
For the Meeting of July 4, 2019

To:	Committee of the Whole	**Date:**	May 29, 2019
From:	Andrea Hudson, Acting Director, Sustainable Planning and Community Development		
Subject:	**Victoria Housing Reserve Fund Guidelines Update**		

RECOMMENDATION

That Council direct staff to:

1. Continue considering Victoria Housing Reserve Fund applications based on gross new units in redevelopment projects.
2. Add a Tenant Assistance Plan section to the Victoria Housing Reserve Fund application form to provide clarity on tenant protections for redevelopment projects seeking funding.
3. Establish a Victoria Housing Reserve Fund Working Group for future policy reviews and revisions to the Victoria Housing Reserve Fund Guidelines on an as-needed basis.
4. Update the Victoria Housing Reserve Fund Guidelines as follows:
    a. add a funding cap, indicating that grant contributions must not exceed non-refundable contributions from other levels of government on the same project
    b. remove staff assessment timeline of "within one month after the intake deadline, and two months to receive a Council decision."
    c. replace existing fund definitions with Victoria Housing Target definitions and only fund units for very low, low, and low to moderate incomes

EXECUTIVE SUMMARY

The purpose of this report is to provide information, analysis, and recommendations on updates to the Victoria Housing Reserve Fund (VHRF) Guidelines in response to previous Council motions related to requests for funding on redevelopment projects: 1) to consider funding only net new units, and 2) considerations for maintaining rent levels when tenants are required to move in projects funded by the VHRF.

Additionally, as of May 2019, the fund has insufficient capacity to fulfil requests for funding received in the March 31, 2019 funding call. This report proposes some solutions that Council may consider improving the long-term sustainability of the fund, including capping total eligible grants and seeking additional opportunities for sourcing contributions to the fund.

PURPOSE

The purpose of this report is to provide Council with information, analysis, and recommendations on considerations around funding options and tenant protections on redevelopment projects receiving grant contributions from the Victoria Housing Reserve Fund.

BACKGROUND

The Victoria Housing Reserve Fund (VHRF) provides financial grants to assist with the development and retention of affordable housing for households with very low to moderate incomes, as well as to help achieve Victoria's affordable housing targets.

In March 2019, after awarding funds to two separate applicants to the VHRF, both of which were redeveloping existing affordable housing projects, Council made the following motions:

1. On March 14, 2019, Council directed staff to report back in the context of the next update on the Victoria Housing Strategy on the following:

   Incorporating the following provisions into the criteria for housing reserve fund applications:
   1. *All existing tenants are offered alternate rental housing at existing rent levels;*
   2. *No net loss of units at existing rent levels in the new building, subject to annual increases as permitted under the Residential Tenancy Act;*

   That the staff report include considerations for viability of redevelopment projects
   That staff be directed to do this work on a priority basis as part of the Victoria Housing Strategy.

2. And on March 21, 2019, Council made another motion:

   That staff be requested to report back on options for basing City grant programs on net additions to the affordable housing stock.

ISSUES & ANALYSIS

1. Jurisdictional Affordable Housing Fund Review in British Columbia and Other Cities

In consideration of the Council motions related to funding redevelopment applications, an updated policy scan and jurisdictional review of municipal affordable housing funds was conducted by staff (Attachment A). This included a literature review of municipal policy documents, institutional research and publications as well as interviews with municipal staff.

As of May 2019, 12 municipalities in Metro Vancouver and 14 local governments in the Capital Regional District currently have a variation of an affordable housing fund. In addition, other cities such as Kelowna, Calgary, Edmonton, and Saskatoon have similar funding programs. These policies are tailored to best suit each municipality's unique contexts, with differences including housing need and demand, residential land values, supply of land, municipal government capacity and resources as well as length of policy implementation, among others. However, there are common elements supported by research, publications, and current implementation.

<u>Funding Sources and Uses</u>

Most municipalities fund their affordable housing funds through a density bonus system with varying level of contributions. Some municipalities source the fund through property taxes and general

revenue surplus, while some offer tax abatements, city development application and permit waivers, development cost charge reduction and waivers, while others have land banks. Non-profits are typically the primary users of the fund, however, other municipalities (e.g. the City of North Vancouver) also allow use of the fund at Council's discretion for conferences, pop-up housing demonstrations, consultants, and other housing related activities.

Experience with Administering Funds

Municipalities had varying and limited experience with non-profits applying to the affordable housing fund for the purpose of redevelopment, however, discussions around upcoming redevelopment projects were expressed. At this time, there are municipalities that support redevelopment projects based on gross units, including Coquitlam, Saskatoon, and Kelowna, and others, like North Vancouver (City) and Edmonton that support net new units. There are also municipalities, such as Burnaby, that supports both gross and net new based on the project proposal. As well, Port Moody and Calgary have yet to face this scenario and have not indicated whether gross or net new units are supported. As each municipality uses their fund in different capacities, the common themes were that all redevelopment projects require funding securement and that any form of funding, whether for gross or net units, is helpful in assisting with the viability of the project and/or leveraging the securement of other funds. For example, the City of Coquitlam's fund criteria caps city contributions to the amount contributed by the Province, in order to help address issues related to the City's appropriate role in fund contributions in comparison to senior levels of government.

Tenant Assistance Policies

Many mainland BC municipalities have a tenant assistance policy in place that supports tenant relocation as part of redevelopment projects. With varying level of details in the policy, some municipalities incorporated components of tenant relocation assistance and right of first refusal (with varying compensation and discounts/offering for right of first refusal). Some municipalities, such as Surrey and Vancouver, indicate conditions of the tenant assistance policy for non-market or social housing, but most municipalities provide general policy language about redevelopment projects that may or may not include non-market or social housing. To note, while this policy is triggered in a rezoning, most municipalities do not infer a grant funding relationship. Table 1 summarizes the policy components of BC municipalities.

Table 1: Summary of BC Municipalities with Tenant Assistance Policies, including whether this policy is adopted and implemented, offers tenant relocation assistance, and offer right of first refusal (x = yes)

City	Tenant Assistance Policy	Tenant Relocation Assistance	Right of First Refusal
Burnaby	x	x	x
Coquitlam	x	x	
Delta			
Langley (City)			
Langley (Township)	x		x
Maple Ridge	x	x	x
New Westminster	x	x	
North Vancouver (City)	x	x	x

City	Tenant Assistance Policy	Tenant Relocation Assistance	Right of First Refusal
North Vancouver (District)	x	x	x
Pitt Meadows			
Port Coquitlam			
Port Moody	x	x	x
Richmond	x	x	x
Surrey	x	x	x
Vancouver	x	x	x
Victoria	**x**	**x**	**x**
West Vancouver			
White Rock	x	x	x

Note: while municipalities have varying level of details in the Tenant Assistance Policy, there may be other complementary policies in place that offer support for tenants in redevelopment projects.

Staff in other municipalities mentioned that they allow some flexibility in their tenant assistance policy for non-profits. For example, in cases where non-profits bring forward a redevelopment project, non-profits may already have tenant assistance plans or procedures in place to relocate and rehouse tenants into appropriate accommodations within their own housing stock or others (e.g. market, below-market, non-market, social housing, etc.). In these cases, flexibility in the tenant assistance policy guidelines and the affordable housing fund in each development are important to respond accordingly to the unique project and tenant support needs.

2. Consultation with Non-Profit Housing Providers and Funders

Staff reconvened the non-profit housing providers who participated in the last VHRF focus group and survey in October 2018 and have also included core funders in this consultation to receive input on the potential implications of the proposed changes. A full summary of the review can be found in Attachment B.

Participants

Participants provided feedback through email, phone, and in-person, and included representatives from the following organizations (8): Greater Victoria Housing Society; Habitat for Humanity; Pacifica Housing; Capital Regional Housing Corporation; M'akola Development Services; Capital Regional District (CRD); BC Housing; and Canada Mortgage and Housing Corporation (CMHC).

A. Gross vs net unit grant program

Non-profit housing providers recommend that the City should continue considering the grant program based on gross units in redevelopment projects. Non-profits cautioned that if funds were only granted for net new units, the redevelopment of aging housing stock requiring upgrades or repairs would be discouraged and the creation of new housing units on project sites would be limited.

CRD, BC Housing and CMHC all noted that for non-profit housing development and operations, the viability of a project is subject to current development and market conditions (e.g. land cost, construction cost, etc.). All funders stated that they consider gross units for a project, with a note that the CRD could consider both net new and gross in a redevelopment dependent on project proposal. Different levels of government have different applicant requirements (e.g. mixed rents and incomes, building code standards, etc.) and reducing municipal grant eligibility to net new units could create more challenges for non-profits to meet all funding requirements.

B. Tenant Assistance - All existing tenants are offered alternate rental housing at existing rent levels

The City of Victoria's Tenant Assistance Policy currently applies to projects where tenants may be displaced due to the redevelopment or renovation of existing rental units. The policy includes a section on relocation assistance where applicants must provide tenants with three alternate housing options, which should be comparable in size, location and rent amount (unless otherwise agreed to by the tenant), and that all options be in the CRD, with at least one in the same neighbourhood. Rent should be set at no more than the CMHC average rents for the area, or at a level comparable to the tenant's current rate if higher than CMHC average.

When redevelopment displaces tenants in non-profit housing projects, providers noted that they offer alternate rental housing within their housing portfolio, or they ask for support from other non-profits to assist in providing temporary affordable housing units for displaced residents. In this way, tenants are able to continue to live in subsidized housing during the redevelopment process. Non-profits indicated that a strict restriction on rent levels will significantly increase operational costs and would require additional subsidy from senior levels of government. For some non-profits, the impact of restricting rent levels could make projects unviable for redevelopment. Other non-profits even indicated that they may not consider applying to the VHRF should this change be adopted for the administrative burden of the fund process and guidelines.

C. Tenant Assistance – No net loss of units at existing rent levels in the new building

Under the recent changes to the Residential Tenancy Act in May 2018, tenants can exercise the right of first refusal and enter into a new tenancy agreement at a rent determined by the landlord if the landlord ends their tenancy to renovate or repair rental unit. This provision only applies to rental units in residential properties containing 5 or more units and does not apply in instances of demolition of residential property.

The Tenant Assistance Policy is flexible for non-market and social housing development, where negotiating for reduced compensation for tenants may be possible (e.g. when tenants are permanently relocated in comparable accommodation within an organization's existing portfolio). However, the policy recommends that tenants affected by any redevelopment should be offered the right of first refusal at 10% below starting market rents for the new units.

Non-profits have expressed concern that allowing no net loss of units at existing rent levels in new buildings would be very difficult to achieve without financial support from other levels of government. Further, these changes could jeopardize the development of actual affordable housing under certain funding programs, depending on the program(s) that the proponent may be applying for, or in instances where there is no senior government support. For example, in projects with no additional funding, deeper affordability for existing units can only be achieved by raising the rents in the other units, which may compromise the more expensive units' eligibility for funding.

Tenant Assistance Recommendations and Policy Update

To provide better clarity for non-profits seeking funding for redevelopment projects, staff recommend adding a section on tenant assistance provisions as part of the VHRF application form. In this section, non-profits can indicate how the organization will help successfully relocate tenants based on the existing tenant needs. An updated application form is presented to Council and can be found in Attachment C. This section would summarize the tenant assistance plan during the fund application process; a full tenant assistance plan in detail would still be required as part of a rezoning application.

Summary of Feedback

Overall, feedback from participants expressed concern for the viability of projects with the provisions that the City is considering, and some suggested they would no longer seek support from the fund on affordable housing projects. Staff recommend Council consider continuing to fund gross new units in redevelopment projects that meet the eligibility requirements in the Victoria Housing Reserve Fund Program Guidelines.

Non-profit societies also expressed concerns about maintaining existing rent levels in both the alternate accommodation and on return to the redeveloped units, noting that the financial impacts of these changes could impact project viability and the ability of applicants to meet other funders' requirements. Given this information, and the mandate of non-profit societies to provide housing that is affordable for tenants, staff recommend Council consider directing staff to provide more clarity to the VHRF application form in instances of redevelopment, and maintaining alignment of the Tenant Assistance Policy requirements, with added flexibility for non-profit societies relocating tenants within existing or partner non-profit housing portfolios.

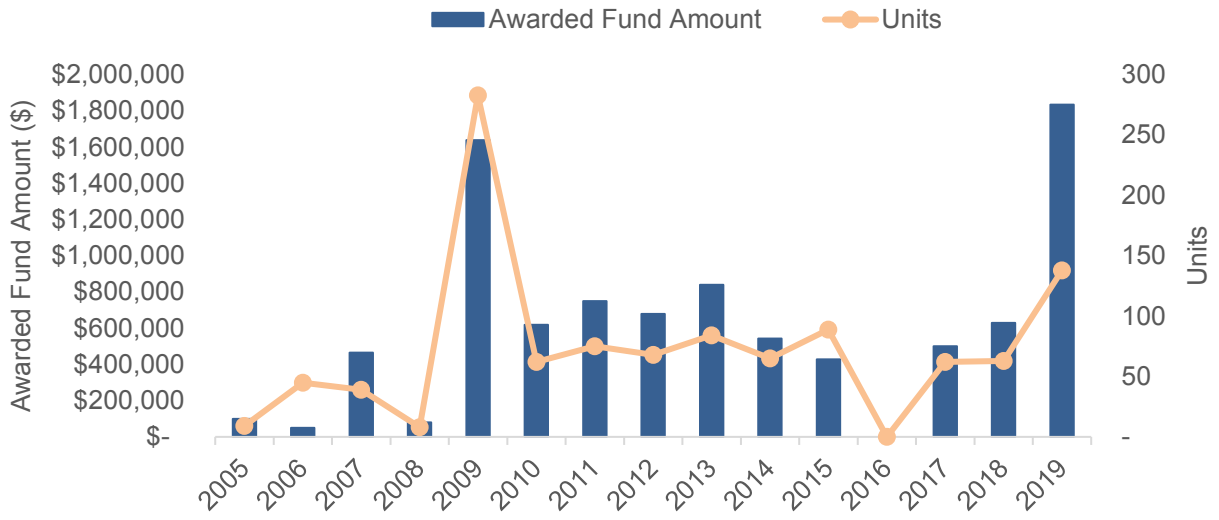
3. VHRF Working Group

The VHRF Guidelines will require continual review and revision to maximize the use of the fund. Organizations from the non-profit housing providers and core funders have agreed to be a part of a working group to review changes on an 'as needed' basis.

4. Fund Pressures

Since 2005, the VHRF has awarded approximately $9,100,000 to housing projects contributing nearly 1,100 units of affordable housing. Figure 1 illustrates the annual amount of funds awarded and the number of units from 2005 to May 2019. In recent years, the funding assistance has changed from a per door basis to a per bedroom basis with different fund amounts (one, two, and three bedroom) which would reflect the number of units proposed to the awarded fund amount. The list of awarded funds and types of housing projects are also reported out in the City's Annual Housing Report (Attachment D).

As of today, the remaining balance in the VHRF is $403,915. At the last intake on March 31, 2019, staff received two applications that, combined, may be eligible for up to $2.2 million in funding. While this amount could change throughout the application process, there are likely to remain substantial funding pressures and a potential oversubscription of the fund. However, both applicants have asked staff to hold on bringing the VHRF request forward as both projects require a rezoning and have opted to wait until this has been achieved.



Year	Awarded Fund*	Units*
2005 - 2019	$9,162,452	1,090

Figure 1: Awarded housing reserve fund amount and number of units from 2005 – May 2019.

**Note: Some projects are subject to change pending permit approvals and final completion*

While initially Council directed staff to return with eligible applications three months following the intake deadlines, staff recommend Council to consider removing the evaluation timeframe. Staff will continue to process these applications and bring to Council as quickly as possible given the City's priorities for affordable housing, however the uncertainty of the development process and consideration of grants alongside rezonings means these types of situations are likely to reoccur, so some flexibility is warranted.

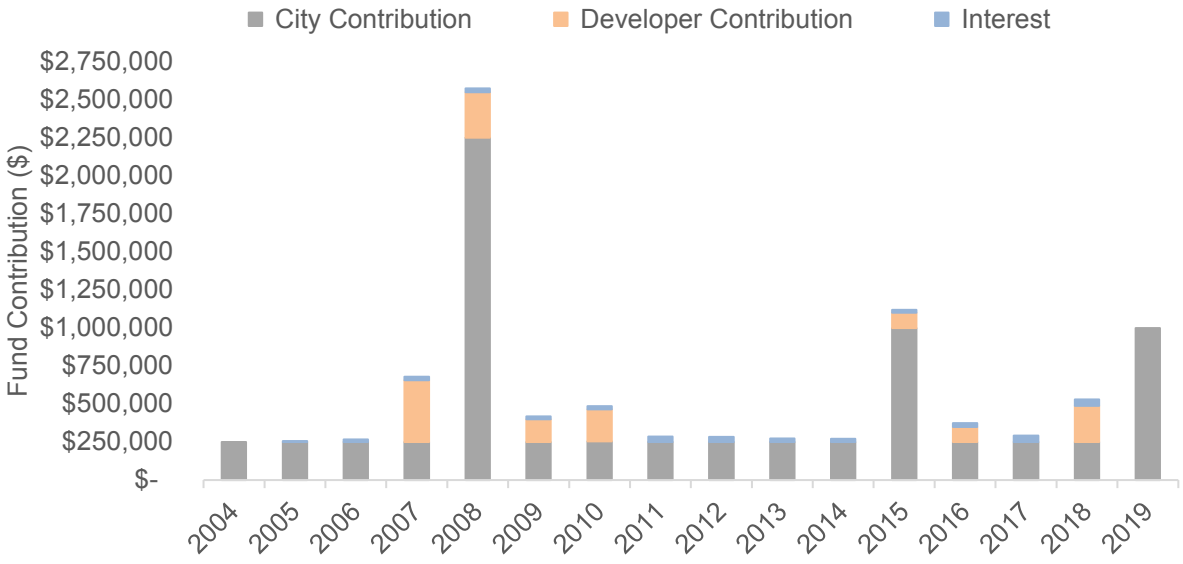
Given the current pressure on the fund, Council may wish to consider any new applications received in the September intake be assessed alongside the two applications received in March to allow consideration of each project on their merits.

The Role of Funding from Different Levels of Government

The City will also need to reconsider what role the municipal, regional, provincial and federal jurisdictions have when it comes to funding affordable housing projects in the long term. There has been a shift in the political landscape since the VHRF was created. Initially, there was limited financial support available for new affordable housing projects, and there were not enough eligible projects in which to apply the funds. Today, the Province of British Columbia and Government of Canada are both reinvesting in affordable housing at historic levels, and the balance has tipped so that there are more projects being created than the fund can support.

Considering this renewed support and influx of fund applications in recent years, staff recommend that Council consider limiting the total amount of funds projects may receive, either by articulating that the fund request cannot exceed the amount contributed by senior levels of government, by setting a monetary cap (e.g. $500,000 per project), or a maximum percentage of total capital cost of project (e.g. up to 5% of total capital cost of project). Council may also wish to consider reducing the bedroom unit contribution amount to adjust the current demands of the fund.

Fund Contributions



Year	City Contribution	Developer Contribution	Interest*
2004 - 2019	$7,504,192	$1,502,385	$349,789

Figure 2: History of city and developer contribution from 2004 – May 2019

**Note: All reserves receive an interest allocation as part of the City's year-end process*

Figure 2 illustrates the various fund contribution amounts from 2004 to May 2019. Currently, the VHRF receives property tax allocations of $250,000 annually (with some years receiving additional one-time allocations from previous year's surplus to the fund), investment interest accumulations, and developer contributions to the fund as part of rezoning negotiations and in the form of cash-in-lieu Community Amenity Contributions. This includes Council's commitment to increase housing funding from $250,000 to $1 million for the 2019 year. As part of the 2020 financial planning process, Council may wish to further explore other fund sources or increase property tax allocations to assist with the continuation and sustainability of the VHRF based on current demand.

5. Housing Definition Updates

Table 2 below identifies the existing VHRF guideline definitions and the City of Victoria's updated Housing Targets. The existing definitions include different sources from the Province of BC, BC Housing and Statistics Canada, whereas the city's housing targets are based on the City of Victoria's income, housing cost, household size, and statistical analysis of specific population needs. To create consistency with housing definitions and targets, staff recommend updating the VHRF guideline definitions with the city's current housing target definitions. Alignment of definitions will help better identify and monitor the number of units created by the fund and the overall housing stock. As well, these rent targets can be updated annually based on data availability such as Census, annual BC Housing Income Limits, and annual CIP adjustments.

Table 2: Existing and proposed definition changes for the Victoria Housing Reserve Fund Guidelines

	VHRF (Existing Definition)	City of Victoria Housing Targets 2016 - 2031 (Proposed Definition)
Very Low Income	Households earning no employment income and/or in receipt of Income Assistance	< $20k / yr
Low Income	Households with a gross annual income at or below current Housing Income Limits (HILs), as published by BC Housing on an annual basis.	$20 - $35k / yr
Low to Moderate Income	Not defined	$35 - $55k / yr
Moderate Income	Households with incomes at or below the latest available census data for the Victoria census metropolitan area median total income, as defined by Statistics Canada	$55 - $85k / yr

Funding Targets

The City of Victoria's median household income is $53,126 based on the 2016 Census data. To prioritize projects that provide housing for people with very low and low incomes first, as well as low to moderate income with the City of Victoria's Housing Targets, staff recommend Council to only grant fund units in the first three quartiles, including very low (<$20,000), low ($20,000 – $35,000), and low to moderate income ($35,000-$55,000). With these changes, the VHRF would effectively focus on providing housing for people near and below the median household income. Updates can be considered when the Census data becomes available every four years. Staff will also bring forward new housing targets as part of the update to the Victoria Housing Strategy to Council following this report that will be rectified with the new target definitions accordingly.

The revised Victoria Housing Reserve Fund Guidelines with the changes mentioned above can be found in Attachment E.

OPTIONS & IMPACTS

Option 1: Adopt the proposed Victoria Housing Reserve Fund Guideline updates (Recommended)

- Continue to fund gross new units in redevelopment projects seeking funding
- Continue to allow flexibility in rent levels in redevelopment projects seeking funding for non-profit housing societies
- Create a working group to review improvements to the VHRF guidelines on an ongoing basis
- Introduce a maximum funding cap to ensure VHRF funds do not exceed grants from other levels of government
- Remove staff evaluation timeframe for VHRF applications
- Update the VHRF guideline definitions to be consistent with the City of Victoria Housing Targets (2016 – 2031) and only fund units for very low, low, and low to moderate income

Option 2: Adopt Council motions to fund applications based on net new units for redevelopment projects and maintain existing rent levels in alternate accommodation and on return to redeveloped projects.

This option is not recommended as analysis and information has indicated these changes may reduce project viability, non-profits' eligibility for VHRF funding, and funding from other levels of government. As a result, these changes may negatively impact the number of new housing units created in Victoria, at a time where non-profit housing development is supported by provincial and federal funding partners.

Accessibility Impact Statement

The proposed updates to the VHRF have no accessibility impacts.

2019 - 2022 Strategic Plan

This further revision of the VHRF aligns with the 2019 – 2022 Strategic Plan Objectives 1: Good Governance and Civic Engagement and 3: Affordable Housing.

Impacts to Financial Plan

The proposed changes to the VHRF guidelines will not have an impact on the financial plan. However, staff recommend exploring other fund sources to sustain the VHRF and fund considerations may have implications to the financial plan.

Official Community Plan Consistency Statement

This action is consistent with the OCP policy directions of "Land Management and Development" and "Housing and Homelessness".

CONCLUSIONS

The amendments to the VHRF guidelines that are outlined in this report will promote the fund's long-term sustainability, maintain flexibility for non-profit societies applying to the fund who are creating affordable housing in Victoria, and allow funding requests to help achieve Victoria's affordable housing targets and ensure displaced tenants are provided support outlined in the Tenant Assistance Plan revision.

Respectfully submitted,

Kai Okazaki
Planning Assistant
Community Planning

Andrea Hudson, Acting Director
Sustainable Planning and
Community Development Department

Report accepted and recommended by the City Manager: Jocelyn Jenkyns

Date: June 27, 2019

List of Attachments

- Attachment A: Jurisdictional Affordable Housing Fund Review in British Columbia and Other Cities
- Attachment B: Consultation Summary with Non-Profit Housing Providers and Funders
- Attachment C: Revised Victoria Housing Reserve Fund Application Form
- Attachment D: Victoria Housing Reserve Fund Activity 2005 – 2019
- Attachment E: Victoria Housing Reserve Fund Program Guidelines June 2019

Jurisdictional Affordable Housing Fund Review in British Columbia and Other Cities

A jurisdictional review of municipal affordable housing funds in British Columbia and other cities was conducted. This included a literature review of municipal policy documents, institutional research and publications as well as some interviews with municipal staff. These policies are tailored to best suit each municipality's unique contexts, with differences including housing need and demand, residential land values, supply of land, municipal government capacity and resources as well as length of policy implementation, among others. However, there are common elements supported by research, publications and current implementation.

As of May 2019, 12 municipalities in Metro Vancouver and 14 local governments in the Capital Regional District currently have an affordable housing fund. In addition, cities such as Kelowna, Calgary, Edmonton, Saskatoon were reviewed and had similar housing programs.

Metro Vancouver	Capital Regional District	Other Cities
• City of Burnaby • City of Coquitlam • City of Maple Ridge • City of New Westminster • City of North Vancouver • City of Port Coquitlam • City of Port Moody • City of Richmond • City of Surrey • City of Vancouver • District of North Vancouver • District of West Vancouver	• City of Colwood • City of Langford • City of Victoria* • District of Central Saanich* • District of Highlands* • District of Metchosin* • District of North Saanich* • District of Oak Bay* • District of Saanich* • District of Sooke* • Township of Esquimalt* • Town of View Royal* • Township of Sidney* • Salt Spring Island and Southern Gulf Islands Electoral areas*	• City of Calgary • City of Edmonton • City of Kelowna • City of Saskatoon

**Local governments that participates in the Regional Housing Trust Fund, a voluntary requisition program managed by the Capital Regional District involving municipalities to provide up to $1 million in grants to support development of affordable rental housing units for low to moderate income households.*

The table below are a few examples from other municipalities on their current practice of the Affordable Housing Reserve Fund (AHRF).

Municipality	Housing Funding Source	Housing Fund Users	Housing Funding Use	Tenant Assistance Policy?	Comments
City of North Vancouver	• **Annual General Revenue** (discontinued in 2013) • **Density Bonus and Community Benefits Policy 2018 -** approval for additional density where 20% of cash contributions goes to AHRF	• Non-Profits • City • Others	• Fund has a general term of reference that can allow non-project related use (e.g. conferences, pop-up demonstrations, events, sponsorship etc.) • Not many non-profit redevelopment projects to date • Fund has historically been used to support **net new units**, typically paying for land costs to facilitate new projects	Yes	• DCC waiver can apply with project application • Lower parking requirements for rental housing can apply with project application
City of Burnaby	• **Community Benefit Bonus Policy 2014** – approval of additional density in exchange for contributing a community benefit (community amenity, affordable and/or special needs housing, cash contribution in-lieu) ○ Most have opted for cash-in-lieu contributions, where 20% are allocated to the AHRF	• Non-Profits	• Funds new construction and redevelopments • Funds new construction with some in-kind units operated by non-profits • **City Lands Program for Non-market Housing** - Leases land at reduced or nominal rates, offsetting leasing costs through fund • Fund used to offset city fees • Redevelopment projects application are based on **gross or net new units,** dependent on project proposal	Yes	• Applicants initiate to staff on project • Burnaby has available land for use and high contributions to fund from development projects

Disclosure: the policy scan was conducted on municipalities only and based on available web information and publications. The scan may have missed other municipalities that currently do have an affordable housing fund but staff was unable to find the relevant information. The purpose of the review is to summarize housing fund practices in other municipalities.

Municipality	Housing Funding Source	Housing Fund Users	Housing Funding Use	Tenant Assistance Policy?	Comments
City of Port Moody	• **Community Amenity Program (CAC) 2017 –** voluntary CAC contributions be made to the city in the amount of floor area being developed on lot for residential use in a rezoning application. ○ 33% of the contribution will be allocated to the AHRF	• Non-Profits • City	• Fund used to acquire land by city for affordable housing projects • Fund used to help lease land at below-market rates • Contributions to fund can be waivered to cover city fees, DCCs, etc. for affordable rental • No non-profit redevelopment projects; up to Council's discretion for funding allocation on **gross or net new units**	Yes	• Preference for low-income units • Waiving any fund guidelines in policy will be subject to the discretion of Council
City of Coquitlam	• **Density Bonus Program** – Approximately 10% of all density bonus contribution goes to AHRF. High density residential and mixed-used sites contribute 50% to the housing fund as part of the 3-step density bonus system (only step 3 for high density projects contributes to AHRF)	• Non-Profits	• Non-profit can request partnership with developer to help build project construction • For-Profit can select non-profit partners in the form of in-kind affordable market rental projects ○ E.g. For-profit developers can build units within project and sell units to non-profit (hard and soft cost apply only) • Cap city contribution amount to non-profits to not exceed amount contributed by the Province • Redevelopment project applications are based on **gross units**	Yes	• Focus on affordable housing for low- and moderate income, single parent, family, single-person household • Letter of Intent submitted to General Manager of Planning and Development

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Municipality	Housing Funding Source	Housing Fund Users	Housing Funding Use	Tenant Assistance Policy?	Comments
City of Saskatoon	• **Land Banks –** revenue generated on the sale of city-owned lands, maintenance and expansion	• Non-Profits	• Fund provides non-profits 10% cash grant of total capital projects • Non-profits can also receive a 5-year tax abatement of incremental increase in property tax • Would support redevelopments applications based on **gross units** (value of project, point of retaining stock, and adding new)	No	• First-come, first-serve on a yearly allotment • Evaluation on a point-based system • Also has CMHC mortgage flexibility program for affordable homeownership • Saskatoon has available land for land banks
City of Kelowna	• **Rental Housing Grants –** partial DCC credits funded by taxation • **Rental Housing Tax Exemption program –** Tax exemption on value of improvements for 10 years	• Non-Profits • For-Profits	• Partial relief of DCCs for all rental housing projects (5-15% depending on number of applications) • Tax exemption is available to all rental housing projects as long as vacancy rate is below 3% • Would support redevelopment applications based on **gross units**	No	• Fixed pool of grant offered on a yearly intake • Tax exemption can be at any time of the year • 10-year Housing Agreement required • Non-profits and for-profits have equal opportunity to the fund

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Municipality	Housing Funding Source	Housing Fund Users	Housing Funding Use	Tenant Assistance Policy?	Comments
City of Edmonton	• **Affordable Housing Investment Plan (2019-2022)** – support the creation of 2,500 new or renovated units of affordable housing in next 4 years (investment of approx. $132 million of city resources) ○ **Grants** allocation of $10 million per year	Non-Profits	• Contributing land as sale or long-term lease at nominal values or limit funding affordable housing projects to increase ability to generate additional funding from other orders of government or through self-sustainable funding models • Leverage city resources further of $377 million of combined provider equity, private financing, and funding from other orders of government • Would support redevelopment projects based on **net new units**	No	• Has capital and operating budgets in plan for affordable housing investments • Has land to offer development opportunities for non-profits • Grant program application process expected to launch 2019 under Edmonton's priority investment areas

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Municipality	Housing Funding Source	Housing Fund Users	Housing Funding Use	Tenant Assistance Policy?	Comments

City of Calgary	• **Economic Resilience Strategy -** Community Economic Resiliency Fund allocation	Non-Profits	• **Housing Incentive Program –** encourage the development of affordable housing and stimulate the economy
			  ○ Grant up to $50,000 to cover pre-development activities with affordable housing projects
			  ○ Rebate on all city development fees related to affordable housing project
			• **Home Program Grant –** helps non-profit groups support Calgarians in affordable housing by launching initiatives in areas of increasing community well-being
			  ○ Completed within 12 months from time of fund awarded
			  ○ Budget of $15,000 or less
			  ○ E.g. salaries, rental of space, project materials, meeting costs, office expenses, volunteer engagement and recognition
			• **Property Tax Exemption -** reduce tax burden on eligible non-profits to provide necessary service
			• **No clear indication** on redevelopment projects
				No	• Has capital and operating budget in Economic Resiliency Strategy for affordable housing investments
					• Has city-owned lands to offer sale to non-profits for development
					• CMHC mortgage flexibilities program on Affordable homeownership projects is available

Disclosure: the policy scan was conducted on municipalities only and based on available web information and publications. The scan may have missed other municipalities that currently do have an affordable housing fund but staff was unable to find the relevant information. The purpose of the review is to summarize housing fund practices in other municipalities.

Consultation Summary with Non-Profit Housing Providers and Funders

Staff reconvened the non-profit housing providers who participated in the last VHRF focus group and survey in October 2018 and have also included core funders in this consultation to receive input on the potential implications of the proposed changes.

Participants

Participants provided feedback through email, phone, and in-person, and included representatives from the following organizations (8): Greater Victoria Housing Society; Habitat for Humanity; Pacifica Housing; Capital Regional Housing Corporation; M'akola Development Services; Capital Regional District; BC Housing; and Canada Mortgage and Housing Corporation (CMHC).

Motions

On March 14, 2019, Council directed staff to report back in the context of the next update on the Victoria Housing Strategy on the following:

> *Incorporating the following provisions into the criteria for housing reserve fund applications:*
>
> 1. *All existing tenants are offered alternate rental housing at existing rent levels;*
> 2. *No net loss of units at existing rent levels in the new building, subject to annual increases as permitted under the Residential Tenancy Act;*
>
> *That the staff report include considerations for viability of redevelopment projects*
>
> *That staff be directed to do this work on a priority basis as part of the Victoria Housing Strategy*

And on March 21, 2019, Council made another motion:

> *That staff be requested to report back on options for basing City grant programs on net additions to the affordable housing stock*

The summary of the results are provided in the tables below.

	Non-Profit Housing Providers	Funders
	• Capital Regional Housing Corporation • Greater Victoria Housing Society • Habitat for Humanity • Pacifica Housing Society • M'akola Development Services	• Capital Regional District (CRD) • BC Housing • Canadian Mortgage Housing Corporation (CMHC)

March 14, 2019
 	
Tenant Assistance – all existing tenants are offered alternate rental housing at existing rent levels
	• Non-profits are well-connected with one another and attempts to best relocate and rehouse tenants successfully
	• Deal with various types of tenants:
	  ○ Tenants with operating subsidy
	  ○ Tenants who don't have operating subsidy that may or may not have financial hardship with paying rent far below-market
	  ○ Recommend that all tenants are offered housing that are affordable to the tenant based on a maximum level of rent (30% of their income)
	• Restriction on rent in alternate rental housing can increase operational cost for non-profits and additional subsidy or funding from senior levels of government would be needed
	• Imposing grant on alternate rental housing would make projects less viable (more capital cash or subsidy rent would be required for the redevelopment)
	• Sometimes, non-profits may not take the city grant because it may not be worth the process (e.g. administrative burden)
		• Funders acknowledge that this can create challenges if there are not enough rental housing stock available for non-profits to relocate at existing rent levels and therefore, would need to find other funds to subsidize accordingly
		• Funder recommend flexibility in the guidelines for non-profits in assisting pro forma needs
		• Funder identifies that operating revenue may be impacted by rent restrictions which in turn can compromise the viability of new housing projects.
		• Funder recommends that existing tenants evaluated prior to relocation to ensure they are appropriately housed and fully accessing the programs and subsidies available to them.

Staff Recommendation: Add a Tenant Assistance Plan section to the Victoria Housing Reserve Fund application form to provide clarity on tenant protections for redevelopment projects seeking funding.		

	Non-Profit Housing Providers	Funders
	• Capital Regional Housing Corporation • Greater Victoria Housing Society • Habitat for Humanity • Pacifica Housing Society • M'akola Development Services	• Capital Regional District (CRD) • BC Housing Canadian Mortgage Housing Corporation (CMHC)
March 14, 2019 **Tenant Assistance – No net loss of units at existing rent levels in the new building**	• Non-profits are trying to build housing with pro forma and the best affordability that they can as a vision and mission statement • Offering tenants alternate rental housing at existing rent levels and then coming back to the same unit at same rent level would be difficult without the support of other levels of government funding • Can jeopardize the development of actual affordable housing depending on program(s) that the proponent may be applying for • Some non-profits already rehouse tenants and offer right of first refusal (case-by-case basis) • May have restrictions on operating agreement and subsidy program to transfer	• Funders understand that flexibility is needed with the non-profit portfolio to build and operate units • Funders understand that non-profits are doing their best in their redevelopments and recommend flexibilities for tenant assistance and right of first refusal
Staff Recommendation: Add a Tenant Assistance Plan section to the Victoria Housing Reserve Fund application form to provide clarity on tenant protections for redevelopment projects seeking funding.		

	Non-Profit Housing Providers	Funders
	• Capital Regional Housing Corporation • Greater Victoria Housing Society • Habitat for Humanity • Pacifica Housing Society • M'akola Development Services	• Capital Regional District (CRD) • BC Housing • Canadian Mortgage Housing Corporation (CMHC)
March 21, 2019 **Options for basing city grant programs on net additions to the affordable housing stock**	• Gross unit makes sense (x4) • Discourages non-profits to redevelop if net new units were funded (x3) • Current market condition is costly on residual land acquisition, construction cost, and public buy-in, etc. • Doesn't matter the amount of unit municipalities fund; it's the amount of fund received for viability of projects • A new era of housing projects undergoing redevelopments for non-profits (consider what does the next 20-30 years will look like as projects are reaching the end of life) • Generally, non-profits are redeveloping old stock that isn't suitable for the tenant anymore; need to consider long term tenant affordability over time; advantages of new units being created and longer building life	• CRD Regional Housing Trust Fund guidelines indicate "to assist in the retention of existing or construction of new affordable housing" so gross can be considered in a redevelopment; CRD can consider both net new or gross in a redevelopment dependent on the project proposal • BC Housing considers gross units for redevelopment projects. • CMHC considers gross units for redevelopment projects • In order to qualify for CMHC funding, there are higher requirements than BC Housing to be met on mixed rents and incomes • CMHC consider projects on a holistic view don't base funding on capital or operating budget; consider projects based on the pro forma and then determining the viability of project • CMHC can help reach the deeper affordability by subsidy and lowering rent levels if requested • Funders understand that a viability of a project can be at risk for redevelopment based on development and market dynamics (pro forma, land cost, construction cost, operating budget, restriction on rent, etc.) • Funders review each application on a case-by-case basis with different needs and requests
Staff Recommendation: Continuing to fund gross new units in redevelopment projects seeking funding		

	Non-Profit Housing Providers	Funders
	• Capital Regional Housing Corporation • Greater Victoria Housing Society • Habitat for Humanity • Pacifica Housing Society • M'akola Development Services	• Capital Regional District (CRD) • BC Housing Canadian Mortgage Housing Corporation (CMHC)
Other Comments	• If Council don't trust the non-profits, then don't give us the money • Interested to see how to help applicants qualify for affordable homeownership	• Each funder have different requirements to be met and can add to cost of project viability

ATTACHMENT C

CITY OF VICTORIA

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Victoria Housing Reserve Fund Application for Funding

The Victoria Housing Reserve Fund Program Guidelines contain important information on project eligibility and the application process. Please review the guidelines prior to completing an Application for Funding.

The entire Application for Funding must be completed along with all other documents identified on the Application Checklist. Please attach additional pages if more space is needed.

An appointment is strongly encouraged prior to applying for funding to ensure the project meets eligibility criteria. To make an appointment, email communityplanning@victoria.ca.

If you have any questions about the criteria or the process, please contact the Community Planning Division at communityplanning@victoria.ca or 250.361.0382.

1. Letter to Mayor and Council

Please include a letter to Mayor and Council highlighting key aspects of the proposed project and how it meets the objectives of the Victoria Housing Reserve Fund Program as outlined in the Program Guidelines.

2. Proponent Information

Organization Name _____ Non-profit Society Yes ☐ No ☐

Contact Person/Position _____

Business Address _____

Telephone _____

Fax _____

Email _____

Date of Incorporation _____

Canada Revenue Agency Charity # _____

Previous Projects Funded through the Victoria Housing Reserve Fund, if any: _____

I have read and understand the Victoria Housing Reserve Fund Program Guidelines ☐

I understand funding is a one-time, non-renewable grant ☐

Application Date mm/dd/yyyy _____

Applicant Signature _____

3. Project Summary

Submission of building and site plans are required as part of the application package.

Address/location of project _____

Developer and contact information (if different from the Proponent) _____

Project Architect and contact information _____

Owner and Operator of Housing _____

Housing type (strata/apt etc.), number of units and sizes (bedrooms) _____

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Victoria Housing Reserve Fund Application for Funding

Target population, incomes (as defined in the Program Guidelines) and target rents or sale price per unit

Support services provided (if any)

Additional features

Target Completion Date

How does the project meet the objectives of the Victoria Housing Reserve Fund Program as described in the Program Guidelines?

Describe how the project is consistent with the City's Official Community Plan (OCP), Neighbourhood Plan policies and zoning.

What development approvals are required or have been received?

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Victoria Housing Reserve Fund Application for Funding

4. Experience and Capacity to Develop and Manage Affordable Housing

Outline the proponent's experience in the development and management of affordable housing. How does this project compare to this previous experience and the proponent's capacity to complete the project in the short-term and manage it over the long-term?

5. Project Financing and Sustainability

Describe how the funding model will support long-term financial sustainability and housing affordability. Please also attach a detailed Capital Budget and 10-year Operating Budget. For affordable home ownership projects, detail how the units will be affordable and will remain so over time.

6. Partnerships

List partners in this project (developers, agencies, other levels of government etc.), and detail their involvement.

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Victoria Housing Reserve Fund Application for Funding

7. Tenant Assistance

If there are existing tenants involved in the project, describe how the tenants will be assisted throughout the project. Refer to the Tenant Assistance Policy and Guidelines for further information. Please indicate the following:

a. Compensation by Tenancy Length

b. Notification to End Tenancy

c. Moving Expenses

d. Relocation Assistance

e. Right of First Refusal

f. Vulnerable Tenants

Note: Please be advised that additional information may be requested as part of the Tenant Assistance Plan for Council's consideration.

8. Other Information

Provide any other information that supports your application.

Victoria Housing Reserve Fund Activity

The Victoria Housing Fund was established for the purpose of providing grants for capital funding to:

- assist in the development and retention of housing for households with very low, low or moderate incomes;
- support community diversity and infrastructure; and
- facilitate the development of affordable rental housing.

Housing Fund Activity						
Year	Agency	Address	Amount	Units	Type of units	Neighbourhood
2019	Greater Victoria Housing Society	2558 Quadra Street	$440,000	40	Seniors, Working Adults, Adults with Disabilities and Families	Hillside Quadra
2019	Capital Regional Housing Corporation	330-336 Michigan	$1,395,000	98	Seniors, Adults with Disabilities, Working Singles, and Families	James Bay
2018	North Park Manor Society	875 North Park	$30,000	3	Low and medium income for Seniors	North Park
2018	Victoria Cool Aid Society	210 Gorge Road East	$600,000	60	Affordable apartments for low and moderate income	Burnside Gorge
2017	Pacific Housing Advisory Association	1601 - 1609 Douglas St	$500,000	62	No/Low Income Housing	Downtown
2015	Victoria Cool Aid Society	3211-3223 Quadra St	$112,000	45	Supportive Housing	Saanich
2015	Society of St. Vincent de Paul	4351 West Saanich Rd	$297,000	42	Low Income & Supportive Housing	Saanich
2015	Victoria Native Friendship Centre	120 Gorge Rd	$20,000	2	Low Income & Supportive Housing	Burnside Gorge
2014	Greater Victoria Rental Housing Society	1950 Blanshard St	$543,725	65	Affordable rental	Burnside Gorge
2013	Pacifica Housing Advisory Association	105 Wilson Street	$840,000	84	Affordable Rental	Victoria West
2012	Gr. Victoria Housing Society	35 – 39 Gorge Rd	$680,000	68	Affordable rental units	Burnside Gorge
2011	City of Victoria	710 Queens Ave	$360,000	36	Low income supported housing	Burnside Gorge
2011	City of Victoria	120 Gorge Rd	$390,000	39	Low income aboriginal housing	Burnside Gorge
2010	Gr. Victoria Housing Society	575 Pembroke	$250,000	25	Low income single rental	Downtown
2010	Gr. Victoria Housing Society	15/21 Gorge Rd	$370,000	37	Low income family rental	Burnside Gorge
2009	Pacifica Housing	105 Wilson St	$510,000	51	Affordable rental units	Victoria West
2009	Cool Aid Society	525 Ellice St	$296,341	104	80 emergency shelter beds and 24 supported housing units	Burnside Gorge

Victoria Housing Reserve Fund Activity Cont'd

The Victoria Housing Fund was established for the purpose of providing grants for capital funding to:

- assist in the development and retention of housing for households with no, low or moderate incomes;
- support community diversity and infrastructure; and
- facilitate the development of affordable rental housing.

Housing Fund Activity						
Year	Agency	Address	Amount	Units	Type of units	Neighbourhood
2009	Capital Region Housing Corp	Dockside Green	$460,000	46	Afforable rental	Victoria West
2009	Beacon Community Services	834 Johnson St	$120,000	12	Affordable rental for adults with disabilities	Downtown
2009	BC Housing	950 Humboldt	$236,681	44	Supportive housing units	Fairfield
2009	BC Housing	469 Swift St/ 1634 Store St	$16,705	26	Supportive housing units	Downtown
2008	Cridge Centre for the Family	confidential	$80,000	8	Transition homes for women	Confidential
2007	Victoria Native Friendship Centre	1250 Balmoral St	$300,000	6	Transitional youth housing	Fernwood
2007	Roofs & Roots Housing Co-operative	1511 Bank St	$50,000	5	Low income single parent families	South Jubilee
2007	Fernwood Neighbourhood Resource Group	1222 Yukon St	$60,000	6	Homeless and underhoused families	Fernwood
2007	Capital Region Housing Corp and Beckley Farm Lodge	408 Parry St	$55,000	22	Frail seniors	James Bay
2006	Our Place	919 Pandora St	$50,000	45	Supportive housing for homeless at-risk single adults	Harris Green
2005	Pacifica Housing	2821 Irma St (The Georgian Apts)	$50,000	5	Homeless families and low income empty nesters	Burnside Gorge
2005	Fernwood Neighbourhood Resource Group	1301 Gladstone (The Cornerstone)	$50,000	4	Homeless and underhoused families	Fernwood

ATTACHMENT E

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Victoria Housing Reserve Fund Program Guidelines

Program Overview

The Victoria Housing Reserve Fund was established for the purpose of the providing grants for funding to:

- Assist in the development and retention of affordable housing for households with very low, low, or moderate incomes to support community diversity and infrastructure; and
- Facilitate the development of affordable rental housing, and affordable home ownership projects.

Successful applicants will be required to enter into a Housing Agreement with the City of Victoria to ensure the units receiving funding remain affordable housing in perpetuity, or for a time approved by Council. A final report is also required.

For the purposes of this program, the following definitions from the City of Victoria Housing Targets (2016 - 2031) will be used:*

	Very Low Income	Low Income	Low to Moderate Income
Annual Income	< $20k/yr	$20 - $35k/yr	$35 - $55k/yr
Housing Costs (Monthly)	< $500	$500 - $875	$875 - $1,375

*NOTE TO COUNCIL: Staff will be bringing forward new housing targets as part of the update to the Victoria Housing Strategy to Council that will be rectified with the new target definitions accordingly.

Who can apply?

Typically, eligible applicants must be a registered non-profit society or partner with a registered non-profit society that will own and operate the housing. Exceptions may apply for affordable home ownership projects, where it can be demonstrated that funding will directly offset the price of unit purchase; however, several restrictions apply. If you are *not* a registered non-profit society, please contact the City of Victoria to determine eligibility prior to submitting a funding application.

Project Eligibility

All projects must:

- Include financial leveraging and partnerships with other government funding agencies, private industry, community agencies and/or individuals;
- Have VHRF contributions not exceed non-refundable contributions from other levels of government on the same project;
- Target housing for very low, low, and low to moderate income households as defined above;
- Adhere to the Tenant Assistance Policy and submit a Tenant Assistance Plan for staff approval;
- Be located in the City of Victoria;
- Utilize housing reserve funds for construction, development, purchase, or other one-time costs at the discretion of Council;
- If approved, enter into a Housing Agreement securing units funded as affordable housing in perpetuity, or for a time negotiated and approved by Council motion.

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Victoria Housing Reserve Fund Program Guidelines

Project Priority

All projects with a completed application package submitted will be evaluated based on the above eligibility criteria and available funds. However, projects that will serve key target populations as identified in the Victoria Housing Strategy will be prioritized:

- affordable family housing with two bedroom or larger units
- projects targeting youth, or women and children
- accessible units for seniors
- mixed affordability/inclusive projects
- projects within the City of Victoria
- housing for individuals and families who are either experiencing homelessness or are at risk
- projects that receive no other supports from the City of Victoria
- projects that serve persons with disabilities
- projects that have affordability in perpetuity
- projects that provide a component of housing for people with low and very low incomes first, over moderate income households

Funding Assistance

Maximum funding for eligible projects under this program is allocated on a per unit basis as follows:

	1 bedroom unit	2 bedroom unit	3+ bedroom unit
Very Low Income Rental	$10,000	$20,000	$30,000
Low Income Rental	$10,000	$20,000	$30,000
Low to Moderate Income Rental	$5,000	$10,000	$15,000
Affordable Home Ownership	$5,000	$10,000	$15,000

Important Notes:

- **All projects are eligible for funding only once, and the grant is non-renewable.**
- Should construction of a project for which a grant is approved not commence within two years of the Development Permit approval or should a Development Permit in respect of an approved project not be issued within two years of Council's approval of the grant, the approved grant shall be rescinded.
- The City reserves the right to accept or reject any application, or to grant funding different from the funding framework above without limitation.
- All housing projects will be required to pay Development Cost Charges.
- Applicants are advised that the City will publish project eligibility information from applications to demonstrate that the projects have met all the eligibility requirements. The eligibility information that will be published includes the following:
    - Completed Application Checklist
    - Letter to Mayor and Council describing project and how it meets Victoria Housing Fund Program objectives as outlined in the Program Guidelines
    - Completed Application Form
    - Building plans and site plans.

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Victoria Housing Reserve Fund Program Guidelines

Affordable Home Ownership Projects

Applications for Affordable home ownership projects must clearly outline how the project will work, including how the fund will improve the affordability of the units; how the units will remain affordable over time, project administration, tenant eligibility criteria, rental and resale restrictions, and other relevant details.

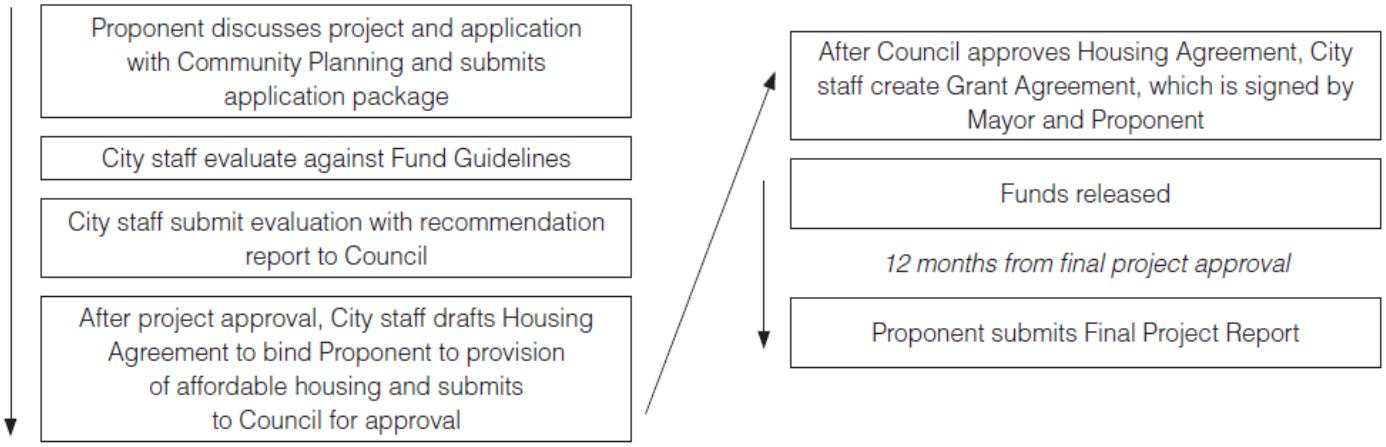
At Council's sole discretion, higher income thresholds for affordable home ownership projects than affordable rental may be considered; however typically units must be offered at a minimum of 10% below market value, with greater consideration for maximum grant funding for projects that offer better affordability.

How to Apply

Applications are accepted on or before the bi-annual deadlines of March 31 and September 30, and are assessed concurrently. Project approval is subject to Council's sole discretion and availability of funding.

1. Review the Program Guidelines to determine eligibility. If you are unsure if your project is eligible or if you have questions about the process, contact the Community Planning Division. A pre-application meeting is strongly encouraged.
2. Complete the application package, ensuring inclusion of all documents identified on the Application Checklist.
3. Submit the application in person, by mail, or email, confirming receipt by contacting the Community Planning Division.
4. Applications are targeted to be assessed concurrently ~~within one month after the intake deadline, and two months to receive a Council decision.~~

Process Chart



Contacts

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Council Member Motion
For the Council Meeting of August 2, 2018

Date: July 26, 2018

From: Councillor Ben Isitt

Subject: Investigation of Pilot Program for Safe Consumption Sites for Cannabis Use

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Background:

Jurisdictions including the City and County of Denver, Colorado have introduced a Cannabis Consumption Pilot Program and regulations governing safe consumption sites for cannabis use. (See Attachment 1)

Responding to this regulatory change in other jurisdictions, as well as the pending legalization of cannabis in Canada in October 2018, members of the public have petitioned Victoria City Council to explore regulations for safe consumption sites for cannabis use.

It is therefore recommended that Council provide direction to staff to investigate regulations in place in other jurisdictions, as well as relevant regional, provincial and federal regulations, and report back on the advisability of proceeding with a pilot program or regulatory framework for safe consumption sites for cannabis use in Victoria.

Recommendation:

That Council direct staff to report back at the next Quarterly Update on the implications of the following actions:

1. That staff be directed to investigate regulations in other jurisdictions governing safe consumption sites for cannabis use.

2. That this review take into consideration the City and County of Denver, Colorado's Cannabis Consumption Pilot Program, as well as the regulatory context in the City of Victoria arising from regional, provincial and federal regulations.

3. That staff report back to Council on the advisability of initiating a Pilot Program or introducing regulations for safe consumption sites for cannabis use.

Respectfully submitted,

Councillor Isitt

Attachments:
1. City and Country of Denver Cannabis Consumption Pilot Program Regulations

CITY OF VICTORIA

Committee of the Whole Report
For the Meeting July 4th, 2019

To:	Committee of the Whole	**Date:**	June 26th, 2019
From:	Chris Coates, City Clerk		
Subject:	Advisability of Cannabis Consumption Site Pilot or Regulations		

RECOMMENDATION
That Council receive this report for information.

EXECUTIVE SUMMARY
On September 6th, 2018, Council directed staff to examine the regulatory context for cannabis consumption sites, review other jurisdictions including Denver, Colorado, and report back on the advisability of initiating a pilot or introducing regulations for cannabis consumption sites.

While the Government of Canada legalized use of cannabis on October 17th, 2018, the Province of British Columbia, the Capital Regional District, the City, and many private property owners restrict or prohibit where a person can consume cannabis. This complex regulatory framework precludes the City from initiating a pilot of introducing regulations that would enable cannabis consumption sites without conflicting with provincial and regional district jurisdiction. Further, the Province has signalled that regulations with regard to cannabis consumption sites are under review; although, there is no certainty about what these rules will be and when or if they will be decided. Due to this complex and changing regulatory environment, it is not advisable to initiate a pilot or to introduce regulations for cannabis consumption sites.

Cannabis consumption rules and sites in Toronto, Halifax, and Denver, Colorado do not demonstrate transferable options for initiating a pilot or introducing regulations to enable cannabis consumption sites. Toronto and Halifax have broader authority than the City to regulate smoking and vaping cannabis. While in Denver, the extent of legalization creates opportunities to set up indoor cannabis consumption lounges for ingesting or vaping cannabis that are not currently available in the City. Lack of similar jurisdiction and regulatory context prevents the City from pursuing any options in these cities.

PURPOSE
The purpose of this report is to provide Council with information about the regulatory context in the City regarding the advisability of a pilot or regulations for cannabis consumption sites.

BACKGROUND
On September 6th, 2018, Council passed the following motion resulting from a Council Member Report attached as Appendix A:

1. *That Staff be directed to investigate, beginning in the first quarter of 2019, regulations in other jurisdictions governing consumption sites for cannabis use.*
2. *That this review take into consideration the City and County of Denver, Colorado's Cannabis Consumption Pilot Program, as well as the regulatory context in the City of Victoria arising from regional, provincial, and federal regulations.*
3. *That staff report back to Council on the advisability of initiating a Pilot Program or introducing regulations for consumption sites for cannabis use.*

Legal Cannabis Products

Since legalization of cannabis on October 17th, 2018, a person may legally obtain cannabis from a government cannabis store, a provincially licensed cannabis retail store or produce their own recreational cannabis products for personal use, subject to the limitations in the legislation. A government cannabis store and cannabis retail store may sell dried cannabis, cannabis oil, cannabis seeds and cannabis accessories. As Canada has not yet legalized the commercial production and sale of cannabis edibles, extracts and topicals, these stores may not sell these products; however, a person may produce cannabis edibles, extracts and topicals for personal use.

Regulatory Context of Consumption

The Province of British Columbia (Province), Capital Regional District (CRD) and City restrict consumption of cannabis in public spaces. Private property owners may further regulate consumption on their premises. The result is a complicated regulatory context discussed below.

a. Consumption in Public Spaces

The BC *Cannabis Control and Licensing Act* sets out regulations for consumption, including specific regulations for smoking and vaping. Under the Act, a person must generally not consume cannabis in the following public places:

- In a prescribed place, including a building or structure
- On a school property
- While operating a vehicle or boat or someone is operating one of these
- In a government cannabis store or provincially-licensed cannabis retail store

Further, a person must not smoke or vape cannabis in the following outdoor and indoor public places:

Outdoors:

- in or on a health board property, unless in a designated area
- within a prescribed distance of the above
- skating rink, sports field, swimming pool, playground or skate park
- a spray pool or wading pool or splash pad
- a deck, seating area, viewing area or other place used in association with the above
- a park
- a regional park
- an outdoor area established by municipality for community recreation
- in or on a bus stop, train station or stop, taxi stand or ferry dock or stop, or similar place

Indoors:

- In a public place
- In a workplace
- In a common area within an apartment building, condominium or dormitory
- Within 6 metres from a doorway, window, air intake of the above places

The Capital Regional District (CRD) has exclusive jurisdiction under its Health Letters Patent and the Local Government Act to enact and enforce public health bylaws government activities' in public places within the entire region. In addition to the Province, the CRD has set more strict rules on smoking and vaping cannabis on public property and near private property. The CRD *Clean Air Bylaw* sets regulations for smoking and vaping of any substances in public spaces. This Bylaw sets the following restrictions:

- No smoking or vaping indoors (1999);
- No smoking or vaping on patios where food and beverages are served and/or consumed (2007);
- No smoking or vaping in parks, playgrounds, playing fields, public squares and bus stops (2014); and
- No smoking or vaping within 7 metres of doorways, windows, and air intakes or in any public place, including parks (2014).

Under it's authority to regulate business, the City also prohibits consumption in businesses in the *Cannabis-Related Business Regulation Bylaw* and in the *Business Licence Bylaw*. This provision was introduced prior to the legalization of cannabis, to manage cannabis-related businesses in Victoria. This prohibition is proposed to be repealed if Council adopts the proposed bylaw regulating storefront cannabis retailers. On July 11th, Council will receive input through a required consultation process under the Community Charter, on the proposed bylaw that received two readings earlier this spring. Should Council adopt this proposed bylaw in its current form, there would be no municipal rules applicable consumption on a business premises, rather the Provincial and regional rules would apply.

b. Consumption in Private Spaces

Provincial, regional district, and municipal rules do not prohibit a private property owner or tenant from smoking or vaping cannabis on their premises, with the exception of vehicles and boats while in operation. Private property owners may set consumption policies. Some policy options include a ban on consumption, designation of consumption areas, and no policy. YVR and YYJ airports and the University of Victoria are examples of private property owners that have established designated smoking and vaping areas for persons on the premises.

Recreational Cannabis Consumption in Other Jurisdictions

a. Recreational Cannabis Consumption in Toronto and Halifax

Toronto and Halifax have comparable interjursidictional authority between provincial, regional (if applicable) and municipal authority for consumption. Both municipalities prohibit indoor public consumption sites. Despite this, there are some cannabis consumption lounges operating in both municipalities. There are fewer restrictions on smoking or vaping on outdoor public property in these municipalities. In Toronto, a person may smoke or vape cannabis in a municipal park, which has enabled a special event scheduled for summer 2019 to operate an outdoor cannabis consumption patio. In Halifax, the municipality prohibits consumption on all public property by default but has set up 83 designated smoking and vaping areas for both cannabis and tobacco to date with more proposed areas being considered.

b. Recreational Cannabis Consumption in Denver, Colorado

Denver prohibits consumption of cannabis on public property.

Denver conducted a pilot for cannabis consumption lounges. The pilot allowed businesses to apply for designated consumption areas for a year or for a special event (both indoor and outdoor). After receiving voter approval in November 2016, this pilot began in July 2017. As of March 2019, only two businesses obtained licenses to operate a cannabis consumption lounge. A month after obtaining a license, one business shut down their operations. No special events sought a license. The pilot was set to expire on December 31, 2020 but it was turned into a program on February 25th, 2019 with the goal to increase uptake from potential cannabis consumption lounges that would like greater certainty.

Cannabis consumption lounges are currently feasible in Denver because the state's *Clean Indoor Air* Act only prohibits smoking indoors and it is legal for a business to sell edible cannabis products in Colorado. Therefore, a cannabis consumption lounge may allow a person to eat or vape cannabis, just not smoke. However, the Colorado House of Representatives recently voted in favour of a bill that would prohibit vaping indoors and now the Senate will consider this bill. If this bill is adopted in its current form, only edible cannabis products will be permitted for use in cannabis consumption lounges.

ISSUES AND ANALYSIS

Cannabis Consumption Sites Opportunities and Constraints

Staff understand the concept of a cannabis consumption site to involve a managed operation where access is controlled and activities monitored. With that in mind the limitations by way of the regulations in place from other authorities make such an undertaking extremely difficult to establish and be compliant for a managed operation. The legislation around consumption is still not addressed in such a way as to provide clear opportunities for consumption sites. As noted, the Province has indicated that consumption sites are something that may be addressed in a subsequent legislative review, it is perhaps more practical to await legislative change than it would be to try to create local rules that might provide a degree of opportunity for a managed consumption sites. Even if it were possible to expand opportunities, doing so would likely create an administrative and enforcement concern for the City to ensure compliance with the requirements are sustained.

In terms of cannabis use and where it can occur in a non-managed way, despite the CRD Clean Air Bylaw and the restricted areas where smoking and vaping cannot occur, there is public space that is not covered by these regulations and that in accordance with other government's regulations, the smoking and vaping of cannabis can occur.

Changing Regulatory Environment

The Province of BC has indicated that consumption rules are under review. Initiating a pilot or introducing regulations for cannabis consumption sites in this complex regulatory environment could result in conflict with Canada or the Province. It is advised to wait until further direction from Canada or the Province about cannabis consumption sites.

Staff will continue to monitor this changing regulatory environment and report to Council with any significant related changes from either Canada or the Province.

Zoning

If Council adopts the Storefront Cannabis Retailer Bylaw in its current form, the City would no longer prohibit a business to allow consumption on the premises. This is possible because the Province currently prohibits a business from allowing consumption on the premises.

If the Province relaxes this prohibition, Council could regulate the location of consumption sites by prohibiting consumption sites in the Zoning Bylaw. This approach would require a business to apply

for zoning to permit consumption. The City would have in place a process to obtain public feedback and manage where these businesses would be permitted. This approach is similar to that for storefront cannabis retailers in 2015 and any property would need to undergo a rezoning process that includes public consultation and the opportunity for comment.

Other Jurisdictions

Given the City's very limited jurisdiction over consumption, there are few options employed in other cities that could be use to develop a cannabis consumption pilot or regulations. Toronto, Halifax, and Denver restrict ingesting, smoking, or vaping on public property to some extent, however none have taken any actions to use City property to establish cannabis consumption sites. This may be because in Toronto and Halifax it is permitted to smoke and vape on some public property. In Denver, it may be because the city has established the program that would allow businesses to set up designated consumption areas in businesses and for special events. Victoria does not have the jurisdiction to regulate consumption on public property as do Toronto and Halifax in a way that would create designated cannabis consumption sites or to regulate consumption on private property or in businesses. It remains that Victoria may likely only exercise it's rights as a private property owner and set up designated smoking/vaping areas, as do Vancouver and Victoria airports and the UVic campus.

OPTIONS AND IMPACTS

Option 1: **Receive this report for information *(Recommended).***

Option 2: **Council advocate for legislative changes at the Regional and Provincial level with regard to cannabis consumption sites.**

Option 3: **Direct staff to explore zoning-related options for regulating cannabis consumption sites.**

2019-2022 Strategic Plan

There are no impacts in this report on the Strategic Plan.

Impacts on Financial Plan

There are no impacts in this report on the Financial Plan.

Accessibility Impact Statement

There are no impacts in this report on accessibility issues.

CONCLUSION

Legalization of recreational cannabis consumption brings to light the prohibitions and restrictions on consumption on public and private property. Due to the Province's jurisdiction over consumption, and the CRD jurisdiction over public health matters in the region, the City does not have the ability to authorize cannabis consumption site, even as a pilot project. With Canada giving consideration to legalizing edible cannabis products and the Province indicating consumption sites may be on a subsequent legislative agenda, Council may consider waiting to see if clearer authority is addressed. Staff will continue to monitor development of the legislation and, should it occur, would provide further information with regard to cannabis consumption sites that may not conflict with the other jurisdictions.

Respectfully submitted,

Monika Fedyczkowska
Legislative and Policy Analyst

Chris Coates
City Clerk

Susanne Thompson
Deputy City Manager

Report accepted and recommended by the City Manager:

Date: June 26, 2019

List of Attachments

Appendix A –September 6th, 2018 Council Member Report

Council Member Motion
Committee of the Whole Meeting of July 4, 2019

Date: June 28, 2019

From: Mayor Helps

Subject: Reconsideration of Council Motion on 1708 Coronation Street

Background:

At the June 13, 2019 meeting Council passed the following motions with respect to the application for rezoning and Development Permit with Variances at 1708 Coronation Street:

Rezoning Application No. 00663
That Council instruct staff to prepare the necessary Zoning Regulation Bylaw Amendment that would authorize the proposed development outlined in Rezoning Application No. 00663 for 1708 Coronation Avenue, that first and second reading of the Zoning Regulation Bylaw Amendment be considered by Council and a Public Hearing date be set, subject to the receipt of an executed Statutory Right-of-Way (SRW) along Shelbourne Street as illustrated on the plans dated April 5, 2019, to the satisfaction of the Director of Engineering and Public Works.

Development Permit with Variances Application No. 00663
That the applicant works with staff to make changes to the proposed design to fit with the architectural character of neighbouring properties on the street, particularly the massing along the east side of the house and maintaining sustainability features, and return to a Committee of the Whole meeting.

At the June 27, 2019 council meeting the applicant addressed Council requesting reconsideration of the motion concerning the Development Permit with Variances. Pursuant to the authority granted Mayors in the Community Charter under section 131, to require an issue back for reconsideration within 30 days of the motion passing, I am respectfully exercising that authority for reconsideration of this matter and for Council to vote again with respect to the Development Permit with Variances application. The staff report on this matter is attached as Appendix A.

Respectfully submitted,

Mayor Lisa Helps

Attachment – June 6 Committee of the Whole Report Development Permit with Variances Application 1708 Coronation Street

CITY OF VICTORIA

Committee of the Whole Report
For the Meeting of June 6, 2019

To: Committee of the Whole **Date:** May 23, 2019

From: Andrea Hudson, Acting Director, Sustainable Planning and Community Development

Subject: **Development Permit with Variances Application No. 00663 for 1708 Coronation Avenue**

RECOMMENDATION

That Council decline Development Permit with Variances Application No. 00663 for the property located at 1708 Coronation Avenue.

LEGISLATIVE AUTHORITY

In accordance with Section 489 of the *Local Government Act*, Council may issue a Development Permit in accordance with the applicable guidelines specified in the *Community Plan*. A Development Permit may vary or supplement the *Zoning Regulation Bylaw* but may not vary the use or density of the land from that specified in the Bylaw.

Pursuant to Section 491 of the *Local Government Act*, where the purpose of the designation is the establishment of objectives for the form and character of intensive residential development, a Development Permit may include requirements respecting the character of the development including landscaping, and the siting, form, exterior design and finish of buildings and other structures.

EXECUTIVE SUMMARY

The purpose of this report is to present Council with information, analysis and recommendations for a Development Permit with Variances Application for the property located at 1708 Coronation Avenue. The proposal is to construct a two-family dwelling.

The following points were considered in assessing this application:

- the land use is consistent with the *Official Community Plan* and *Neighbourliness Guidelines for Duplexes;* however, the proposed contemporary design does not meet the design guideline related to compatibly with the character of the existing buildings on the street and block. Therefore, consistent with policy, staff recommend not supporting the development permit; however, alternate motions have been provided should Council wish to consider advancing the proposal, either as is or with revisions
- the *Jubilee Neighbourhood Plan* encourages infill housing if it meets the established policy and respects the character of existing neighbourhood and street variety

- the variance to reduce the front yard setback on Coronation Avenue is generally supportable and it would generally be consistent with the setback on Coronation Avenue
- the variance to reduce the rear yard setback is generally supportable, as it poses little privacy concern with window placement and the building is set back slightly on the second storey.

BACKGROUND

Description of Proposal

The proposal is to construct a duplex dwelling. Specific details include:

- two-storey building
- side-by-side units, each with street-oriented entries
- butterfly roof shape
- materials include hardi-board siding, hardi-panel and cedar soffits
- internal garages
- new trees and landscaping
- separate outdoor spaces for each unit.

The proposed variances are related to:

- reducing the front yard setback from 7.50m to 3.84m
- reducing the rear yard setback from 10.70m to 1.54m.

Data Table

The following data table compares the proposal with the proposed R-2 Zone, Two Family Dwelling District. An asterisk is used to identify where the proposal is less stringent than the R-2 Zone.

Zoning Criteria	Proposal	Proposed Zone R-2
Site area (m^2) – minimum	556.76	555.00
Site area per unit (m^2) – minimum	278.38	277.50
Density (Floor Space Ratio) – maximum	0.5:1	0.5:1
Combined floor area (m^2) – maximum	277.48	380.00
First and Second Storey Floor Area (m^2) – maximum	277.48	280.00
Lot width (m) – minimum	15.36	15.00
Height (m) – maximum	7.51	7.60
Storeys – maximum	2	2 (no basement) 1.5 (with basement)

Zoning Criteria	Proposal	Proposed Zone R-2
Site coverage (%) – maximum	34.16	40.00
Open site space (%) – minimum	58.68	30.00
Open site space rear yard (%) – minimum	100.00	33.00
Setbacks (m) – minimum		
Front (Coronation Avenue)	**3.84** *	7.50
Rear (north)	**1.54** *	10.70
Side (flanking street – west)	8.10	3.50
Side (east)	7.85	1.54
Combined side yards	15.95	4.50
Parking – minimum	2	2

ANALYSIS

Development Permit Area and Design Guidelines

The *Official Community Plan* (OCP, 2012) identifies this property within Development Permit Area 15D: Intensive Residential – Duplex (DPA 15D) and is subject to the *Neighbourliness Guidelines for Duplexes*. DPA 15D encourages that new duplex development be integrated within existing Traditional Residential areas in a manner that respects the established character of the neighbourhood and achieves a high quality of architecture, landscape and urban design. The design guidelines also emphasize the importance of new development fitting in with the established streetscape and complimenting the existing building patterns and architectural rhythms.

This is a low density neighbourhood that has a mix of architectural styles from the last century. The building directly to the south is a multi-family residential building, with a contemporary take on traditional rooflines and details. Coronation Avenue has a variety of residential buildings with primarily pitched and hipped roof types. Further east on Coronation Avenue and Richmond Road there are commercial and mixed-use buildings that have flat roofs; however, it is noted that this is a different context which also includes the hospital. Shelbourne Street in the immediate area is primarily house conversions and single family dwellings with a more traditional style of architecture. The proposed duplex is a contemporary style which does not fit with the character of the street, and due to the inconsistency with the duplex policy, staff recommend the Development Permit application be declined; however, alternate motions are also provided for Council's consideration.

The applicant has stated in their letter to Mayor and Council that the "west-coast" contemporary design was chosen for energy-efficiency, water collection, livability and aesthetic reasons.

Additionally, they note that there are some examples in the larger neighbourhood where buildings have been constructed with a contemporary design. The attached letter to Mayor and Council provides the design rationale in greater detail.

The applicant is proposing a butterfly and flat roof shape oriented toward Coronation Avenue. The appearance from Shelbourne Street would be a flat roof which appears to be greater massing than the other houses on that street frontage. However, the building to the south across Coronation Avenue is a three-storey multi-family building, so the proposal could also provide a transition between the multi-family and the single family dwellings.

Each unit would have ground floor entrances, with the main entrance to each unit identified by way of a metal cladded awning. The required parking would be within internal garages, with the doors pushed back from the front façade.

The windows are maximized toward the street frontages, as well as to the side yard (east). The neighbours to the north and east do not have windows on the elevations oriented toward this property, so window overlap in the existing context is not a concern. The windows oriented to the north are opaque or transom windows, which would pose little privacy concern. There are several windows oriented to the east; however, there is a generous setback of 7.85m as well as new trees proposed to help provide a privacy buffer.

The applicant is also proposing to introduce high quality hard and soft landscaping throughout the site. Each unit would have patios made of permeable pavers and private outdoor space. The unit facing Shelbourne Street would have slightly less privacy; however, landscaping and the elevation change from the street would help to provide a more private space.

The driveway and landscaping have been designed to be as attractive as possible. The driveway would be screened with shrubs and would be a permeable surface in order to make this paved area an integral part of the landscaping.

Regulatory Considerations

The applicant is proposing to reduce the rear yard setback from 7.50m to 3.84m, and to reduce the front yard setback from 10.70m to 1.54m. These variances are partially due to the defined frontage of this lot, which is Coronation Avenue rather than Shelbourne Street.

A reduced front yard setback on Coronation Avenue would not vary significantly from the established streetscape pattern on Coronation Avenue and is considered supportable.

A reduced rear yard setback is requested on the north side of the proposed building, which would primarily impact the neighbour to the north. The proposed building has been stepped back slightly on the second storey to help reduce the impact (to 1.84m). Windows on this elevation are either opaque glass or transom windows and pose minimal privacy concerns. The function of the rear yard is primarily outdoor space; however, the applicant is providing that space within the side yards. If Shelbourne Street were defined as the frontage, this would be defined as a side yard and would meet the setback requirements.

CONCLUSIONS

The application to permit a duplex is inconsistent with the design guidelines outlined in DPA 15D. The proposed building is a contemporary architectural design that does not fit with the existing character of the neighboring properties and on the streets. The proposed variances for

front yard setback and rear yard setback are generally supportable. Consistent with Policy, staff recommend that Council consider not supporting this application; however, alternate motions have been provided should Council wish to advance the application for further consideration.

ALTERNATE MOTIONS

Option 1 – Revise Design

That the applicant works with staff to make changes to the proposed design to address fit with the architectural character of neighbouring properties and the street, particularly the massing along Shelbourne Street, and return to a Committee of the Whole meeting.

Option 2 – No Revisions

That Council, after giving notice and allowing an opportunity for public comment at a meeting of Council, and after the Public Hearing for Rezoning Application No. 00663 if it is approved, consider the following motion:

> "That Council authorize the issuance of Development Permit with Variance Application No. 00663 for 1708 Coronation Avenue in accordance with:
>
> 1. Plans date stamped May 23, 2019.
> 2. Development meeting all *Zoning Regulation Bylaw* requirements, except for the following variances:
>   i. reduce front yard setback from 7.50m to 3.84m;
>   ii. reduce rear yard setback from 10.70m from 1.54m;
> 3. The Development Permit lapsing two years from the date of this resolution."

Respectfully submitted,

Chelsea Medd
Planner
Development Services

Andrea Hudson, Acting Director
Sustainable Planning and Community
Development Department

Report accepted and recommended by the City Manager:

Date: May 28, 2019

List of Attachments

- Attachment A: Subject Map
- Attachment B: Aerial Map
- Attachment C: Plans dated/date stamped May 23, 2019

- Attachment D: Letter from applicant to Mayor and Council date stamped May 16, 2019
- Attachment E: Applicant Petition date stamped September 24, 2018
- Attachment F: Community Association Land Use Committee Comments dated August 21, 2018
- Attachment G: Arborist Report date stamped March 14, 2019
- Attachment H: Correspondence (Letters received from residents).

Council Member Motion
For the Committee of the Whole Meeting July 4, 2019

Date: June 27, 2019

From: Councillor Loveday

Subject: 2020 Budget Allocations for Parks and Greenspace Acquisition

RECOMMENDATION

That Council consider as part of the 2020 budget discussions the allocation of some new assessed revenue for parks and greenspace acquisition and amenities in neighbourhoods where development is occurring.

Respectfully submitted,

Councillor Loveday