



## **Committee of the Whole Report**

### **For the Meeting of July 26, 2018**

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**To:** Committee of the Whole **Date:** July 13, 2018  
**From:** Jonathan Tinney, Director, Sustainable Planning and Community Development  
**Subject:** Official Community Plan 5-Year Review

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### **RECOMMENDATION**

That Council:

1. Receive the following for information and direct staff to communicate the findings and highlights to the public:
  - a) Official Community Plan Annual Review 2017
  - b) City of Victoria 2017 Housing Report
  - c) Official Community Plan Annual Review 2016
  - d) City of Victoria 2016 Housing Report
2. Consider the data and trends highlighted in the OCP 5-Year Review to inform future policy initiatives and priorities.
3. Direct staff to report back with the second annual review of the Victoria Housing Strategy at a Council workshop in November 2018 to summarize progress on action items and establish new actions for an updated strategy.

### **EXECUTIVE SUMMARY**

The purpose of this report is to present the results of the Official Community Plan (OCP) Annual Reviews for 2017 and 2016. This is the fifth annual snapshot of progress towards achieving the OCP since its adoption in 2012. As such, a 5-Year Review focused on growth and change in Victoria's population, housing, and employment, is included in this report to inform OCP monitoring, as well as, considerations for future City policies and priorities.

Overall, the data and indicators show that the OCP goals, objectives and policies are driving intended outcomes in many areas, and the population projections that were created when the OCP was under preparation have been realized so far. The regional share of growth for the city as a whole has continued to exceed targets every year since 2012, supporting City goals, as well as the direction provided by the Regional Growth Strategy. New growth in the City has been focused in the urban core, primarily with the effect that targets are not being met in and around neighbourhood centres and villages. Future neighbourhood plans may look to determine options for additional growth in and around these areas.

Additional data trends indicate that future policy considerations and priorities should focus on continuing to protect Victoria's employment lands, and continuing with ongoing and additional initiatives that remove barriers for economic development. Additional trends also indicate

opportunities for the City's active transportation and transit policy goals. Other data trends may indicate the need to undertake further analysis on other ways to continue to encourage rental housing and more focused policies to achieve family-supportive housing stock.

This report also includes two annual housing reports which provide an annual snapshot of the state of the housing market in Victoria. Ongoing *Victoria Housing Strategy* implementation is also summarized in this report, including remaining actions that are now being expedited with the hiring of an additional Housing Planner. Staff will report back to Council in November 2018 to provide the second annual review of the *Victoria Housing Strategy* to summarize progress on action items and establish new actions with Council for an updated strategy.

## PURPOSE

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## BACKGROUND

On July 30, 2012, Council adopted a new *Official Community Plan* (OCP). One of the distinguishing features of the OCP is its adaptive management approach, which establishes a regular cycle of plan implementation, monitoring and adjustment that supports the OCP's long-term goals and objectives, and ensures that the OCP responds to emerging issues and opportunities. The *OCP Implementation Strategy*, approved by Council on September 12, 2013, also identifies the development of an OCP monitoring program and associated indicators as short-term actions to support and realize an adaptive management approach.

The OCP monitoring program includes both annual and five-year reporting. The annual reviews evaluate the progress towards plan implementation, goals and objectives, and report on key annual indicators (Policy 22.9). The Five-Year Monitoring Report was envisioned to feature a comprehensive set of indicators and a more detailed evaluation of the plan progress towards the OCP implementation, goals, objectives and local area planning (Policy 22.11), prepared approximately every five years, as resources allow.

## OCP Annual Indicators

The OCP Annual Reviews that summarize data from the 2017 and 2016 calendar years present the fifth annual snapshot of progress towards achieving the OCP. Annual indicators related to the OCP are monitored and, in conjunction with past annual reviews prepared since 2012, provide a reference point against which progress can be measured in future years.

The following annual OCP indicators are reported in each OCP Annual Review, which are focused primarily on land management and development, and are limited to those where data is available on an annual basis:

1. New housing units	5. Improvements to Greenways network
2. Share of new housing units located within target areas	6. Improvements to sidewalk network
3. Regional share of new housing units	7. Improvements to cycling network
4. New commercial and industrial space in target areas	8. Improvements to underground infrastructure



9. Activities in public spaces	14. Emergency shelter use
10. New trees on City lands	15. Retail, office and industrial vacancies
11. New housing units by tenure	16. Official Community Plan amendments
12. New housing units by type	17. Contributions from development
13. Rental housing vacancy rate	

## ISSUES & ANALYSIS

### 1. Trends Identified in OCP 5-Year and Annual Reviews:

Overall, the indicators for the 2017 and 2016 calendar years show that targets are mostly being met or exceeded, with several indicators experiencing changes that are worth noting. More specific details on each indicator are included in OCP Annual Review 2017 (Attachment A) and OCP Annual Review 2016 (Attachment B). To supplement the annual reviews and support the OCP 5-Year Review, additional data related to growth and change in Victoria's population, housing, and employment was also prepared. The following is a high-level summary of key findings and trends worth noting to inform future policy considerations and priorities:

#### a) OCP policies are proving effective

The regional share of new housing units applied for in the City as a whole has continued to exceed targets every year since 2012. In 2017, 23% of new housing in the region was within the City of Victoria, and 18% of units were in the City's urban core, both of which are higher than the established regional targets (20% in City, 10% in urban core).

Over the past 5 years, development has been occurring in the areas of the City where growth is directed by the OCP. The OCP Annual Reviews show that the Downtown Core Area is experiencing the largest share of development. The OCP directs 50% of growth in the urban core. Since the OCP was adopted in 2012, the urban core has exceeded this target with a cumulative average of 61% share of new housing units.

The residential neighbourhoods and small urban villages have also exceeded growth targets. The OCP directs 10% of growth to these areas. Since the OCP was adopted, the residential areas have experienced a cumulative average of 15% share of new housing units.

The following table indicates that a lower share of housing has been developed in, or within, walking distance of a town centre or large urban village. The OCP directs 40% of growth to these areas, which have only received 24% share of new housing units. Future neighbourhood plans may look to determine options for additional growth in and around urban villages.

Share of New Housing Units in Growth Target Areas								
Growth Area	2012	2013	2014	2015	2016	2017	2012-2017 Cumulative	Target for 2041
Urban Core	73%	33%	33%	81%	67%	78%	61%	50%
In or within walking distance of a Town Centre or Large Urban Village	17%	28%	48%	12%	22%	14%	24%	40%
Small Urban Village or the remainder of the residential areas	10%	39%	19%	7%	11%	8%	15%	10%

Source: City of Victoria OCP Annual Review, 2017

**b) OCP population forecasts for Victoria accurate**

Population forecasts were prepared as part of a study *Managing Growth and Change in Victoria, 2009* by Urban Futures to inform the OCP. The study projected that Victoria's population would grow by 20,000 people beyond 2011 levels (approximately 80,000) to reach approximately 100,000 people by 2041.

The 2009 projections show a city population of 86,753 by 2018. BC stats estimates indicate city population of 86,130 at the end of 2017. An update to the 2009 projections forecasts similar growth rates going forward, indicating that current OCP targets are still appropriate given recent population growth.

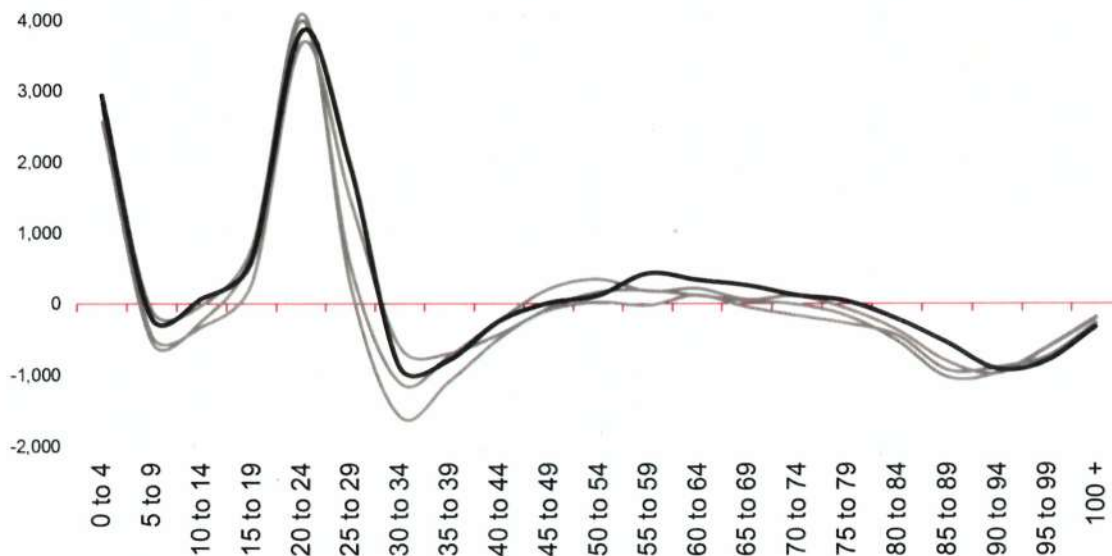
**c) Victoria experiences consistent variations in population growth by age cohort**

The graph below indicates change in population by cohort for Victoria for each Census over a 20 year period. Despite consistent strong net growth in the 20-30 age cohorts, a continued net loss of population in the age groups where family formation typically occurs has been seen over the past several Census periods. This may indicate that family housing is not available and/or affordable for this cohort of the population.

This may indicate misalignment with existing family-supportive housing stock related to price or availability and may suggest the need for more focused policies supporting these housing types.



## 1996 to 2016 Change in Population by Cohort, City of Victoria



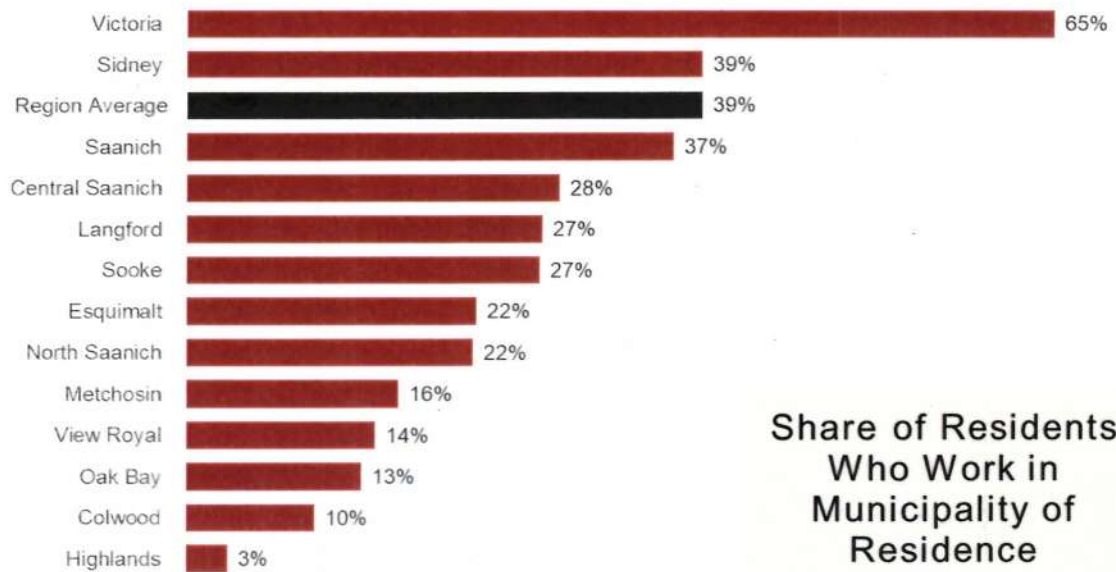
Source: Statistics Canada

### d) Increased need and demand for rental housing

Victoria experienced a significant increase in rental housing construction during the period of 2015-2017. This is likely attributed to lower interest rates and financing, as well as City policies encouraging rental housing. However, as economic fundamentals change, the City may wish to undertake further analysis on other ways to continue to encourage rental housing. Some of this work is ongoing as part of the inclusionary housing policy, community amenity contributions related to housing affordability, and new zoning powers for rental tenure in the *Local Government Act*.

### e) Majority of Victoria residents (65%) work in Victoria

There is a high share of residents that live and work in Victoria (65%), which reflects OCP goals and objectives related to sustainability and quality of life. The graph below shows that Victoria has a significantly higher share of people that live and work in their community than other municipalities in the region. This provides greater opportunity for forms of transportation other than single-occupancy vehicle trips. This is evidenced by Victoria's increase in transit, walking and cycling for all trips within Victoria over the past 5 years (50% travelled by walking, cycling and transit combined in 2011 and 57% in 2017).



**Share of Residents  
Who Work in  
Municipality of  
Residence**

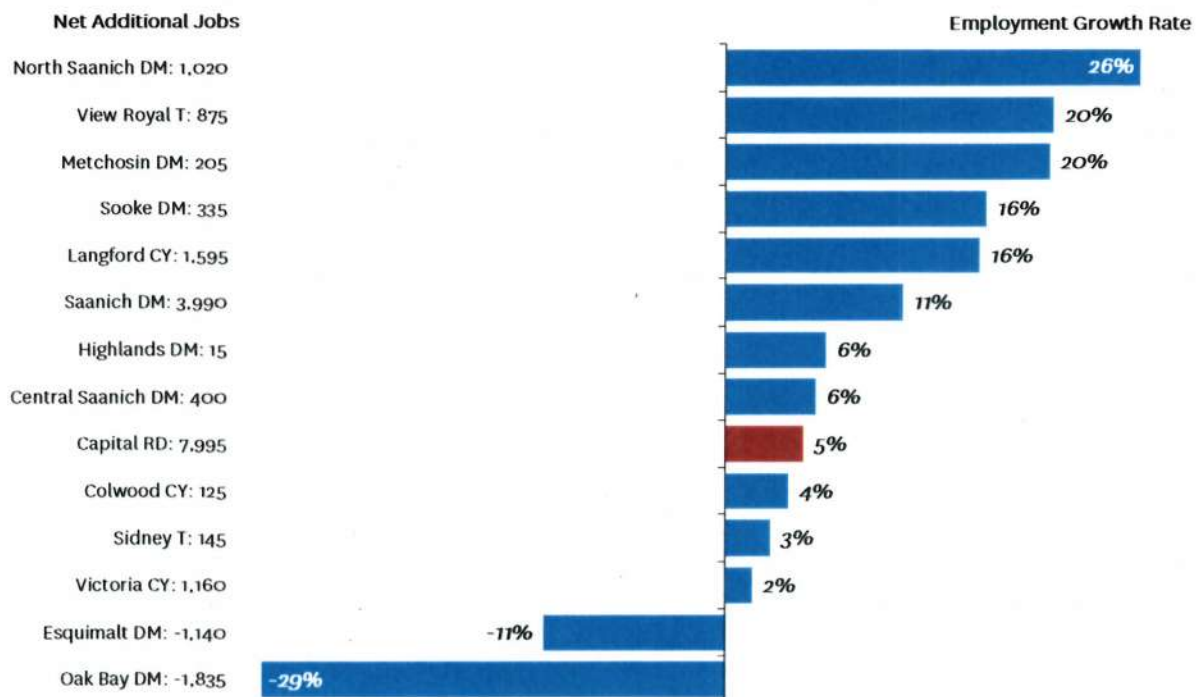
*Source: Statistics Canada*

#### **f) Modest employment growth within the City**

Victoria has experienced modest employment growth over the 2011-2016 period. While industrial vacancy was significantly below the 2011-2017 average and Downtown storefront vacancy was nearly half the average rate experienced since 2009, Statistics Canada data shows that Victoria has experienced only 2% overall employment growth.

This suggests that further analysis into policies to support protection and enhancement of Victoria's employment capacity may be needed. It also supports ongoing work to continue and enhance initiatives to remove barriers for economic development, through the work of the City's Business Hub and through regulatory initiatives such as zoning and parking regulations.

## Employment\* Change by Selected Municipalities, 2011 - 2016



\*Employment counts by Census Subdivision of Work (worked at home or at a usual place outside the home)

Source: Statistics Canada

## 2. Victoria Housing Strategy Monitoring:

This report also includes two annual housing reports which provide an annual snapshot of the state of the housing market in Victoria:

1. City of Victoria 2017 Housing Report (Attachment C)
2. City of Victoria 2016 Housing Report (Attachment D).

These annual reports are supplementary to the OCP Annual Reviews and provide greater detail in terms of rental and market housing statistics, which supports monitoring and evaluation of the *Victoria Housing Strategy*.

As part of the 2018 Financial Plan, Council approved budget to support preparation of an inclusionary housing policy and to hire a Housing Planner for a 2-year term to support various housing initiatives and expedite remaining actions in the *Victoria Housing Strategy*. Following a recruitment process, a new Housing Planner started with the City in May 2018 and has been supporting the Senior Housing Policy Planner on key housing priorities. With the additional staff resources, the following initiatives are underway, some will be completed later this year, and others will commence and may carry over into 2019:



Action	Description	Status
<b>Victoria Housing Strategy Strategic Direction 1: Increase Supply</b>		
1. Support the Real Estate Strategic Plan	Work with the Strategic Real Estate function to determine how affordable housing objectives can be achieved when considering the acquisition, disposal or redevelopment of public properties and lands.	In progress  Complete in Q3 of 2018
2. Secondary suites	Revisit the secondary suite grant program for accessible suites that serve an aging population.	Commence in Q4 of 2018
<b>Victoria Housing Strategy Strategic Direction 2: Encourage Diversity</b>		
3. Inclusionary Housing and Density Bonus Policy	Review the Density Bonus Policy and create an inclusionary housing policy to seek on-site non-market housing as part of amenity contributions and establish targets.  Support Development Services in negotiations for projects that include affordable housing as a proposed community amenity, including connecting applicants with affordable housing providers.	In progress  Report to Council in Q3
4. Standards of Maintenance Bylaw	Create a resource and implementation plan in collaboration with Bylaw Services, Building Inspections and the Fire Department to ensure an efficient and coordinated process for implementation and resource needs.	In progress  Enforcement strategy and bylaw to Council by Q4
5. Tenant Assistance Policy implementation	Develop a process for implementation and community education resources.	In progress  Policy comes into effect in Q3 of 2018
6. Adaptable housing guidelines	Consider voluntary guidelines to encourage adaptable housing so accessibility features can be added more easily and inexpensively post-construction.	Commence in Q4 of 2018
<b>Victoria Housing Strategy Strategic Direction 3: Build Awareness</b>		
7. Data strategy	Implement data monitoring project for improved building permit data gathering. Collect and analyse data and statistics to monitor current conditions and policy implications related to housing and affordability	Resume in Q4 of 2018
8. Development Summit	Use the City's annual Development Summit for ongoing dialogue with the development industry and housing providers to support the provision of affordable housing.	Annual  Next Summit anticipated in Q3 of 2018



Action	Description	Status
9. Workshops	<p>Host a third* workshop with external partners and stakeholders to investigate opportunities for non-profit housing developments by faith communities.</p> <p><i>*First two workshops explored affordable home ownership programs and protecting and regenerating existing affordable rental housing stock as part of the Market Rental Revitalization Study project.</i></p>	Commence workshop planning in Q4 of 2018

## OPTIONS & IMPACTS

### *Accessibility Impact Statement:*

One indicator in the Annual Review measures and supports accessibility through upgrades to sidewalks throughout the City, both in the form of upgrades to existing sidewalks (widening or other improvements), or providing new sidewalks on an annual basis. In 2016, 0.35 kilometres of new sidewalks, and 1.06 kilometres of upgraded sidewalks, were added to Victoria's network for a total of 1.41 linear kilometres. In 2017, 0.37 kilometres of new sidewalks, and 0.85 kilometres of upgraded sidewalks, were added to the network for a total of 1.22 linear kilometres.

### *2015 – 2018 Strategic Plan:*

The 5-Year and Annual Reviews provide a snapshot of progress towards achieving the OCP, and the data presented can be used to contribute to the identification of future priorities and strategies.

### *Impacts to Financial Plan:*

The 5-Year and Annual Reviews provide data that inform future policy direction that may require funding to complete. Any subsequent work that is informed by these data reports would need to be considered as part of future financial planning processes.

### *Official Community Plan Consistency Statement:*

The 5-Year and Annual Reviews are consistent with Policy 22.7 of the OCP, which calls for the development of an OCP monitoring and evaluation program that identifies: outcomes and targets, measurable indicators, methods for data collection and analysis, considerations for data interpretation, and methods for reporting and dissemination.

## CONCLUSIONS

The OCP 5-Year Review indicates that the OCP goals, objectives and policies are driving intended outcomes in many areas, and the population projections that were created when the OCP was under preparation have been realized so far. The regional share of growth for the City as a whole has continued to exceed targets every year since 2012, supporting City goals, as well as the direction provided by the Regional Growth Strategy. New growth in the City has been focused in the Urban Core, primarily with the effect that targets are not being met in and around neighbourhood centres and villages. Future neighbourhood plans may look to determine options for additional growth in and around these areas.

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Respectfully submitted,

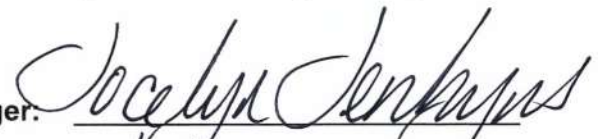


Andrea Hudson  
Assistant Director, Community Planning



Jonathan Tinney, Director  
Sustainable Planning and Community Development

Report accepted and recommended by the City Manager:

  
Date: July 19, 2018

**List of Attachments:**

- Attachment A: OCP Annual Review 2017
- Attachment B: OCP Annual Review 2016
- Attachment C: City of Victoria 2017 Housing Report
- Attachment D: City of Victoria 2016 Housing Report