Purpose

To present a proposed approach for the city-wide missing middle housing initiative

2019-2021 Strategic Plan

- 5 actions related to townhouses, houseplexes, ground-oriented, and zoning for missing middle housing.

Housing Strategy Phase 2

- Missing Middle Housing (citywide planning process)
- Missing Middle Zoning Amendments (consider zoning to eliminate need for Council approval)
What is Missing Middle Housing?

Homeownership is Challenging

**Median family household income (2015)**

<table>
<thead>
<tr>
<th></th>
<th>Victoria</th>
<th>Capital Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>All families</td>
<td>$80,200</td>
<td>$92,500</td>
</tr>
<tr>
<td>Couples with children</td>
<td>$103,000</td>
<td>$117,500</td>
</tr>
</tbody>
</table>

**Benchmark Prices vs Incomes Needed** *(Prices: VREB, Victoria, 2019 Benchmark)*

<table>
<thead>
<tr>
<th>Type</th>
<th>Benchmark Price</th>
<th>Income Needed (5% down)</th>
<th>Income Needed (20% down)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Condo</td>
<td>$468,400</td>
<td>$121,384</td>
<td>$101,820</td>
</tr>
<tr>
<td>Townhouse</td>
<td>$632,900</td>
<td>$158,528</td>
<td>$133,627</td>
</tr>
<tr>
<td>Detached house</td>
<td>$823,900</td>
<td>$189,981</td>
<td>$159,309</td>
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Assumptions: 5% minimum down payment, stress test at 5.19%, 25-year term, $300 strata fees included in calculations for condo & townhouse, maintenance costs for detached houses excluded from calculation.
It’s hard to stay in the city

Victoria continues to lose people as they enter their 30s

Reasons to stay in the city

• Victoria leads Canada’s mid-sized cities for walking and cycling to work (2016 census)
• Shorter commutes improve quality of life
• Complete, compact, connected communities are healthier and produce less emissions
• Transportation costs factor into overall affordability – burden is disproportionate for renters and lower income households
New Housing is Missing the Middle

- Most new housing since 2012 are apartments/condos
- Seeing relatively few townhouse and houseplex units (i.e. missing middle)

Recent Neighbourhood Plans

- More detailed policy for infill housing in Traditional Residential areas
  - Zoning considerations
  - Sub-area specific policies
- Typologies considered (Fairfield):
  - House conversions
  - Houses with multiple suites
  - Duplexes & small lot houses with suites
  - Houseplexes
  - Townhouses
New Design Guidelines

- Design Guidelines for Attached Residential Development (apply to Victoria West and Fairfield)

What Others Are Doing

- **Portland and Edmonton**: Robust and iterative community conversation;
- **Vancouver and New West**: Typology based approach with identified sites, locations;
- **Vancouver**: Incentives for repurposing existing houses; Duplexes as-of-right in SFD areas;
- **Portland**: Economic analysis informed sliding density scale to encourage more modest sized units;
- **Cincinnati and Portland**: Eliminate parking reqs in some zones;
- **Minneapolis**: Triplexes permitted in all areas
- **Vancouver, Edmonton, Toronto**: Design/build competition
Objectives for Missing Middle

- Improve options for families to stay in the city
- Increase the supply and variety of ground-oriented housing
- Support car-light lifestyle, public transit service, and walkable neighbourhood centres
- Support social interaction, walkability, and sense of place
- Support conservation of heritage value and re-use of character homes
- Encourage construction of sustainable, energy efficient homes
- Support a healthy urban forest
- Engage with a diversity of perspectives, foster mutual learning and healthy dialogue

Process Overview

1. Council directs project approach
2. Developing Draft Regulatory Framework (zoning, guidelines, policy, and suitable locations)
3. Council considers draft recommendations and turns mind to engagement
4. Engagement on recommended approach
5. Council considers community feedback and possible revisions
6. Public hearing and Council decision
Project Deliverables

• OCP Amendments (to adopt design guidelines, align policies if necessary)
• Updates to housing policies within neighbourhood plans for consistency with the OCP
• Model zones
• Considerations for City-initiated rezoning
• Other bylaw amendments to be determined (e.g. Land Use Procedures Bylaw for process streamlining)

Recommendation

That Council direct staff to:

1. Establish zoning regulations, design guidelines and policy updates for missing middle housing forms city-wide;
2. Conduct engagement to provide opportunities for the community to help shape the missing middle regulatory framework;
3. Identify suitable locations for missing middle housing forms;
4. Report back with recommendations for pre-zoning.