



Committee of the Whole Report

For the Meeting of August 6, 2020

To: Committee of the Whole **Date:** July 23, 2020

From: Karen Hoese, Director, Sustainable Planning and Community Development

Subject: Update to the Housing Agreement for Rezoning Application No. 00715 for 1230 Grant Street, 1209, 1218, 1219, 1220 and 1226 North Park Street, 1219 Vining Street, 1235 Caledonia Avenue and 1211 Gladstone Avenue

RECOMMENDATION

That Council amend condition #2.a.i in the May 14, 2020 Council resolution for the Rezoning Application No. 00715 for 1230 Grant Street, 1209, 1218, 1219, 1220 and 1226 North Park Street, 1219 Vining Street, 1235 Caledonia Avenue and 1211 Gladstone Avenue so that it reads:

- i. a housing agreement to ensure the residential rental units remain affordable or below-market for **sixty (60) years** in accordance with the City's definition of affordability and below-market in the *Victoria Housing Strategy 2016-2025* (Phase Two: 2019-2022).

LEGISLATIVE AUTHORITY

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.

BACKGROUND

On May 14, 2020 Council approved the following motion for Rezoning Application No. 00715 for 1230 Grant Street, 1209, 1218, 1219, 1220 and 1226 North Park Street, 1219 Vining Street, 1235 Caledonia Avenue and 1211 Gladstone Avenue:

1. *"That Council instruct the Director of Sustainable Planning and Community Development to prepare the necessary Official Community Plan Amendment Bylaw in accordance with Section 475 of the Local Government Act and the necessary Zoning Regulation Bylaw Amendments that would authorize the proposed development outlined in Rezoning Application No. 00715 for 1230 Grant Street, 1209, 1218, 1219, 1220 and 1226 North Park Street, 1219 Vining Street, 1235 Caledonia Avenue and 1211 Gladstone Avenue, and*

- change the OCP designation from Public Facilities, Institutions, Parks and Open Space and Traditional Residential to Urban Residential*
2. *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:*
 - a. *Preparation and execution of the appropriate legal agreements executed by the applicant in order to secure the following:*
 - i. *a housing agreement to ensure the residential rental units remain affordable or below market in perpetuity in accordance with the City's definition of affordability and below market in the Victoria Housing Strategy 2016-2025 (Phase Two: 2019-2022)*
 - ii. *that the applicant provides a minimum of 14 three-bedroom, eight four-bedroom dwelling units, 15 accessible dwelling units in accordance with in accordance with CAN/CSA-B651-95, the National Standard of Canada for barrier-free design, and private amenity space with a minimum floor area of 139m²*
 - iii. *a Statutory Right-of-Way of 3.928m on Grant Street and 1.90m on Vining Street be registered on title to the satisfaction of the Director of Engineering and Public Works*
 - iv. *a Statutory Right-of-Way of 10.85m along the proposed driveway at Grant Street be registered on title to the satisfaction of the Director of Engineering and Public Works*
 - v. *construction of a vehicle turnaround on Grant Street adjacent to the subject properties to the satisfaction of the Director of Engineering and Public Works*
 - vi. *construction of community gardens or contribution of cash in lieu equivalent to the installation of such gardens within the 145m² road closure area on the north side of North Park Street in consultation with the Fernwood Community Association and the Compost Education Centre and to the satisfaction of the Director of Sustainable Planning and Community Development and Director of Engineering and Public Works*
 - vii. *construction of an 8m wide greenway on the Victoria High lands adjacent to the development site in accordance with the plans dated April 6, 2020 to the satisfaction of the Director of Parks, Recreation and Facilities and the Director of Sustainable Planning and Community Development*
 3. *That adoption of the zoning bylaw amendment will not take place until all of the required legal agreements that are registrable in the Land Title Office have been so registered*
 4. *That the applicant provide a revised site plan and civil drawing showing a Grant Street turnaround to the satisfaction of the Director of Engineering and Public Works and the Director of Parks, Recreation and Facilities*
 5. *That Council consider who is affected by the proposed changes to the Official Community Plan and determine, pursuant to Section 475(1) of the Local Government Act that the affected persons, organizations and authorities are those property owners and occupiers within a 200m radius of the subject properties.*
 6. *That Council provide an opportunity for consultation pursuant to section 475 of the Local Government Act and direct the Director of Sustainable Planning and Community Development to:*
 - i. *mail a notice of the proposed OCP Amendment to the affected persons; and*
 - ii. *post a notice on the City's website inviting affected persons, organizations and authorities to ask questions of staff and provide written or verbal comments to Council for their consideration*
 7. *That Council specifically consider whether consultation is required under Section 475(2)(b) of the Local Government Act, and determine that no referrals are necessary with the Capital Regional District Board, Councils of Oak Bay, Esquimalt and Saanich, the Songhees and Esquimalt First Nations, the School District Board, and the provincial and federal governments and their agencies because the proposed OCP amendment does not affect them*

8. *That Council direct the Director of Engineering and Public Works to bring forward for Council's consideration, a report and bylaws for road closures and necessary restructuring on Vining St and North Park St to accommodate the project*
9. *That Recommendations 1 to 8 be adopted on the condition that they create no legal rights for the applicant or any other person, no obligation on the part of the City or its officials, and any expenditure of funds is at the risk of the person making the expenditure."*

This rezoning proposal was advanced in response to Council's objectives to find innovative ways to facilitate the development of new affordable housing. The applicant (Capital Regional Housing Corporation) has proposed to build affordable and below-market housing on land owned in part by the City, School District 61 (SD 61) and BC Housing. If Council approves the rezoning application, then SD 61 would exchange nearby parcels it owns for the City land that is subject to the rezoning. The applicant would subsequently lease the lands for a term of sixty (60) years from SD 61 and enter into an Operating Agreement for 60 years with BC Housing.

Given the intended lease term of sixty (60) years to facilitate the proposed development, the applicant has raised concerns in a letter dated July 21, 2020 (attached) related to the term of the housing agreement associated with the rezoning application, which is "in perpetuity." Both the applicant and SD 61 are willing to ensure that the proposed 158 residential rental units remain affordable or below market for sixty (60) years in accordance with the City's definition of affordability and below-market in the *Victoria Housing Strategy 2016-2025* (Phase Two: 2019-2022), which would be consistent with the proposed lease agreement as well as with both current and emerging City policy.

CONCLUSIONS

The recommended motion would secure the rental tenure of the building and the affordable and below-market rents for sixty (60) years. The updates remain in line with current and emerging City of Victoria policy with regard to rental housing. Therefore, staff recommend that Council consider supporting the recommendation.

Respectfully submitted,


Leanne Taylor
Senior Planner
Development Services Division




Karen Hoes, Director
Sustainable Planning and Community
Development Department

Report accepted and recommended by the City Manager:



Date: July 27, 2020

List of Attachments

- Attachment A: Applicant's letter dated July 21, 2020
- Attachment B: Committee of the Whole Reports dated April 9, 2020
- Attachment C: Council minutes dated May 14, 2020.