



Committee of the Whole Report For the Meeting of February 14, 2019

To: Committee of the Whole **Date:** January 15, 2019

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

Subject: Rezoning Application No. 00660 and Official Community Plan Amendment for 1025-1031 Johnson Street and 1050 Yates Street

RECOMMENDATION

1. That Council instruct staff to prepare the necessary Official Community Plan Amendment Bylaw in accordance with Section 475 of the Local Government Act, the necessary Zoning Regulation Bylaw Amendment that would authorize the proposed development outlined in Rezoning Application No. 00660 for 1025-1031 Johnson Street and 1050 Yates Street, that first and second reading of the Bylaw Amendments be considered by Council and a Public Hearing date be set once the following conditions are met:
 1. Preparation of the following documents, executed by the applicant, to the satisfaction of City Staff:
 - i. Housing Agreement and Bylaw to ensure that a future strata corporation could not pass bylaws that would prohibit or restrict the rental of units to non-owners;
 - ii. Housing Agreement and Bylaw to secure 130 dwelling units as affordable housing
 - iii. Legal agreement to secure a plaza and front setback for a public access at all times of the day, in perpetuity with maintenance and liability under the owner's responsibility.
 - iv. Preparation of a phasing plan.
 2. That Council determine, pursuant to section 475(1) of the Local Government Act, that the affected persons, organizations and authorities are those property owners and occupiers within a 200m radius of the subject properties; that the appropriate consultation measures would include a mailed notice of the proposed OCP Amendment to the affected persons; posting of a notice on the City's website inviting affected persons, organizations and authorities to ask questions of staff and provide written or verbal comments to Council for their consideration.
 3. That Council, having provided the opportunity for consultation pursuant to section 475(1) of the *Local Government Act* with persons, organizations and authorities it considers will be affected, specifically, the property owners and occupiers within a 200m radius of the subject properties having been consulted at a Community Association Land Use Committee (CALUC) Community Meeting, consider whether the opportunity for consultation should be early and ongoing, and determine that no further consultation is required.

4. That Council specifically consider whether consultation is required under section 475(2)(b) of the *Local Government Act* and determine that no referrals are necessary with the Capital Regional District Board; Councils of Oak Bay, Esquimalt and Saanich; the Songhees and Esquimalt First Nations; the School District Board; and the provincial and federal governments and their agencies due to the nature of the proposed amendment.
5. That Council give first reading to the Official Community Plan Amendment Bylaw.
6. That Council consider the Official Community Plan Amendment Bylaw in conjunction with the City of Victoria Five-Year Financial Plan, the Capital Regional District Liquid Waste Management Plan and the Capital Regional District Solid Waste Management Plan, pursuant to section 477(3)(a) of the *Local Government Act*, and deem those Plans to be consistent with the proposed Official Community Plan Amendment Bylaw.
7. That Council give second reading to the Official Community Plan Amendment Bylaw.
8. That Council refer the Official Community Plan Amendment Bylaw for consideration at a Public Hearing.

LEGISLATIVE AUTHORITY

In accordance with section 479 of the *Local Government Act*, Council may regulate within a zone the use of land, buildings and other structures; the density of the use of the land, building and other structures; the siting, size and dimensions of buildings and other structures; as well as, the uses that are permitted on the land, and the location of uses on the land and within buildings and other structures.

In accordance with section 482 of the *Local Government Act*, a zoning bylaw may establish different density regulations for a zone, one generally applicable for the zone and the others to apply if certain conditions are met.

In accordance with section 483 of the *Local Government Act*, Council may enter into a Housing Agreement which may include terms agreed to by the owner regarding the occupancy of the housing units and provided such agreement does not vary the use of the density of the land from that permitted under the zoning bylaw.

EXECUTIVE SUMMARY

The purpose of this report is to present Council with information, analysis and recommendations for a Rezoning and Official Community Plan Amendment application for the properties located at 1025-1031 Johnson Street and 1050 Yates Street. The proposal is to rezone from the R-48 Zone, Harris Green District, and the S-1 Zone, Limited Service District, to a site-specific zone. The proposal is to increase the density and allow institutional and multi-unit uses at this location to allow for the construction a twelve-storey, mixed-use firehall building with affordable dwelling units and three mixed-use buildings of fourteen, fifteen and seventeen storeys. A concurrent Development Permit Application (DP No. 000536) for the first phase of the project accompanies this application. Three additional phases of development are envisioned which will require Development Permit Applications; although not proceeding immediately, the applicant has provided conceptual plans suitable for an evaluation of density and massing and the creation of a new zone for the entire site.

A third-party economic analysis of the lift in land value resulting from the proposed increase in density has been undertaken. As detailed in the report (attached), the economic analysis determined that there is no lift from the proposed rezoning due to a significant drop in supported land value with the inclusion of affordable housing.

The following points were considered in assessing this application:

- The application is consistent with the criteria set out in the *Official Community Plan, 2012* (OCP) for consideration of an OCP amendment.
- The application is consistent with the OCP policies targeted toward community safety, disaster resiliency, emergency management, place-making and the provision of affordable housing.
- The proposed uses, including institutional and multi-unit residential, are consistent with the OCP.
- The OCP Urban Place Designation is Core Residential, which sets maximum densities at 5.5:1 floor space ratio (FSR). The proposal for 6.8 FSR is not consistent with this maximum density; however, it is consistent with the criteria established to consider an amendment to this maximum density.
- The application is consistent with the OCP policies that encourage the logical assembly of parcels to enable the best realization of permitted development potential, including the distribution of density comprehensively.
- The application is consistent with the *Downtown Core Area Plan* in terms of the general massing, form and character of the proposal.
- The proposed streetscape and public realm design are consistent with the urban design guidelines set out in the *Downtown Core Area Plan*.

BACKGROUND

Description of Proposal

This Rezoning Application is to remove the subject properties from the R-48 Zone, Harris Green District, and the S-1 Zone, Limited Service District, to create a site-specific zone to increase the density and allow institutional and multi-unit uses at this location.

The following changes from the current zones are being proposed and would be accommodated in the new zone:

- increase the density in the S-1 Zone from 1.5 FSR to 6.8 FSR
- increase the height from 30m in the R-48 Zone to 50.0m
- increase the height from 15m in the S-1 Zone to 44.0m
- increase the number of storeys from 9 and 10 in the R-48 Zone to 12 and 17 respectively. The existing R-48 Zone permits nine storeys when the ground floor is not commercial and ten storeys when the ground floor is commercial.

In addition to the above changes, several additional uses are also being proposed. The table below outlines the changes from the existing zone with an "X" indicating that the use is not presently permitted in a zone, and a "✓" indicating that the use is currently permitted in the zone and/or the OCP supports it:

Proposed	R-48 Zone, Harris Green District	S-1 Zone, Limited Service District	OCP Policy
Assembly	✓	✓	✓
Assisted Living	✓	X	✓
Care Facility	✓	X	✓
Civic Facility (Firehall)	X	X	✓
Office, Banks & Financial Services	✓	✓	✓
Food and Beverage	✓	✓	✓
Home Occupation	✓	X	✓
Hotel	X	X	✓
Personal Service	✓	X	✓
Residential, Multiple Dwelling	✓	X	✓
Residential Lock-off Suite	X	X	✓
Retail Liquor	X	X	✓
Retail Trade	✓	✓	✓
Utility	X	X	✓
Cinema, Gallery, Recreation Facility	✓	✓	✓

The request to amend the *Official Community Plan, 2012* (OCP) is considered in order to increase the density beyond what the OCP envisions for these lands, and in order to spread the density garnered from the lands in the R-48 Zone over the entire area.

Affordable Housing Impacts

Within the first phase of the development, the applicant proposes the creation of 130 new residential units, which would be secured with a legal agreement as affordable housing. BC Housing has indicated their support of the application and has identified Pacifica Housing as the intended operator (see attached letter dated January 9, 2019). Additionally, Pacifica Housing has provided a letter (dated January 24, 2019) which indicates that they will be seeking a ten-year tax exemption on the portion of the project devoted to affordable housing and a contribution from the Victoria Housing Reserve Fund (VHRF). It is Staff's understanding that the project has received Preliminary Project Approval (PPA) from the Province, subject to a number of conditions. The conditions include a requirement for the Housing operator to request the tax exemption and contribution from the Victoria Housing Reserve Fund.

Under the Community Charter, Section 224, Council may choose to grant a property tax exemption to non-profit organizations. A separate application for a tax exemption will be provided by the Housing operator for Council's consideration at a future date. The VHRF contribution request will also be made at a future date, via a separate application. Beginning in 2019, two intake dates (March 31 and September 30) will allow all HRF applications to be evaluated concurrently.

The applicant has stated that they will follow the BC Housing standards for affordability, wherein, rental units would be split as follows:

- 30% for affordable rental (\$1,211 max rent in 2018 – Low to Moderate Income)
- 50% with rents geared to income (\$725 max rent in 2018 – Low Income), and
- 20% of units with a deep subsidy (\$455 max rent in 2018 – Very Low Income).

The proposed unit types include:

- twenty-four studio units
- fifty-six one-bedroom units
- forty-three two-bedroom units
- seven three-bedroom units.

Over the subsequent three phases of development, potentially 320-400 market, strata-titled dwelling units could be created, which would increase the overall supply of housing in the area. The proposed 130 affordable housing units represents approximately 25% to 35% of the total proposed units the site could accommodate in all four phases. A Housing Agreement is proposed to ensure that future Strata Bylaws could not prohibit the rental of units anywhere on the site.

Tenant Assistance Policy

The proposal does not include the renovation, demolition or redevelopment of the existing residential rental units, and as such, the Tenant Assistance Policy would not apply.

Sustainability Features

As stated in the applicant's letter dated January 3, 2019, the applicant has identified the objectives achieved by incorporating a civic function (post-disaster building and firehall) with low-income housing as a social sustainability feature.

Active Transportation Impacts

The applicant has not identified any active transportation impacts associated with this application.

Public Realm Improvements

The following public realm improvements are proposed in association with this Rezoning Application:

- a publicly accessible plaza area of 250m²
- an average front setback on the ground-floor of 2.5m.

These public realm improvements would be secured with a legal agreement and registered on the property's title prior to Council giving final consideration of the proposed Zoning Regulation Bylaw Amendment. Through the legal agreement, public access will be secured for all times of the day in perpetuity. Additionally, maintenance and liability would fall to the land owner. The zoning regulation bylaw would stipulate dimensions, standards and areas for the proposed public realm improvements as noted above.

Accessibility Impact Statement

The British Columbia Building Code regulates accessibility as it pertains to buildings.

Land Use Context

Surface parking lots and low scale development associated with automotive sales activities characterize the area. Additionally, both recently developed and older multi-unit buildings, ranging from five to seventeen storeys, are prevalent as well as low scale commercial buildings, east of Cook Street.

Existing Site Development and Development Potential

The site is presently comprised of four lots which function as a car sales lot with surface parking, a single-storey sales office, an automotive garage and pay parking lots.

Under the current R-48 Zone, the property could be developed with a multi-unit, mixed-use building up to ten storeys and with a theoretical density of approximately 9.8:1 FSR. When design guidelines are incorporated, including setbacks and building separation distances, the density that could be achieved on the R-48 lands would be reduced to 6.96:1 FSR. Under the current S-1 Zone, the property could be developed as a variety of commercial uses (bank, office, bakery, etc.) or other light industrial oriented uses (vehicle impound lot, milk processing and distribution station, tire vulcanizing, etc.) up to five storeys in height and at a density of 1.5 FSR.

Data Table

The following data table compares the proposal with the existing R-48 Zone, Harris Green District, the S-1 Zone, Limited Service District, as well as, the *Official Community Plan* (2012) and *Downtown Core Area Plan* policies. An asterisk is used to identify where the proposal is less stringent than the existing zone(s).

Zoning Criteria	Proposal	R-48 Zone, Harris Green District	S-1 Zone, Limited Service District	OCP Policy	Downtown Core Area Plan (DCAP) Policy
Density (Floor Space Ratio) – maximum	6.80 *	N/A 9.8 Theoretical, 6.96 with guidelines	1.5	5.5	5.5
Height (m) – maximum	50.0 *	30	15	50	50
Storeys – maximum	17 *	10	n/a	17	17
Vehicle & Bicycle parking – minimum	Per Schedule C, Off-Street Parking Regulations	No Parking Required	Per Schedule C, Off-Street Parking Regulations	Per Schedule C, Off-Street Parking Regulations	Per Schedule C, Off-Street Parking Regulations

Relevant History

As additional background to this Rezoning Application, the City and the applicant have entered into an Agreement of Purchase and Sale, dated March 15, 2018 pursuant to which the City, as

purchaser, has agreed to purchase from the applicant, as vendor, a two storey firehall within a building to be constructed by the applicant on the subject property. The Agreement of Purchase and Sale includes several pre-conditions to the vendor's obligations to construct and sell the firehall to the City. These include that the zoning bylaw and the OCP be amended as contemplated by the Application and that the vendor be satisfied with any requirements and conditions imposed by the City. Importantly, the Agreement expressly provides that it does not "affect or limit the discretion, rights, duties or powers of the City" and does not create "any implied obligations concerning such discretion, rights, duties or powers". Also, under the Agreement, the vendor has expressly acknowledged and agreed that the adoption of any bylaw or passage of any resolution in connection with any of the conditions under the Agreement "shall be within the absolute and unfettered discretion of Council and the provisions of this Agreement will not in any way obligate the Council to adopt such bylaws or pass such resolutions".

Community Consultation

Consistent with the *Community Association Land Use Committee (CALUC) Procedures for Processing Rezoning and Variance Applications*, the applicant has consulted the Downtown Residents Association CALUC at a Community Meeting held on July 31, 2018. A letter dated November 22, 2018 is attached to this report.

Advisory Design Panel

The Advisory Design Panel (ADP) considered this application at their November 28, 2018 meeting (minutes attached) and recommended in their motion that the application be approved as presented.

ANALYSIS

This analysis focuses on the land use and density, which are the main issues for Council's consideration for the *Official Community Plan* and *Zoning Regulation Bylaw* amendments. The following City policies were applicable for the analysis: *Official Community Plan* (2012), *Downtown Core Area Plan* (2011), and the *City of Victoria Density Bonus Policy* (2016).

The Development Permit Application report provides a more in-depth analysis from an urban design perspective for the first phase of the proposal, which further considers building height and massing; as well as, public space, views, and the overall contextual fit, relative to the applicable policies and design guidelines.

Official Community Plan Amendment: Consistency

The proposed amendment to the *Official Community Plan* (OCP) is to amend the Urban Place Designation from Core Residential to include a Core Residential category with a higher density. Currently, the Core Residential designation in the OCP contemplates buildings up to seventeen storeys with floor space ratios ranging from 3:1 up to 5.5:1 and uses including institutional and multi-dwelling residential; as well as, commercial and visitor accommodation. The proposed density is 6.8:1 FSR and is not consistent with this policy in the OCP. On balance, the proposal is consistent with the broad objectives in the OCP and advances a number of strategic goals, however, the OCP amendment is recommended in line with a thoughtful and considered approach with regard to this specific inconsistency. The proposed change to the OCP designation would only affect the contemplated densities and would not affect, or introduce, new uses not contemplated in the OCP.

Specific policies in the OCP address how, and by what rationale, plan amendments should be considered by Council. Under specific conditions, the OCP is intended to be flexible and adaptable while still ensuring broadly consistent direction for growth and change in the City over the next thirty years. Decisions regarding OCP amendments must consider the goals and objectives that support an amendment, the overall rationale for an amendment, and receipt of enough development approval information.

Specifically, the OCP speaks to considering site-specific amendments that are consistent with the urban place designations and which further the broad objectives and policies in the plan, as appropriate to the site context. The advancement of the proposed placemaking and complete-community objectives, the inclusion of a firehall, the proposed affordable housing, and the context of the existing Zone with its inherent permitted densities, all provide support to consider a plan amendment.

The OCP further encourages that regulatory tools are used strategically to support and implement plan goals and objectives. Again, the inclusion of a firehall and a large proportion of affordable housing, advance a variety of goals and objectives within the OCP. Advancing objectives aimed at improving disaster resiliency are particularly unique to this proposal.

Amendments to the OCP, through Council's discretion, may also be undertaken in response to new opportunities. A firehall, constructed to post-disaster specifications, may be considered a new opportunity.

The general pattern of land use and densities are defined for each urban place designation in the OCP; however, policies in the OCP also recommend site-specific evaluations of proposed developments in relation to the site, block and local area context. This includes a consideration of the underlying zoning and permitted densities. Under the existing zone, a theoretical density of approximately 9.8:1 FSR could be achieved for the land in the R-48 Zone, Harris Green District. When design guidelines are incorporated, including setbacks and building separation distances, the density that could be achieved in R-48 zone is reduced to 6.82:1 FSR. The proposal is for a density of 6.8:1 FSR.

Official Community Plan: Process

Section 475 of the *Local Government Act* (LGA) requires a Council to provide one or more opportunities it considers appropriate for consultation with persons, organizations and authorities it considers will be affected by an amendment to the OCP. Consistent with section 475 of the LGA, Council must further consider whether consultation should be early and ongoing. This statutory obligation is in addition to Public Hearing requirements. In this instance, staff recommend for Council's consideration that notifying owners and occupiers of land located within 200 metres of the subject site, along with posting a notice on the City's website, will provide adequate opportunities for consultation with those affected.

An OCP Amendment application to change the Urban Place Designation of the subject lands from Core Residential to Core Residential with a higher density is contemplated. Given that, through the Community Association Land Use Committee (CALUC) Community Meeting process all owners and occupiers within a 200m radius of the site were notified and invited to participate in a Community Meeting, the consultation proposed at this stage in the process is recommended as adequate, and consultation with specific authorities, under Section 475 of the LGA, is not recommended as necessary.

Should Council decide to proceed with the OCP Amendment, and if it is supported, Council is required to consider consultation with the Capital Regional District Board; Councils of Oak Bay,

Esquimalt and Saanich; the Songhees and Esquimalt First Nations; the School District Board, and the provincial government and its agencies; however, further consultation is not recommended as necessary for this amendment to the Urban Place Designation as this matter can be considered under policies in the OCP.

Council is also required to consider OCP Amendments in relation to the City's *Financial Plan*, the *Capital Regional District Liquid Waste Management Plan* and the *Capital District Solid Waste Management Plan*. This proposal will have no impact on any of these plans.

Rezoning

Official Community Plan

The proposal is within the Core Residential Urban Place Designation and Development Permit Area 3 (HC), Core Residential. The objectives of this designation are to transform the function, form and character of the area through mid-to-high-rise residential, mixed-use and commercial buildings. The proposal is consistent with the objectives of this designation and the OCP policies targeted toward community safety, disaster resiliency, emergency management, placemaking, and policies encouraging the provision of affordable housing. The suite of land uses proposed, including institutional, are also envisioned for this area in the OCP; however, the proposal is not consistent with the densities outlined for this designation. Densities outlined in the OCP range from 3:1 to 5.5:1 floor space ratio (FSR); the proposal is for a density of 6.8:1 (FSR).

The uses proposed are consistent with those considered in the OCP. Included for consideration is the proposed institutional use to accommodate a firehall. In response to community feedback, the applicant has offered to limit the extent of institutional use to correspond to the area dedicated to the firehall, and for those uses associated with a firehall and ambulance building only. The limitations on this use will be written into the site-specific zone.

The OCP does not provide specific policies regarding the shifting of density among neighbouring properties. The policy encourages site-specific evaluations of proposed developments to guide decisions regarding the density and scale of buildings for an individual site. Historically, similar comprehensively designed proposals in Victoria with multiple parcels, have moved density among parcels. In the case of this proposal, adherence to the *Downtown Core Area Plan* as demonstrated from the plans provided by the applicant, has provided the necessary level of confidence to evaluate a range of massing alternatives that would accommodate the density allocation, while still meeting the design guidelines.

Downtown Core Area Plan (DCAP)

This section provides an analysis against the DCAP for the entirety of the site. Only Phase 1 of the proposal (firehall and affordable housing building) is associated with a concurrent Development Permit application, which is reviewed in a separate report (DP No. 000536); however, as per the criteria outlined in the OCP, development approval information is a prerequisite to consider an OCP amendment. To this end, the applicant has submitted plans that provide enough information to assess the general massing, density, streetscape, views and context, all of which are analyzed against the DCAP as described further in this report.

The proposal is within the Residential Mixed-Use District (RMD) in the DCAP. The objectives for this district broadly encourage developing complete communities, ensuring an active street level, increasing pedestrian activity within the public realm, and accommodating mid-to-high-rise

densities. Support for existing commercial uses is encouraged but does not include vehicle-oriented uses that require large outside storage/display areas, such as car lots.

Overall, the proposal is generally consistent with the *Downtown Core Area Plan*. Specifically, the proposal is consistent with several of the guidelines used to evaluate massing, height and scale; this includes ensuring that all portions of the proposed buildings and building massing are within a 1:5 step-back ratio above 20m on Yates Street and above 15m on Johnson Street. The massing renderings and elevations provided confirm that these criteria can be met within the heights specified in the OCP and at the densities proposed.

The proposed tower massing also meets or exceeds the minimum building tower separation distances specified in the DCAP. Proposed building separation distances are in excess of twenty metres in some locations where the guidelines set the minimum at twelve metres.

All proposed building heights are consistent with the design guidelines and those outlined in the OCP and range from twelve storeys to seventeen storeys. The building heights specified for this area in the DCAP range from fifteen storeys to seventeen storeys.

At staff's request, the applicant has provided additional massing renderings to demonstrate the variety of ways in which the density could be distributed. The intent of these additional models was threefold: to demonstrate alternative ways in which the density might be realized with future development permit applications; to illustrate that approval of the rezoning does not limit future development to specific building schemes; and to demonstrate that the benefits of a comprehensively designed site can translate to a variety of massing approaches in the absence of accompanying development permit applications. These benefits include improved building separation distances, greater street set-back distances, building massing in-line with step-back ratios, and a more consistent and thoughtful distribution of density.

While the application is consistent with the policies and guidelines for building massing, height and scale, through the review process, staff explored reducing the overall density of the project with the Applicant. A reduction in the overall density being proposed may provide a simpler distribution of density across the site, reduced potential for cantilevered building mass over open space areas and improved transition to the lower scaled neighbourhood to the east. However, as discussed in the bonus density section, the results of the land lift analysis identify that the densities proposed are at the economic threshold required for the amount of affordable housing proposed.

Streetscape

There are large and small-scale streetscape considerations provided in the DCAP. At the rezoning level, only the larger-scale guidelines are analyzed, given the commensurate level of detail provided with a rezoning application. A more detailed analysis of the streetscape is provided in the concurrent Development Permit Application. Development Permit applications with subsequent phases require a more detailed analysis of the streetscape, as well as, other form and character considerations. Specific guidelines address step-back and massing of buildings from the sidewalk, encourage varying the heights of buildings to avoid uniformity, and encourage the use of building forms to distinguish building podiums from upper storeys. The proposal includes stepped-back building massing, clear podium and tower building forms, and a variety of building heights (twelve, fourteen, fifteen and seventeen storeys), which is consistent with the applicable policies.

The proposed additional front setbacks also achieve the intention of the policy direction as it encourages generous sidewalk widths.

Plaza

The Harris Green neighbourhood is identified in the OCP as a key, high-density, residential neighbourhood. To this end, the OCP includes strategic direction to add parks and open spaces in the Harris Green neighbourhood to support increased population growth. The strategic directions map identifies an area for consideration of parks and open space in the block south of View Street. While the subject site is not strategically identified as including a park or plaza, policies in the OCP encourage the provision of open space to support population growth in Harris Green with all new developments. The proposal is consistent with these policies with the provision of a 250m² plaza, to be included in the latter phases of the development along Yates Street, to provide the maximum exposure to natural light. For reference, 250m² is equal to the size of Trounce Alley or the Fort Commons area, or approximately 60% the size of Millie's Lane. The exact location of this plaza is not determined at this stage; however, the applicant has provided models and renderings to illustrate the variety of ways in which the plaza could be located. The provision of a plaza will be written into the zone and secured through a legal agreement.

While the OCP does not envision a mid-block walkway at this location, this feature was considered in the project design. Ultimately, the applicant opted to not include a mid-block walkway, and instead, concentrate on a plaza option to provide useable outdoor space. Given the policy, the lack of connection to adjacent walkways, the low-level amenity this would provide compared to a plaza, and the challenges associated with animating mid-block walkways at a distance from strong, established retail locations, staff concur with the applicant's approach to exclude a mid-block walkway.

Additional Policy

The DCAP provides specific policies regarding rezoning of the Harris Green lands in the R-48 Zone. The policy excludes this zone from a density bonus consideration and the maximum densities specified in DCAP unless a rezoning is applied for. As a rezoning application is being considered with this proposal, this policy is relevant. If a rezoning application aims to increase the size of a development beyond what is currently permitted in the zone, the intent of the policy is to consider a density bonus for land in the R-48 Zone. The proposal is to reduce the size of development from what is currently permitted in this zone, and therefore, this policy would not apply.

Project Phasing and Zoning Bylaw Structure

The project is proposed to occur over four phases. At present, a Development Permit Application has only been submitted for Phase 1. Subsequent phases will require additional Development Permit Applications for Council's consideration. The timing for the delivery of the public amenities, plaza and additional front setback will be written into the site-specific zone and correspond to the relative phase. The additional front setback and related public realm improvements will be delivered with each phase of the development. The public plaza is proposed to be delivered with the third phase. The motion set out in the recommendation to Council provides the appropriate wording to secure a phasing plan.

The provision of affordable housing, an area of 250m² dedicated to a public plaza, additional sidewalk area secured through an increased front setback and a post-disaster emergency services building, all form the Community Amenity Contributions (CACs) attributable to this Application. As such, the Zoning Bylaw will stipulate a range of densities applicable to the site if these CACs are not provided.

Parking

Given the unique parking demands of a firehall, portions of the required parking are proposed to be provided off-site. As such, the zoning bylaw will be written to extend the off-site parking radius to 600m. This provision in the Zoning Bylaw will provide flexibility, while ensuring the parking standard is met. It is also worth noting, that while the parking bylaw (Schedule C) required parking standard is being met, the anticipated actual parking demand for a Firehall is less as there is significant area dedicated to the storage of emergency vehicles and equipment within the building. This also provides additional operational benefits, as the offsite parking will be able to be utilized in emergency instances when additional fire suppression crew may be required.

Density Bonus Policy

Under the City of Victoria's Density Bonus Policy (2016), the value of a Community Amenity Contribution (CAC) is negotiated based on an independent land lift analysis. G.P. Rollo and Associates was retained by the City of Victoria to analyze the financial performance of the proposed project and to estimate the change in property value associated with the proposed rezoning on the privately held property.

As detailed in the attached report, the amount of the amenity contribution is set out in Council policy in the *Downtown Core Area Plan*, 2011, which stipulates that the City may recover 75% of the land lift value through amenity contributions. The land lift analysis estimates a lift in land value for the portion of development above the base density. The base density is determined as the lower density outlined in the OCP for the relevant urban place designation; or, where the property's starting zoning allows more density than the OCP base density, the zoned density is considered as the base density. In this instance, the lands zoned S-1 have a base density of 3.0 FSR and the existing density permitted in the R-48 zoned lands results in a theoretical base density of 9.8 FSR. The R-48 Zone does not specify a density; therefore, a theoretical density is imputed. For this reason, staff requested the land lift analysis also consider an alternative base density more stringent than that outlined in the Bonus Density Policy. Design considerations such as setbacks and floor plate limitations were included in the additional analysis resulting in a reduction of the overall gross buildable area. Typically, developments occurring in the R-48 Zone do not achieve the theoretical density in the zone, as they must also address design guidelines which result in building setbacks and reduced floor plates. The land lift analysis also addressed a scenario where a base density was set at the maximum buildable area a project could achieve on the R-48 Zone lands while adhering to the design guidelines.

The lift in land value for the portion of development above the base density is then reduced by the difference in value that a developer would see from developing the entire site as a mix of commercial and market residential, compared to the proposal, which includes roughly 98,000 square feet of affordable housing. On this basis, the economic analysis determined that there is no lift from the proposed rezoning, for both base density scenarios, due to a significant drop in supported land value with the inclusion of affordable housing. The economic analysis also calculated the applicable lift if the proposed affordable housing units were offered as market rental. Under this scenario, the analysis concluded that the rezoning would not result in a lift in the land value. Additionally, the provision of the public plaza and enhanced public realm has not been factored into the land lift analysis, which would further reduce the potential for a land lift.

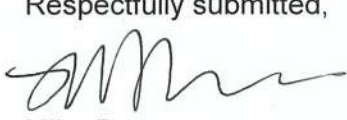
CONCLUSIONS

The proposal suggests a significant addition of affordable housing, market housing and commercial space to the Harris Green Neighbourhood and includes an opportunity to provide a post-disaster, modern firehall and ambulance facility. The proposal is consistent with the *Official Community Plan* except for the overall density sought; however, a rational consistent with the goals and objectives of the OCP has been provided. The proposed uses, building form and character, and building massing and siting are all consistent with the applicable policy and design guidelines; therefore, staff recommend for Council's consideration that the application be advanced to a Public Hearing.

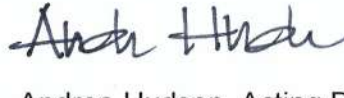
ALTERNATE MOTION

That Council decline Rezoning and Official Community Plan Amendment Application No. 00660 for 1025-1031 Johnson Street and 1050 Yates Street.

Respectfully submitted,



Miko Betanzo
Senior Planner - Urban Design
Development Services



Andrea Hudson, Acting Director
Sustainable Planning and Community
Development Department

Report accepted and recommended by the City Manager



Date: Feb 8, 2019

List of Attachments:

- Attachment A: Rezoning Subject Map
- Attachment B: Rezoning Aerial Map
- Attachment C: Rezoning Plans dated/date stamped December 19, 2018
- Attachment D: Letter from applicant to Mayor and Council dated January 3, 2019
- Attachment E: Community Association Land Use Committee Comments dated November 22, 2018
- Attachment F: Letter from BC housing dated January 9, 2019
- Attachment G: Letter from Pacifica Housing dated January 24th, 2019
- Attachment H: Minutes from the Advisory Design panel dated November 28, 2018
- Attachment I: DP Subject Map
- Attachment J: DP Aerial Map
- Attachment K: DP Phase 1 Plans date stamped February 4, 2019
- Attachment L: Land Lift Analysis Report, Dated January 30, 2019
- Attachment M: Correspondence.