



Committee of the Whole Report

For the Meeting of December 5, 2019

To: Committee of the Whole **Date:** November 20, 2019

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

Subject: Next Generation Conversion Regulations – Proposed Changes

RECOMMENDATION

That Council direct staff to:

1. Undertake consultation, as outlined in this report, on the following proposed changes to the *Zoning Regulation Bylaw* Schedule G – Housing Conversion Regulations and Schedule C – Off-Street Parking Regulations described as the 'Run' option:
 - a. Change the qualifying year of construction
 - b. Reduce restrictions on exterior changes
 - c. Clarify and expand opportunities to utilize under-height basements
 - d. Allow attic spaces to be developed
 - e. Allow vehicle car parking in front yard (for non-heritage properties)
 - f. Increase and incentivize permitted number of units
 - g. Allow windows and doors on front elevations
 - h. Decrease parking requirements
 - i. Require bicycle parking
 - j. Allow exemptions for required bicycle parking
2. Report back to Council with feedback from consultation and final recommendations for amendments to the *Zoning Regulation Bylaw*.

EXECUTIVE SUMMARY

Over the last several decades, the Conversion Regulations have facilitated the creation of a significant number of residential units and housing choice by repurposing large, existing single-family houses into smaller residential units. This has been accomplished in a manner that has had the side benefit of preserving the existing character of many of Victoria's neighbourhoods, adding to the stock of heritage-designated and registered properties and diverting demolition waste from landfills. While the current regulations are considered to be very successful, the "Next Generation Conversion Regulations" are required to ensure the ongoing health and vitality of the program.

The proposed changes represent an opportunity to "refresh" the program in order to reflect evolving community values and to yield additional opportunities for houses to be converted to suites, in order to ultimately increase the number and range of housing units available.

The report presents three options for Council's consideration, which are characterized as "Walk," "Run" and "Sprint." While staff recommend the middle "Run" option, it should be noted that this approach provides an ambitious and robust list of benefits, that would:

- make it easier to convert a house to multiple units
- facilitate the creation of more units
- incentivize heritage designation as well as the creation of rental, affordable rental and affordable home ownership units.

Although during the strategic planning sessions Council discussed the benefits of having staff simply bring forward the bylaw amendments that would update the Conversion Regulations to accelerate the creation of additional housing, the degree of change presented in the "Run" option would benefit from focused community consultation, as outlined in this report.

PURPOSE

The purpose of this report is to outline a series of potential changes to the House Conversion Regulations and seek Council's direction regarding the preferred approach for moving forward.

BACKGROUND

Description of Proposed Changes

Although the report outlines three potential approaches, categorized as "Walk," "Run" and "Sprint," staff recommend taking the middle "Run" option, which would:

- make it easier to convert a house to multiple units
- facilitate the creation of more units
- incentivize heritage designation as well as the creation of rental, affordable rental and affordable home ownership units.

Proposed changes include:

- allowing additional conversions by changing the qualifying year of construction
- expanding opportunities to incorporate under-utilized basement and attic space
- increasing and incentivizing the permitted number of units
- relaxing restrictions related to the degree of exterior change that is permitted
- revising parking and bike parking requirements.

While the "Run" approach is ambitious in terms of its aim to facilitate additional housing, it is balanced with a number of regulations aimed at minimizing negative impacts to neighbourhood character, context and privacy to help ensure that house conversions continue to be welcome additions within neighbourhoods.

Relevant History

The House Conversion Regulations, contained in Schedule G of the *Zoning Regulation Bylaw*, were first established in the 1950's. The intent was to offer a viable option for re-purposing larger, older houses, as it was recognized that there was a significant stock of houses built at the turn-of-the-century which were designed to accommodate large families and/or staff and that no longer served their intended purpose and could be redesigned to accommodate a number of smaller suites. The conversion regulations were structured to allow property owners to convert qualifying

single family dwellings to a set number of self-contained dwelling units, based on the overall floor area of the building, with larger buildings allowing a greater number of units and smaller buildings allowing fewer.

These regulations have had the intended effect of facilitating many conversions throughout the City, resulting in what could be described as small multiple dwelling buildings nested within existing homes in low density neighbourhoods, with little disruption to the immediate neighbours or the existing character of the area. These regulations also assisted in the diversion of a significant amount of building waste from the landfill and preserving existing housing stock, including many character homes.

Many heritage-registered and heritage-designated homes are conversions; however, there is currently no incentive to heritage designate a home unless the conversion requires rezoning. Staff's assessment is that the program has been a great success; however, many of the buildings that could easily be converted have been, resulting in a reduced number of building permit applications to convert houses in recent years.

For the most part, conversions are handled through a simple Building Permit process. Occasionally, but more frequently in recent years as the most viable candidate properties have already been converted, some small variances to the regulations have been approved either through a Board of Variance or Council process. In some other instances, rezoning applications have been supported by Council to facilitate conversions where the density or use restriction could not be met. When applications go through these additional processes, more staff time is required and there is a higher level of risk and costs for applicants.

In addition to allowing conversion of single-family dwellings to multiple units, the Conversion Regulations also allow kindergartens (daycares and pre-schools), light-housekeeping units, boarding houses and rooming houses. Despite these other permitted uses, this report focuses on the conversion of buildings to multiple residential units only.

A direction contained in the City of Victoria Strategic Plan, 2019 – 2022, identifies that staff should accelerate implementation of the Victoria Housing Strategy by developing a “city-wide strategy for additional house conversion opportunities” and “incentivize and mandate the creation of family-appropriate two and three bedroom rental units.” As part of the Council deliberations during the 2019 budgeting process at the February 5, 2019 Special Committee of the Whole meeting, Council suggested that one approach that would reduce the amount of staff time needed to revamp the Conversion Regulations was for staff, based on their knowledge and experience, to bring forward proposed bylaw changes. To that end, specific regulatory details of the conversion regulations are discussed in the Analysis section of this report, describing both the current regulations and how they could be modified to improve the program and/or facilitate additional conversions. A focused phase of consultation is, however, still recommended in order to communicate the details of the intended changes and to help “proof” the proposed regulations against unintended consequences.

ANALYSIS

This section provides a discussion of key factors that should be considered in relation to potential changes to the Conversion Regulations:

- housing affordability and choice
- heritage conservation

- neighbourhood character
- impact on the urban forest
- climate action
- transportation - parking
- site servicing and construction
- community consultation
- proposed zoning changes:
 - change the qualifying year of construction
 - reduce restrictions on exterior changes
 - clarify and expand opportunities to utilize under-height basements
 - allow attic spaces to be developed
 - allow vehicle parking in front yard
 - increase and incentivize permitted number of units
 - allow new windows and doors on front elevation
 - decrease parking requirement
 - require bicycle parking
 - allow floor area exemption for required bicycle parking
- potential future work.

Housing Affordability and Choice

House Conversions increase the supply of ground-oriented housing within neighbourhoods, which has a positive impact on overall housing prices as well as on individual units within conversions, which will generally be less expensive than a single family or duplex unit on the same property. Additionally, house conversions often provide rental housing stock. One of the proposed changes would incentivize applications that offer secure rental housing and/or affordable rental or home ownership by allowing a greater number of units per floor area and requiring a lower level of parking. This provision is discussed in more detail below.

In 2018, an Infill Analysis Report prepared for the City by Urbanics Consultants as part of the Local Area Planning process, found that in the Fairfield and Gonzales neighbourhoods, out of a range of infill rental options, conversions were the most likely to be financially viable. Further, the report found that in these neighbourhoods, conversions were likely to be particularly attractive redevelopment option for homeowners as compared to developers. Staff observations would suggest many applicants are prospective homeowners or existing homeowners looking to stay on site and add rental units that would increase the affordability of their own housing costs.

Another advantage of House Conversions is that, in part because of need to adapt to an existing floor plan, they typically result in a range of unit types including multiple bedroom units, usually within each building that is converted. This creates a healthy mix of unit types available for future residents.

It is worth noting that new opportunities for conversions may make it more attractive to redevelop existing rental properties and, as with any redevelopment, this could result in the existing tenants being displaced. Existing rental units that may be redeveloped for a house conversion include both approved and non-approved units within conversions or secondary suites within single family houses. House conversions containing housekeeping or rooming houses – which are rooms or units that are not self-contained and share some level of shared washroom or cooking facilities – may also become viable to redevelop into self-contained rental or strata units. However, on balance staff recommend that the potential for additional units created via the proposed changes

would far exceed the number lost through the redevelopment of properties that already have more than one unit.

Heritage Conservation

As noted earlier, many conversions have been heritage-designated while others have been added to the Heritage Register, which provides valuable heritage resources that add to the urban fabric and remain available as an asset for future generations to enjoy. Additionally, even if a building associated with a house conversion is not heritage-designated or heritage-registered, the overall structure and often the architectural details are retained, allowing for consideration of heritage designation or listing on the Heritage Register at a later date.

One of the proposed changes would incentivize applications that offer to heritage designate their property by allowing a greater number of units per floor area. This provision would be applicable where it is determined that the property has heritage value and a Heritage Designation Bylaw is adopted for the property through the normal City process. This incentive would also be applicable for houses that are currently heritage-designated, to support their ongoing use. Any resulting exterior changes would continue to require a heritage alteration permit to ensure consistency with heritage standards and guidelines.

Neighbourhood Character

For the most part, conversions can be accommodated within existing neighbourhoods with little disruption to the immediate neighbours and in a manner that maintains the look and feel of the local area. In this way, conversions are usually seen as a positive influence within neighbourhoods as investment and upgrades of these existing buildings are encouraged.

Impact on Urban Forest

Converting existing houses to multiple units has a significantly lower impact on the urban forest than most other forms of development because it reuses an existing building within an existing building footprint. The current conversion regulations do not allow additions outside the existing building envelope.

The process of conversion usually results in adding hard surfaces to the rear yard for vehicle parking, which can impact existing trees and limit the space available to accommodate new trees. Reducing the parking requirement would allow for greater tree retention and provide additional space to plant new trees. Potential changes related to parking requirements are further discussed below.

Climate Action

Buildings account for 51% of the City's total greenhouse gas emissions and energy efficiency retrofits present the largest opportunity to reduce these emissions. The Climate Leadership Plan sets targets whereby all existing buildings will be highly energy efficient and will all be powered with renewable energy by 2050. Victoria's building stock is aging, with 70% of the existing units built prior to 1970. For many of these buildings, aging conditions make for poor energy performance and many still use fossil fuel heating systems. Expanding the number of potential house conversions may give the City additional opportunities to intervene through touchpoints where low carbon heating systems and energy efficiency measures can be encouraged as part of the conversion process. New Provincial building retrofit standards as well as a number of

reward programs are anticipated to be announced in the coming months. Once this information is available, staff will be in a better position to assess and make recommendations about expanding the proposed incentive program to include energy efficient/passive renovations; this opportunity has been included below in the section outlining Potential Future Work.

Transportation – Parking

The recommended changes include a reduction in parking requirements for conversions in heritage-designated houses, affordable rental, and secured below-market home ownership. During the recent update of the Off-Street Parking Regulations, an analysis of parking demand found that average vehicle ownership rates are lower in rental units compared to condominiums, and that average vehicle ownership for non-market affordable housing is much lower than the average. For heritage-designated houses, a lower parking requirement would help to retain the character of the property by preserving more of the existing landscaped areas.

While a full analysis and consultation has not been conducted for these proposed reductions, the recommendations also include more stringent long-term bicycle parking requirements which could potentially offset a portion of the additional vehicle parking demand. These recommended changes are described further in the Proposed Zoning Changes section.

While reducing minimum parking requirements is recommended, applicants could still choose to provide a number of parking stalls that exceeds the Zoning Bylaw requirement in order to meet market demand.

Site Servicing and Construction

Because existing buildings that were originally designed for larger families are being repurposed, the impact on site servicing such as storm drain, sanitary sewer or water connections can sometimes result in significant project costs. It is also important to note that the types of appliances people expect in their homes (dishwashers, washing machines, multiple bathrooms) has changed, and if a single family house is reconfigured to accommodate multiple units, each with a demand for its own appliances, additional burden is placed on City services.

Depending on the scale of the conversion, site servicing upgrades may be required to accommodate the additional demand as many of the older homes are not up to current City Standards or current building and plumbing codes. Therefore, this can also be an opportunity to upgrade services that do not meet today's standards. The drawback would be that upgrades can add quite a bit of cost to a conversion project, and digging up existing services and/or trenching for new services can be disruptive to existing trees and can at times limit locations available for planting new trees.

Community Consultation

As noted earlier in this report, on February 5th, 2019 as part of Council's discussion in conjunction with establishing the Victoria Strategic Plan, it was suggested that one way to limit the staff resources required to update the Conversion Regulations in order to enable action on other housing initiatives was to have staff bring forward proposed amendments, based on staff's experience with the regulations. This report does that; however, it seeks direction on the extent of change Council is hoping to achieve. Additionally, staff do recommend that some targeted consultation occur with key stakeholders once Council selects a preferred approach, which would involve:

- referral to the Heritage Advisory Panel
- referral to Renters' Advisory Committee
- referral to each Community Association Land Use Committee with a request for feedback (if any) within 45 days
- referral to the Urban Development Institute and the Home Builders Association with a request for feedback (if any) within 45 days
- posting notice on the City's website and at the Development Services counter inviting feedback.

This level of consultation can be accommodated within the existing staff resources. Staff would review and consolidate the feedback and if appropriate recommend revisions for Council's consideration. These steps above are in addition to the normal notification and consultation requirements associated with Public Hearings that are required for rezoning initiatives.

Proposed Zoning Changes

The following sections detail proposed changes to Schedule G – House Conversions Regulations and Schedule C – Off-Street Parking Regulations, both contained in the *Zoning Regulation Bylaw*. A benefit of the proposed changes, in addition to increasing the number of units yielded through conversion, is that the process of conversion would be easier and even where an application could not meet the reduced zoning standards, more applications could be handled as a variance application (simpler process) rather than triggering a rezoning application. In summary, benefits of the proposed changes include:

- making it easier to convert a house to multiple units
- facilitating the creation of more residential units
- incentivizing:
 - heritage designation
 - the creation of rental and affordable rental units
 - the creation of affordable home ownership units.

a.) Change the Qualifying Year of Construction

Under the current regulations, generally, a house must have been constructed prior to 1931 in order to be converted to multiple units, with limited conversions permitted for houses built prior to 1969. The proposal is to allow any house constructed in 1984 or earlier to be converted to a multiple dwelling. The reason for choosing 1984 is that it coincides with the year that the R1-B Zone, Single Family Dwelling District, was significantly modified to greatly reduce the permitted maximum floor area. The modified year-of-construction date simplifies the regulation, expands the conversion options for older houses and captures houses that are more likely to have larger floor area therefore facilitating an increased number of House Conversions.

b.) Reduce Restrictions on Exterior Changes

Minor exterior changes, such as new porches and decks and above ground-level entries and stairs, are not currently permitted. The exception to this is where these changes are required for fire exiting, provided they are not on an elevation facing a street. This restriction may limit the options for unit configuration, which can have a negative impact on unit size and privacy within the conversion. Further to this, the restriction limits the potential for individual outdoor space for each unit. Staff recommended removing this restriction for portions of the building not facing the street. While there may be some privacy impacts on neighbouring properties, these exterior changes are all things that a non-conversion house on the same site are permitted to do. This change would also not impact the zoning restriction on roof decks, which are decks located above the second storey of the building.

Related to these restrictions is the lack of clarity in the regulations regarding fire exiting. Staff further recommend clarifying the regulations to clearly exempt fire escapes that are required by the BC Building Code or the Fire Code to be permitted on all storeys and exempt from height definitions.

Any exterior changes to a heritage-designated building would be subject to heritage considerations and may require a heritage alteration permit to ensure that the form, materials and detailing are compatible with the architectural style of the designated home.

c.) Clarify and Expand Opportunities to Utilize Under-Height Basements

One of the current challenges associated with house conversions is the way floor area is calculated; the floor area must be existing and it must be habitable as per the BC Building Code. This means that under-height basements do not count toward the total floor area eligible for conversion, even though the current regulations allow the area to be made habitable by increasing the floor to ceiling height by up to 0.6 metres. It is therefore recommended that the regulations increase the opportunities to utilize newly created habitable space in an existing basement or lower storey if the height is increased (up to 0.6m) so that it qualifies as habitable, within overall building height limits. This change would facilitate the potential for more units in a way that would not impact the outward appearance of the building beyond what is already permitted in the current regulations.

d.) Allow Attic Spaces to be Developed

Developing attic space offers another opportunity to create more floor area with potentially minimal exterior changes to a house conversion. Allowing dormers in this space, or similar spaces, is recommended in order to allow for more liveable floor area without expanding beyond the existing building footprint. To help preserve the character and massing of a home, the amount of dormered area could be limited by restricting this attic space to a half storey.

Undeveloped attic space does not count as a storey, so when this space is developed into floor area, it also adds to the number of storeys. Currently, for houses already at the maximum number of storeys, this would add a half storey beyond what is permitted in the zoning, even though the outward appearance of the house, in the majority of cases, would hardly change. This additional half storey would be limited in massing by virtue of the half storey definition, which can be a maximum of 70% of the floor area of the ground floor. The maximum building height, as measured in metres from average grade to midpoint of the roof, would remain unchanged and still apply; thereby limiting the potential amount of change. The following table compares the existing and proposed regulations, with the two cells highlighted grey identifying the changes.

Zone	<u>Current</u> max. building height (no change)	<u>Current</u> maximum number of storeys	<u>Proposed</u> maximum number of storeys for conversions
R1-A - Rockland Single Family Dwelling District	7.6m	2 ½ storeys	2 ½ storeys (no change)
R1-B - Single Family Dwelling District	7.6m	2 storeys	2 ½ storeys
R1-G - Gonzales Single Family Dwelling District	7.6m	2 storeys without basement 1 ½ storeys with basement	2 ½ storeys without basement 2 storeys with basement

Staff recommend that these changes are consistent with the Official Community Plan (2012), and based on staff observation and experience, developing attic space into floor area is likely to increase the potential viability for many conversions in a manner that would have no impact on the building footprint and limited impact on the view of the building from the street, while allowing for greater use of what is typically underutilized attic space.

e.) Allow Vehicle Parking in Front Yard (non-heritage)

Front yard parking is not permitted in house conversions. This proposed change would bring house conversions in line to the current standard for similar single-family and two-family houses by allowing up to two vehicle parking stalls in the front yard. Front yard parking for heritage-designated buildings is not included in this proposed change. While this could have some impacts on the streetscape, front yard parking could also lower the amount of surface area required for parking in the rear yard. This would help to maintain the urban forest and maximize the useable back yard space for residents.

f.) Increase and Incentivize Permitted Number of Units

Currently, the number of units permitted in a house conversion depends on the amount of existing *habitable* floor area. This measure can be quite restrictive and limits the potential for conversions. It is worth noting that the changes described in “a,” “c” and “d” alone will release additional candidate properties eligible for conversion and will enable a greater number of units within qualifying buildings. However, lowering the total floor area required per unit would further increase the potential number of units within a building, which would increase both the financial viability of a conversion and the potential number of units that can be achieved. Staff recommend establishing a system that incentivizes heritage designation, rental housing, affordable rental housing and below market home ownership by allowing more units in these circumstances. The incentives for secured rental would include a provision to allow one unit to be used by the property owner to allow for the redevelopment of properties by homeowners who wish to continue to reside in the building.

The following table compares the current and proposed total building floor area required in relation to the number of units that can be achieved under varying circumstances. The areas of proposed change are highlighted in grey.

Number of units achieved:	Current regulations require X m ² of floor area:	Proposed regulations would require X m ² of floor area <u>IF</u> : <ul style="list-style-type: none"> heritage designated rental below market ownership 	Proposed regulations would require X m ² of floor area <u>IF</u> affordable rental OR two of the following are secured: <ul style="list-style-type: none"> heritage designated rental below mkt ownership
2	150m ²	100m ²	80m ²
3	250m ²	200m ²	175m ²
4	350m ²	260m ²	240m ²
5	450m ²	310m ²	280m ²
46m ² for each additional unit (currently 115m ²)			

Another advantage of house conversions is that any building typically yields a mix of unit types because of the need to design around an existing floor plate. So, while the minimum required floor area per unit is proposed to change, there would still be opportunities for a mix of unit sizes depending on the building layout. The minimum unit size per unit would remain at 33m², which is consistent with typical minimum unit sizes outside the downtown core.

g.) Allow Windows and Doors on Front Elevation

New windows and doors at the street front are not currently permitted as part of a house conversions. Windows and some doors along the street front would support street-oriented units and allow more flexibility in floor layouts. The current restriction on new stairs at the front of the building would prevent this proposed change from having major impacts to the character and massing of houses. For these reasons, allowing new windows and doors on the front elevation of non-heritage designated houses is recommended. For heritage-designated houses, this change could be limited by heritage considerations.

h.) Decrease Parking Requirement

The current zoning bylaw parking requirements, contained in Schedule C – Off-Street Parking Regulations, typically require between 0.2 to 1.45 parking stalls per residential unit, depending on:

- tenure (there is a higher parking requirement for strata units, lower for rental and affordable units)
- size of the unit (there is a higher parking requirement for larger units)
- location of the property (there are lower requirements for properties within the Core and Village Centres).

Recently, 0.1 stall per unit of visit parking is also required, which results in an additional stall required for conversions with 5 or more units. Current parking requirements generally reflect the measured parking demand for the various types of units,. Some exceptions where parking demand may be higher than the requirements are for single family dwellings, units in Village Centres and affordable units. Required parking rates in these categories are lower to reflect lower density development areas in the case of single family homes or to encourage development and additional density in Village Centres.

The previous Schedule C, which was in place until 2018, had a lower parking requirement, which was:

- 1 stall per unit for buildings with three or fewer units
- 0.8 stall per unit for buildings containing more than three units.

To encourage house conversions and minimize impacts to the affected property, staff recommend the following parking rates for house conversions:

- 1.0 stalls per unit for units larger than 70m²
- 0.7 stalls per unit for units between 45m² and 70m²
- 0.5 stalls per unit for units less than 45m².
- 0.2 stalls per unit for affordable rental and affordable home ownership units, and units within a heritage designated building.

These parking rates, which are more akin to the old Schedule C, would, in most instances:

- accommodate the majority of parking demand

- help reduce the extent of hard surfacing required to accommodate required parking, thereby potentially reducing the impact on the urban forest, supporting green stormwater management and allowing for more outdoor amenity space in general
- make the process of conversion more attainable for more buildings.

Embedded in the previous Schedule C rates was a requirement that 10% of the parking stalls be reserved for visitor parking. Consistent with the current Schedule C, staff instead recommend adding the 0.1 stall per unit for visitor parking on top of the residential requirement.

It should be noted that while neither a full analysis nor consultation of the potential impacts of reducing the parking requirements has been conducted, given the benefits of incentivizing this form of development while encouraging heritage conservation, the creation of affordable units and supporting urban forest health, combined with the newly proposed bike parking requirements (below) it is anticipated that while there may be some additional pressure placed on on-street parking, the proposed rates strike an appropriate balance.

i.) Require Bicycle Parking

Bike parking is currently only required for new buildings or additions. Given the proposed lower vehicle parking rates and active transportation objectives, staff recommend including long-term bicycle parking as a requirement for house conversions. While this would be an extra burden, the number of required stalls is relatively low, and there are a number of options for locating the bike parking within the building or an accessory building. Additionally, a floor area exemption (below) is proposed to help facilitate the provision of bike parking.

j.) Allow Floor Area Exemption for Required Bicycle Parking

Allowing an addition that is the equivalent size of the required parking area would reduce the burden of this requirement on a house conversion project. It would also allow for the flexibility of adding the bike parking where it is most convenient. This proposed change would have a relatively minor impact on the building character and facilitates high quality bicycle parking facilities in both new and existing conversions. It may, however, place greater pressure on increasing the building footprint by a small degree or introducing a new accessory building to accommodate the bike parking which in turn could impact the urban forest. Staff would work with applicants through the normal process to try to alleviate negative pressures on trees while providing opportunities to include functional bike parking.

Potential Future Work

In undertaking this work, staff noted that there are a number of other opportunities to potentially expand and improve the Conversion Regulations that are not recommended for further exploration, at this time, due to limited staff resources and a series of associated known and unknown risks. Identified as a continuation of the list above, these changes include:

- k) consider establishing an incentive for achieving passive/energy efficient standard
- l) consider revising other zones to allow conversions in zones that currently restrict them
- m) allow garden suites with conversions
- n) allow additions that create new floor area
- o) consider allowing the creation of floor area beyond zoning limitations for heritage, rental and affordable housing
- p) explore further options for legalizing unlawful units
- q) review landscaping requirements to ensure they align with the updated tree preservation bylaw, integrate rainwater management standards, and balance usable yard space with privacy for neighbours

- r) explore establishing a system of delegated authority so staff can review, and in some instances, approve parking variances.

Although included and identified as the “Sprint” approach, these actions are not recommended for advancement as part of this initiative. They are primarily included in this report to share ideas and begin a collective exploration of other possible improvements to be explored in a future phase. These changes may also be advanced as part of other Victoria Housing Strategy actions as well as part of the Missing Middle Housing Strategy.

OPTIONS & IMPACTS

The following section outlines three potential options that Council may wish to consider in order to advance further work on this topic, they are described as:

- Walk
- Run (recommended)
- Sprint

The following table provides a summary of which regulatory changes are included within each approach. The discussion related to the impacts, is structured so that each of the “Walk,” “Run” and “Sprint” options are briefly described, a summary of resource implications is provided and potential advantages and disadvantages are explored. The “Sprint” approach, while included in this table, would take a significant amount of additional staff resources to advance and represents a number of associated known and unknown risks.

Proposed Zoning Change	Walk	Run (Recommended)	Sprint
a.) Change the qualifying year of construction	X	X	X
b.) Reduce restrictions on exterior changes	X	X	X
c.) Clarify and expand opportunities to utilize under-height basements	X	X	X
d.) Allow attic spaces to be developed	X	X	X
e.) Allow vehicle car parking in front yard (non-heritage)	X	X	X
f.) Increase and incentivize permitted number of units		X	X
g.) Allow windows and doors on front elevation		X	X
h.) Decrease parking requirement		X	X
i.) Require bike parking		X	X
j.) Allow exemption for required bicycle parking		X	X
k.) Establish incentive for achieving passive / energy efficient retrofit standard			X

Proposed Zoning Change	Walk	Run (Recommended)	Sprint
l.) Allow conversions in zones that currently restrict them			X
m.) Allow garden suites with conversions			X
n.) Allow additions that create new floor area			X
o.) Allow the creation of floor area beyond zoning limitations for heritage, rental and affordable housing			X
p.) Explore further options for legalizing unlawful units			X
q.) Review landscaping requirements to ensure they align with the updated tree preservation bylaw, integrate rainwater management standards, and balance usable yard space with privacy for neighbours			X
r.) Explore establishing a system of delegated authority for parking variances			X

Option 1: Walk

Description

This approach recommends a series of small steps that will likely facilitate some additional conversions and simplify the process for legalizing existing, non-approved conversions.

Resource Impacts

There will be few resource implications associated with this approach, however could be some resource impacts related to the potential increase in building permits for house conversions. These projects tend to be slightly more complicated than new-build projects and can require comparatively more staff time in the review process.

Advantages	Disadvantages
Clarifies / simplifies existing regulations	Relatively low risk, with some potential unknowns
Opportunity for more units to be created	Exterior changes, while limited, may be visible to neighbouring properties
Allows small exterior changes that can improve liveability/lay out options	May change appearance of a building from road to some degree
Allows for development of currently underutilized basement and attic space	Does not incentivize heritage designation, rental or non-market housing forms
Potential for more homes to be converted, preserving existing neighbourhood character	Not clear how effective the changes will be in terms of making more conversion projects financially feasible

Option 2: Run (Recommended)

Description

This approach recommends large steps that will likely facilitate many additional conversions along with secured rental, affordable rental, affordable home ownership and heritage designations.

Resource Impacts

There will be resource implications associated with this approach resulting from the need for staff to manage applications through the Housing Agreements and Heritage Designation Bylaws through the Council approval process. There may also be an increased number of neighbourhood parking issues that need to be managed by staff. This will need to be monitored and if additional staff resources are required it would be factored into future financial planning cycles.

Advantages	Disadvantages
All the advantages of the “Walk” approach	Higher risk, particularly related to potential unknowns of decrease in parking and potential impacts of redevelopment in existing conversions
Offers incentives for heritage designation, rental, affordable rental and affordable home ownership	Not clear how effective the incentives will be in securing heritage designation, rental, affordable rental or affordable home ownership
Ensures secure bike parking is provided in all conversions	Would put additional pressure on on-street parking and adds additional costs for the applicant associated with creating long-term bike parking facilities.
Incentive for heritage designation helps secure heritage assets and helps maintain neighbourhood character	Exterior changes, while limited, may be visible to neighbouring properties. This includes changes to the roof massing
Allows for more flexibility in “legalizing” existing unapproved conversions	Incentives can add time and complexity to the approvals process

Option 3: Sprint

Description

This approach includes the same large steps recommended in the “Run” approach and also includes a number of potential next steps that have not been fully analyzed and would likely be fairly labour intensive for staff to take to the next level of analysis in order to present well-considered recommendations for Council’s review. In some instances, some identified options are linked to or would benefit from being advanced subsequent to, or in tandem with other initiatives.

Given the greater potential impacts and unknown risks associated with this option, staff recommend that the “Sprint” level changes be explored after the potential “Run” options have been implemented and staff have a chance to monitor the outcomes. Staff also recommend

further public consultation on these changes. Undertaking this work in a future phase would allow staff to take a closer look at the potential risks and would provide an opportunity for 'fine tuning' of the first phase of changes.

Resource Impacts

In addition to the resource impacts of the "Run" option, this option will take additional staff resources for comprehensive review and recommended additional consultation. Additional resources would need to be factored into future financial planning in order to undertake this work.

Advantages	Disadvantages
Creates a 'check in' for the outcomes of initial changes (if implemented as a second phase after the first phase of changes)	High risk, particularly related to potential impact on neighbouring properties, pressure for redevelopment in existing houses and conversions
	Would require additional staff resources to fully understand implications
	Would not have the benefit of learning and refinement based on implementation of "Walk"/ "Run" changes

Accessibility Impact Statement

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

2019 -2022 Strategic Plan

The City of Victoria Strategic Plan includes an action to accelerate implementation of the Victoria Housing Strategy by developing a strategy for additional house conversion opportunities. These recommended changes are an important step in supporting a greater number of conversions.

Impacts to Financial Plan

At this time there are no impacts to the Financial Plan. Future reports would identify any budgetary needs, for instance, additional dedicated staff. These would be referred to future financial planning processes.

Official Community Plan Consistency Statement

This initiative advances the following broad objectives contained in the Official Community Plan:

- 13(a) – That housing development responds to future demand and is facilitated through land use policies and practices
- 13(c) - The existing supply of rental housing is expanded through regeneration
- 13(d) – A wide range of housing choice is available within neighbourhoods to support diverse, inclusive and multi generational community.

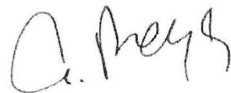
CONCLUSIONS

The current Conversion Regulations have facilitated the creation of a significant amount of residential units and housing choice by repurposing existing houses over the last several decades. This has been accomplished in a manner that has had the side benefit of preserving the existing character of many of Victoria's neighbourhoods, adding to the stock of heritage designated and registered properties and diverting building materials from entering the landfill. The proposed changes represent an opportunity to "refresh" the program by advancing the City's "Next Generation Conversion Regulations." The proposed changes will better reflect evolving community values and yield additional opportunities for houses to be converted to suites in order to ultimately increase the number and range of housing units available, while incentivizing heritage designation, the provision of rental housing, affordable rental and affordable home ownership.

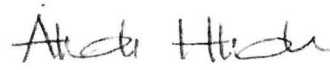
Respectfully submitted,



Chloe Tunis, Planner
Development Services



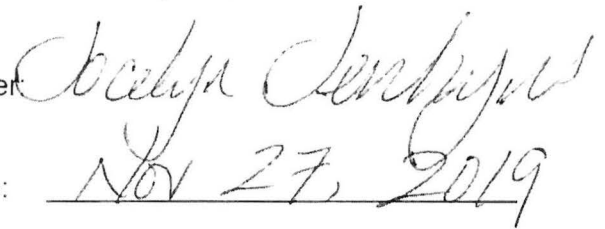
Alison Meyer, Assistant Director
Development Services



Andrea Hudson, Acting Director
Sustainable Planning and
Community Development
Department

Report accepted and recommended by the City Manager

Date:


Nov 27, 2019

List of Attachments

- Attachment A: Schedule G – House Conversion Regulations
- Attachment B: Schedule C – Parking Regulations