



Committee of the Whole Report

For the Meeting of September 19, 2019

To: Committee of the Whole **Date:** September 5, 2019

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

Subject: Rezoning Application No. 00637 for 415 and 435 Michigan Street

RECOMMENDATION

That Council instruct staff to prepare the necessary Zoning Regulation Bylaw Amendments that would authorize the proposed development outlined in Rezoning Application No. 00637 for 415 and 435 Michigan Street, that first and second reading of the Zoning Regulation Bylaw Amendments be considered by Council and a Public Hearing date be set once the following conditions are met:

- i. An executed legal agreement in a form to the satisfaction of the City Solicitor, to secure all of the dwelling units on site as rental, in perpetuity.
- ii. An executed legal agreement in a form to the satisfaction of the City Solicitor, to secure two of the proposed one-bedroom rental dwelling units as below-market housing (offered for rent at 30% of the gross annual household income for \$55,200 income households, in perpetuity).

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, the uses that are permitted on the land and the location of uses on the land and within buildings and other structures, as well as form of tenure.

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 Application for the property located at 415 and 435 Michigan Street. The proposal is to rezone from the R3-H Zone, High-Density Dwelling District, to a site-specific zone in order to construct a four-storey multiple dwelling building containing approximately 24 dwelling units and to retain the two existing 13-storey multiple dwelling rental buildings on site.

The current zone already allows the proposed density; however, it only permits single family dwellings, two family dwellings, and high density multiple dwellings. Therefore, a change to the permitted uses is required to allow construction of the proposed four-storey multiple dwelling residential building. The form of tenure would also be limited to rental housing in the new zone.

The following points were considered in assessing this application:

- the subject property is designated Urban Residential in the *Official Community Plan*, (OCP) 2012, which supports ground-oriented multi-unit residential and low to mid-rise multi-unit residential with floor space ratios generally up to 1.2:1. Increased density up to a total of approximately 2:1 may be considered in strategic locations for the advancement of plan objectives. The proposed use, density, and height are consistent with this policy and the proposal is located close to the James Bay Large Urban Village which provides access to various services. The proposal helps advance plan objectives related to providing sensitive infill and increasing the rental housing supply
- this application was received prior to November 8, 2018 and therefore the *City of Victoria Density Bonus Policy* (2016) applies. Consistent with this policy, there is no bonus density associated with this proposal because the proposed density (1.65:1) is below the density permitted in the current zone (1.68:1). Therefore, no amenity contribution is required. Despite this, the applicant is proposing to provide two of the one-bedroom rental dwelling units as below-market housing (offered for rent at 30% of the gross annual household income for \$55,200 income households, in perpetuity)
- the form of tenure would be limited to rental housing in the new zone and would be secured with a Housing Agreement in perpetuity.

BACKGROUND

Description of Proposal

The proposal is to construct a four-storey multiple dwelling building containing approximately 24 dwelling units and to retain the two existing 13-storey multiple dwelling buildings on site. The overall proposed density is 1.65:1 floor space ratio (FSR). There is a concurrent Development Permit with Variances application (Development Permit with Variances Application No. 00055) which is discussed in a separate report.

Affordable Housing Impacts

The applicant proposes the addition of 24 new rental residential units (in addition to the 195 rental residential units currently on site) which would increase the overall supply of housing in the area. The new zone would limit the form of tenure for residential units to residential rental tenure within the new zone. A legal agreement is also being proposed which would secure in perpetuity all of the 219 dwelling units as rental and two of the one-bedroom rental dwelling units as below-market housing (offered for rent at 30% of the gross annual household income for \$55,200 income households, in perpetuity).

Sustainability Features

The applicant has identified a number of sustainability features which will be reviewed in association with the concurrent Development Permit with Variances Application for this property.

Active Transportation Impacts

The applicant has identified a number of active transportation features which will be reviewed in association with the concurrent Development Permit with Variances Application for this property.

Public Realm Improvements

No public realm improvements are proposed in association with this Rezoning Application.

Accessibility Impact Statement

The applicant has identified a number of accessibility features which will be reviewed in association with the concurrent Development Permit Application for this property.

Land Use Context

The area is primarily characterized by low to mid-rise multiple dwelling unit apartment buildings with some single family dwellings and townhouses. The site is adjacent to Irving Park and within a block of the James Bay Large Urban Village.

Existing Site Development and Development Potential

The site presently has two 13-storey multiple dwelling unit rental buildings and four existing accessory buildings (three carports and one storage building). These accessory buildings would be removed with the current proposal. The site also has an outdoor swimming pool and 285 parking stalls.

Under the current R3-H Zone, High-Density Dwelling District, the property could be redeveloped at a density of 1.68:1 Floor Space Ratio (FSR) for 12 or more storeys. In other words, if this proposal was for a form of high rise residential, instead of the low-rise building proposed, it would not trigger a Rezoning Application (so long as it met the density requirements).

Community Consultation

Consistent with the *Community Association Land Use Committee (CALUC) Procedures for Processing Rezoning and Variances Applications*, the applicant has consulted the James Bay CALUC at a Community Meeting held on February 14, 2018. A letter dated March 5, 2018 is attached to this report.

ANALYSIS

Official Community Plan

The subject property is designated Urban Residential in the *Official Community Plan (OCP) 2012*, which supports ground-oriented multi-unit residential and low to mid-rise multi-unit residential with floor space ratios generally up to 1.2:1. Increased density up to a total of approximately 2:1 may be considered in strategic locations for the advancement of plan objectives. The proposal is consistent with the use and density envisioned in this Urban Place Designation. The site is located near a park and the James Bay Large Urban Village (including a library, groceries, and pharmacy) and helps advance plan objectives related to providing sensitive infill and increasing the rental housing supply.

Two goals of the OCP are to give all residents access to appropriate, secure, affordable housing and provide a wide range of housing types, tenures and prices. By adding ground-oriented dwelling units to a predominantly multiple dwelling area, the proposal widens the range of housing choice which helps support a diverse, inclusive and multigenerational community.

Density Bonus Policy

This application was received prior to November 8, 2018 and therefore the *City of Victoria Density Bonus Policy* (2016) applies. This policy states that if the property's current zoning allows more density (1.68:1 FSR) than the OCP base density (1.2:1 FSR) then it is to be used as the base density instead. Since this base density is greater than the proposed density (1.65:1 FSR), there is no bonus density and therefore it requires no amenity contribution.

It should be noted that the maximum density in the current zoning varies depending on building height (from 1.33:1 for 7 or less storeys to 1.68:1 for 12 or more storeys). The upper limit has been used for this calculation. The *Density Bonus Policy* also exempts standard Rezoning Applications for purpose-built rental housing in the Urban Residential place designations, and in this instance rental housing is secured for the life of the building by a Housing Agreement.

Tree Preservation Bylaw and Urban Forest Master Plan

The applicant has provided an arborist report which will be reviewed in association with the concurrent Development Permit with Variances Application for this property.

Regulatory Considerations

The new zone would be based on the existing zone, with the following changes related to use and tenure:

Permitted Uses

The applicant is proposing to construct a four-storey multiple dwelling residential building. Since the current zone only permits single family dwellings, two family dwellings, and high density multiple dwellings (not less than 21m in height) a rezoning is required to change the permitted uses to allow construction of this building.

Residential Rental Tenure

On December 13, 2018 Council approved a resolution directing staff to add residential rental tenure regulations to all new zones proposing purpose-built rental projects. The new zone would include provisions for this for all 219 rental dwelling units on the site.

See the concurrent Development Permit with Variances application for discussion on the variances related to this proposal. The variances are recommended (instead of being included in the new zone) so that future potential redevelopment would require Council's consideration and approval for these specific aspects, rather than being an entitlement entrenched in the zone.

CONCLUSIONS

The proposal to construct a four-storey multiple dwelling residential building is consistent with the OCP with respect to the proposed land use and density. The subject property is suitable for this type of use. Staff recommend for Council's consideration that this Rezoning Application be approved.

ALTERNATE MOTION

That Council decline Application No. 00637 for the property located at 415 and 435 Michigan Street.

Respectfully submitted,



Rob Bateman
Senior Process Planner
Development Services Division



Andrea Hudson, Acting Director
Sustainable Planning and Community
Development Department

Report accepted and recommended by the City Manager:



Date:



List of Attachments

- Attachment A: Subject Map
- Attachment B: Aerial Map
- Attachment C: Plans date stamped June 4, 2019
- Attachment D: Letters from applicant to Mayor and Council dated July 25, 2019 and August 30, 2019
- Attachment E: Community Association Land Use Committee Comments dated March 5, 2018
- Attachment F: Parking Study (Watt Consulting Group) dated February 23, 2018
- Attachment G: Parking Study (Bunt & Associates) dated May 9, 2018
- Attachment H: Arborist Report dated August 21, 2019
- Attachment I: Advisory Design Panel Minutes for the meeting of May 9, 2018
- Attachment J: Correspondence.