

PROGRESS REPORT:

# Inclusionary Housing and Density Bonus Policy



## Purpose

- To provide a progress report to Council on the draft Inclusionary Housing and Density Bonus Policy that includes initial feedback from a working group
- To seek direction on the final stages of policy work



Strategic Direction: Inclusionary Housing and Density Bonus Policy

# Background

## Strategic Plan, 2015-2018

- Action: Establish a predictable flat fee per square metre for bonus density

## Victoria Housing Strategy, 2016-2025

- Action: Create an inclusionary housing density bonus policy within the Downtown Core Area to seek on-site non-market housing as part of amenity contributions for projects above a certain threshold

## City of Victoria Density Bonus Policy, 2016

- Developed in response to the above actions



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# Density Bonus Policy, 2016

- Identifies areas for bonus density opportunities
- Sets amenity contribution targets, including fixed-rate targets and threshold for a negotiated approach
- Identifies base and maximum densities consistent with the OCP
- Identifies projects exempted from amenity contribution requests such as purpose-built rental and non-market housing
- Some limitations in policy outcomes identified



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# Draft Inclusionary Housing and Density Bonus Policy, 2018

## Council Direction:

- November 2017, Council directed staff to replace the density bonus policy, with one that seeks on-site affordable housing units in new market strata developments
- Council received the Draft Inclusionary Housing and Density Bonus policy in September 2018
- Council directed staff to conduct further consultation that includes striking a working group with diverse stakeholders



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## Working Group

- The working group objective is to provide feedback and informed suggestions for improving the draft Inclusionary Housing and Density Bonus policy
- Working group formed in December 2018
- First Meeting, January 23, 2019
- Second Meeting February 19, 2019
- Final Policy recommendations before March 31, 2019



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## Working Group Initial Feedback

- Many participants prefer to work on a density bonus policy that achieves cash-in-lieu contributions
- Desire to continue to refine the CAC calculation system
- Inclusionary unit management is challenging
- Concern that CACs allocated towards affordability alone
- Desire to slow down the process of policy development
- Desire to see the developers contribute to affordability



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## Options

Direct staff to proceed with either Option 1 or Option 2 to inform the final stages of the policy work:

### Option 1:

- Explore cash-in-lieu density bonus approaches as part of ongoing work with the Inclusionary Housing and Density Bonus Policy working group, report back to Council by March 31, 2019 and allocate \$30,000 as part of the 2019 Financial Plan to ensure the policy reflects current market conditions

### Option 2:

- Continue to focus community amenity contributions towards on-site affordable housing units by progressing the draft Inclusionary Housing and Density Bonus Policy with final policy wording by March 31, 2019.



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