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
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

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
Strategic Direction: Inclusionary Housing and Density Bonus Policy

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

Draft Inclusionary Housing and Density Bonus Policy, 2018

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
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

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.