

4. Consider consultation under Sections 475(1) and 475(2) of the *Local Government Act* and direct consultation on the proposed *Official Community Plan* amendments in accordance with the consultation plan in Attachment 2.

EXECUTIVE SUMMARY

The purpose of this report is to present the results of the Official Community Plan Annual Review (Annual Review) for 2019. This is the eighth annual snapshot of progress towards achieving the *Official Community Plan* (OCP). It presents 17 indicators related to the OCP and reports key findings from the 2019 calendar year.

Overall, the indicators for the 2019 calendar year show that targets are mostly being met or exceeded, with several indicators experiencing changes worth noting. These include:

- 519 net new housing units were created in 2019
- of the 600 gross new units created in Victoria in 2019, 41.5% were identified as rental units, 53.6% as strata ownership, and 4.9% as fee simple ownership
- areas around Large Urban Villages and Town Centres saw a lesser proportion of the city's residential development in 2019 than envisioned in the OCP, at 13% (the 2012-2019 cumulative total is 21%, continuing to trail the target of 40% by 2041)
- the city's share of the region's new housing was somewhat lower in 2019 than in recent years, hitting closer to the targets in the OCP
- in 2019, the city saw 3.3 km of new bicycle infrastructure built, 1.3 km of greenway improvements and 2 km of upgrades or additions to the sidewalk network
- highest number of trees planted since 2012
- decreasing vacancy rates for downtown street front commercial space (3.1%) and downtown office space (4.7%) indicates a high demand and a strong economy for 2019.

The preparation of the Annual Review is guided by the OCP adaptive management approach, which establishes a regular cycle of plan implementation, monitoring and adjustment. The Annual Review is intended to help identify emerging trends, issues and new knowledge that may have an impact on the OCP and over time inform potential changes to the OCP and other plans, policies and practices.

In keeping with this approach, this report also recommends that staff prepare amendments to update the OCP to address alignment with recently-approved city-wide plans, policies and Council direction, including the *Victoria Climate Leadership Plan*; *Go Victoria – Our Mobility Future* including outcomes of network planning and alignment processes related to transit and cycling; *Transgender, Non-Binary and Two-Spirit + Inclusion Action Plan*; *Accessibility Framework* (pending final approval by Council); and achieving inclusionary housing in developments and providing housing security as part of COVID-19 recovery. Staff are also recommending updates to the OCP to address improvements to policy interpretation and existing development permit areas.

PURPOSE

The purpose of this report is to present the results of the OCP Annual Review for the 2019 calendar year and bring forward recommended OCP amendments as part of adaptive management.

BACKGROUND

On July 30, 2012, Council adopted the *Official Community Plan* (OCP). One of the distinguishing features of the OCP is its adaptive management approach, which establishes a regular cycle of

plan implementation, monitoring and adjustment that supports the OCP's long-term goals and objectives, and ensures that the OCP responds to emerging issues and opportunities.

The OCP monitoring program includes both annual and five-year reporting. The annual review evaluates the progress towards OCP implementation, goals and objectives, and reports on key annual indicators (OCP Policy 22.9). The Five-Year Monitoring Report was envisioned to feature a comprehensive set of indicators and a more detailed evaluation of the plan progress (OCP Policy 22.11), prepared approximately every five years as resources allow. The first five-year report was completed in connection with the OCP Annual Review 2017 and was received by Council in July 2018.

OCP Annual Indicators

The OCP Annual Review 2019 (Attachment 1) presents the eighth annual snapshot of progress towards achieving the OCP. It monitors annual indicators related to the OCP and, in conjunction with previous annual reviews and the Five-Year Report received in 2018, provides a reference point against which progress can be measured in future years.

The following annual OCP indicators are reported in each Annual Review. The indicators are focused primarily on land management and development and are limited to those where data is available on an annual basis:

1. New housing units
2. Share of new housing units in growth target areas
3. Regional share of new housing units
4. New commercial and industrial space in target areas
5. Improvements to greenways network
6. Improvements to sidewalk network
7. Improvements to cycling network
8. Improvements to underground infrastructure
9. Activities in public spaces
10. New trees on City lands
11. New housing units by tenure
12. New housing units by type
13. Rental housing vacancy rate
14. Emergency shelter use
15. Retail, office, and industrial vacancies
16. Official Community Plan amendments
17. Contributions from development

Housing Demand and OCP Capacity

On September 19, 2019 at last year's OCP Annual Review reporting, Council directed staff to undertake an updated housing demand forecast and OCP capacity assessment in response to the Capital Regional District's updated population projections created by BC Stats in support of the Regional Growth Strategy. Following this direction, the City initiated two complementary projects:

- a report on Housing Trends and Projections in Victoria
- a Residential Capacity Assessment of the *Official Community Plan*.

The first project is focused on estimating the quantity and types of housing that would be required to meet latent demand and the housing needs of our future population.

The second project is focused on estimating the amount of housing development likely to occur based on the land use designations in the *Official Community Plan*, recent development trends, and market conditions. In addition to assessing the "status quo" of land use designations in the OCP, this project is also intended to provide the City with a modelling tool that can be used on an ongoing basis to estimate outcomes associated with alternative land use scenarios that might be considered through local area planning or other planning processes.

Results from both studies are in progress and expected to be complete later this year.

ISSUES & ANALYSIS

1. OCP Annual Indicators

Overall, the indicators for the 2019 calendar year show that targets are mostly being met or exceeded, with several indicators experiencing changes that are worth noting. The following is a high-level summary of several targets. More specific details on each indicator are included in the OCP Annual Review (Attachment 1):

- **519 net new housing units were created in 2019.** While this is a relatively low number compared to the last four years, an increasing proportion of townhouse, triplex, and duplex units as well as secondary and garden suites is observed. In July 2020, Council adopted *Victoria Housing Strategy 2016 – 2025, Phase Two: 2019 – 2022*, which builds on Phase One of the Strategy and the *2019-2022 Strategic Plan*. Phase Two included updated housing targets to align with the City's growth targets and current needs. The targets will be monitored in the Housing Strategy Annual Review (to be presented to Council later in 2020).
- **Of the 600 gross new units created in Victoria in 2019, 41.5% were identified as rental units, 53.6% as strata ownership, and 4.9% as fee simple ownership.** While 2018 saw a record number of units created, including the highest number of both rental and strata units since the 2012 baseline, 2019 saw a more modest number of units created overall.
- **Areas around Large Urban Villages and Town Centres continue to see a lesser proportion of the city's residential development than envisioned in the OCP. Following a 13% growth in 2019, the cumulative total since 2012 now sits at 21%.** The share of new housing built in the Urban Core in 2019 was in alignment with the OCP vision, at 53%, while the remaining 34% of new housing was situated in residential areas. The OCP target is to accommodate approximately 50% of new homes in the Urban Core, 40% in or within walking distance of Town Centres and Large Urban Villages, and 10% in Small Urban Villages and the remainder of residential areas by 2041. Since 2012 there is a consistent trend of the areas around Town Centres and Large Urban Villages not seeing the proportion of growth envisioned. This reaffirms the need for focusing local area planning on villages and associated transportation corridors, which is currently in progress.
- **The city's share of the region's new housing was somewhat lower in 2019 than in recent years, hitting closer to the targets in the OCP.** The OCP target for 2041 is to accommodate approximately 20% of the region's new housing in the city and 10% in the Urban Core. While those targets have been exceeded in recent years, this year Victoria as a whole accommodated 16% of the region's new units and the Urban Core accommodated 9%.

- **In 2019, the city saw 3.3 km of new bicycle infrastructure built, 1.3 km of greenway improvements and 2 km of upgrades or additions to the sidewalk network.** Victoria's new Sustainable Mobility Strategy, *Go Victoria – Our Mobility Future*, was adopted in 2019 and affirms the City's values, policy positions and key initiatives on mobility. As a part of *Go Victoria*, the City has identified the importance of aligning and updating mobility networks, streetscape standards and guidelines to reflect mode share objectives and adjacent land uses.
- **Highest number of trees planted since 2012.** The number of new trees on City land increased for the fifth year in a row, with 516 trees planted and 465 removed resulting in a net of 51 trees added.
- **Decreasing vacancy rates for downtown street front commercial space (3.1%) and downtown office space (4.7%) indicates a high demand and a strong economy.** The vacancy rate for industrial properties continues to decline to 0.4% in 2019, indicating that the City's industrial lands are at capacity. The city-wide retail shopping centre vacancy rate was also lower in 2019 compared to 2018, at 5.9%. It should be noted that due to the effects of COVID-19 on our local economy, retail vacancy rates can be expected to increase significantly before the end of 2020, however, that will be confirmed by 2020 data at next year's reporting.

2. Adaptive Management

a. OCP Alignment with Recently Approved City-Wide Plans and Policies

As directed by the OCP, Council has recently adopted other city-wide plans that contain more detailed objectives, policies and targets on climate action, transportation and housing. As part of adaptive management, staff recommend amendments to the OCP to ensure it is up to date and aligned with these recent plans and policies. These include:

i. Victoria Climate Leadership Plan, 2018

In 2018, Council passed the *Victoria Climate Leadership Plan (CLP)*, an ambitious strategy to achieve 100% renewable energy and reduce our greenhouse gas emissions by 80% by 2050. These new targets are more aggressive than those originally included in the OCP in 2012 and reflect the latest science from the Intergovernmental Panel on Climate Change and the need to limit global warming to 1.5C. Staff recommend integrating these new CLP targets and accelerated climate action programs and policies as future amendments to integrate into the OCP.

ii. Go Victoria – Our Mobility Future, 2019

The City of Victoria's sustainable mobility strategy, *Go Victoria – Our Mobility Future*, was adopted in 2019 and affirms the City's values, policy positions and key initiatives on mobility. Amendments to the OCP are required to reflect updated policies and targets established within *Go Victoria*. Associated maps and guidelines in OCP Section 7 will also need be amended with directions from the strategy and outcomes of network planning and alignment processes, specifically related to transit and cycling.

iii. Transgender, Non-Binary and Two-Spirit + Inclusion Action Plan, 2019

The City of Victoria's Transgender, Non-Binary and Two-Spirit + Inclusion Action Plan (TNB2S+) was adopted in 2019. It outlines and prioritizes actions the City will take to enhance TNB2S+ inclusion both internally at the City as a workplace, and externally for the benefit of all TNB2S+

individuals and communities who live, work, play, or visit Victoria. It includes actions the City will take in collaboration with community or other partners, as well as direct actions for the City to implement. A specific action identified in this plan is to review and update the OCP to include language on inclusion and wellbeing for marginalized communities, including TNB2S+ communities.

iv. Inclusionary Housing and Community Amenity Policy, 2019

In June 2019, Council adopted an *Inclusionary Housing and Community Amenity Policy*, which sets out the City's expectations for community amenity contributions when multi-unit or mixed-use strata development applications request additional residential density. The policy encourages the supply of new affordable housing, through the creation of inclusionary housing units. Specifically, the policy establishes targets for inclusionary housing units within larger projects and seeks contributions to affordable housing and neighbourhood amenity funds from small and medium-sized projects. The amount and type of amenity contribution for specific development applications are negotiated and may vary from the targets set out in the policy.

Along with this policy, Council also passed a motion to consider densities and building heights above the maximums indicated in OCP policies to help applicants achieve on-site inclusionary housing, as well as other community amenities and City objectives including:

- affordable housing
- energy efficiency above the current BC Energy Step Code
- accessible housing (special needs housing as defined by the *Local Government Act*)
- two and three bedroom units
- daycare facilities
- enhanced green space
- other provisions deemed appropriate by Council.

Council's resolution to consider development applications that exceed the OCP's guidance related to height and density limits requires an OCP amendment to include policy language to this effect. An amendment to the OCP would not change existing zoning regulations, and all development proposals that request additional height and densities beyond those permitted in zoning would still require a rezoning application to be submitted, a public hearing to be held and considered by Council.

v. COVID-19 Recovery – Housing Security, 2020

At the Special Council meeting of June 4, 2020, Council directed staff to re-prioritize actions in the Victoria Housing Strategy to improve housing security as part of COVID-19 recovery. One of the actions is to advance and support the rapid supply of affordable and supportive housing with government partners and non-profit housing providers.

To this end, staff are currently considering development process improvements. It is recommended that this include a review of the OCP to determine if policy updates could help facilitate more rapid delivery of affordable and supportive housing when development opportunities come forward.

vi. Accessibility Framework, 2020

Council will be considering final approval of the City of Victoria Accessibility Framework in October 2020. This framework will articulate the foundation for integrating accessibility standards, goals, objectives and actions across all City service areas. The Framework applies to the spectrum of

City planning and operations, including capital investments and municipal programs and services for residents and businesses.

In anticipation of final approval in the coming weeks, it is recommended that the OCP also be updated to align with definitions and objectives within focus areas identified in the Accessibility Framework.

b. Improvement of OCP Policy Interpretation

The OCP is a proactive community planning tool that describes the long-term vision for the city, and guides Council's decisions about planning and land use management. It states broad community objectives on topics within local government jurisdiction and includes policies to achieve the objectives. As it is a city-wide plan, the policies and guidelines are at a broad, high-level, and are not regulatory.

OCP Section 6: Land Management and Development is one of the critical sections for evaluation of land use (rezoning) applications. It contains policies and guidelines for future land use, density, building height and place character.

Recently, the City was legally challenged in the Supreme Court of British Columbia on a rezoning decision in 2019 (*Wells v. Victoria City*) in which the petitioner contended that the zoning amendment bylaw associated with a rezoning application was inconsistent with the OCP. The petitioner based this challenge on their interpretation of the building height policies outlined in Section 6.

The court ruled in the City's favour and reaffirmed that the OCP is intended to be a high-level policy document and should not be interpreted as regulations. However, the emergence of the court challenge demonstrates that there may be some misinterpretation of the language within the OCP and how it is meant to be applied. In the spirit of transparency and ensuring the OCP can be clearly understood, staff recommend that Section 6 be rewritten to reaffirm its intended purpose as high-level guiding policy, including improvements to language inconsistencies and maps.

c. Update to Development Permit Areas Lacking Contemporary Guidelines

When the OCP was adopted in 2012, a new city-wide Development Permit Area (DPA 16) was introduced to guide the form and character of new development using new *Guidelines for: Multi-Unit Residential, Commercial and Industrial*. DPA 16 did not apply to some villages and corridors, which were envisioned to have their own area-specific guidelines to be developed during local area planning. In the meantime, these villages and corridors had pre-existing guidelines, which were left in place and were anticipated to be updated during local area planning. While local area planning of villages and corridors is in progress in some parts of the city, other areas are experiencing redevelopment now.

The existing guidelines that apply to these villages and corridors are very limited, leaving the City with insufficient control of form and character, and not providing applicants with enough guidance when formulating their development proposals. Therefore, it is recommended that the following Development Permit Areas be updated to include the *Guidelines for: Multi-Unit Residential, Commercial and Industrial*:

- DPA 4: Town Centres - Hillside Town Centre
- DPA 5: Large Urban Villages - Stadacona Village; Jubilee Village (exempting Jubilee Hospital for which a Master Plan applies); James Bay Village

- DPA 6A: Small Urban Villages - Oak Bay Avenue Village
- DPA 7A: Corridors - Hillside Corridor; Oak Bay Avenue Corridor; Fort Street Corridor; Shelbourne Avenue Corridor
- DPA 7B (HC): Corridors Heritage - Fort Street Corridor

Due to their city-wide nature, the *Guidelines for: Multi-Unit Residential, Commercial and Industrial* are written to apply in a number of circumstances and cover important themes such as relationship of buildings to the street and public realm, transitions to adjacent lower-scale development, character of open spaces, context-sensitive design, and livability. While staff recommend this amendment now, further guidelines that are specific to each of the above villages and corridors to supplement these can be developed through future local area planning if deemed necessary.

d. Consultation on OCP Amendments

During a process to amend an official community plan, the *Local Government Act* requires the City to provide one or more opportunities for consultation with persons, organizations and authorities it considers will be affected (in addition to the required public hearing). Many of the amendments proposed in this report are to align with Council-approved plans including the *Victoria Climate Leadership Plan*, the *TNB2S+ Plan*, *Go Victoria* and the *Accessibility Framework* which will be considered for imminent approval. Each of these plans included extensive consultation, and the results of those consultations were reported to Council when each plan was brought forward for consideration. Therefore, the consultation proposed to amend the OCP to align with these plans takes this into account.

There are other amendments proposed in this report that are new initiatives that have not yet been subject to consultation. Staff have identified the following persons, organizations and authorities considered to be affected by these proposed OCP amendments, which the City will engage with:

- Community Association Land Use Committees (CALUCs)
- Urban Development Institute (UDI)
- Non-profit housing providers including BC Housing, Capital Region Housing Corporation, Greater Victoria Housing Society, Pacifica Housing Advisory Association, Victoria Cool Aid Society, Our Place Society, Portland Hotel Society, M'akola Housing Society and Development Services, Threshold Housing Society, Gorge View Society, Garth Homer Society, Kiwanis Village Society and Habitat for Humanity
- Property owners within Development Permit Areas 4, 5, 6A, 7A and 7B (HC)

Given the circumstances with COVID-19 and the need to maintain small gatherings and social distancing, staff recommend the following engagement methods and techniques to receive input on this suite of proposed OCP amendments:

- newspaper advertisement and social media to alert the general public to the OCP amendments proposing to align with the Council-approved plans that received previous public consultation, noted in this report
- digital engagement tools including creating a project website through the City's engagement portal that describes the proposed amendments, includes staff contact information and provides opportunities to review OCP and related documents and provide comments
- offering to meet virtually with the above-noted groups and organizations to communicate the desired objectives and receive input to help inform the OCP amendments
- direct mail to property owners within the above-noted Development Permit Areas.

The specific persons, organizations and authorities considered affected by these proposed OCP amendments are listed in Attachment 2. The results of these consultations will be provided to Council through an engagement summary when the proposed OCP amendment bylaws are brought forward and reported to Council for consideration.

OPTIONS & IMPACTS

Accessibility Impact Statement

With respect to the 2019 data provided in the OCP Annual Review, indicator number 6 measures one aspect of accessibility through improvements to the built environment. This is specifically in reference to the City's sidewalk network, both in the form of new sidewalks and upgrades to existing sidewalks (widening or other improvements).

The recommended OCP amendments to align with the forthcoming Accessibility Framework will reaffirm the City's objectives to remove barriers, promote inclusion and support people with disabilities through the three established focus areas.

The City engagement portal complies with accessibility principles and offers alternative tools to facilitate access by persons of differing needs. As much as possible, any virtual meetings will be inclusive and accessible.

2019 – 2022 Strategic Plan

The Annual Review provides an annual snapshot of progress towards achieving the OCP and the data presented can be used to monitor Strategic Plan progress as some of the indicators are also identified as measurable outcomes in the Strategic Plan (in particular, decrease in homelessness, monitoring missing middle housing units and rental vacancy rates).

Impacts to Financial Plan

The OCP Annual Review does not impact the 2020 - 2024 Financial Plan. Undertaking amendments to the OCP will require staff time to prepare and undertake engagement. Staff will aim to absorb this work into existing work programs. At this stage, no resource impacts have been identified.

Official Community Plan Consistency Statement

The Annual Review is consistent with Policy 22.7 of the OCP, which calls for the development of an OCP monitoring and evaluation program that identifies: outcomes and targets, measurable indicators, methods for data collection and analysis, considerations for data interpretation, and methods for reporting and dissemination. The recommendation to prepare amendments to update the *Official Community Plan* is consistent with the broad objectives outlined in OCP Section 22, Adaptive Management.

CONCLUSIONS

The Annual Review presents the eighth annual snapshot of progress towards achieving the OCP. This report presents data from the 2019 calendar year, which can be compared to the findings in previous Annual Reviews since 2012 and the 5-Year Monitoring Report to begin to understand if trends are developing. Many of the OCP indicators do not yet show conclusive trends within this

limited time frame, however some patterns are emerging with regards to population growth and distribution.

Several City-wide policies and plans have also been adopted in recent years, which include new and updated information and directions to help achieve the City's overarching goals. In keeping with the OCP's adaptive management approach, it is recommended that Council direct staff to prepare amendments to update the OCP to align with Council's priorities around climate action and housing affordability, other recently-approved city-wide plans, improve OCP interpretation and existing development permit areas, and that staff undertake consultation on these proposed amendments.

Respectfully submitted,

		
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Report accepted and recommended by the City Manager:



Date: October 1, 2020

List of Attachments

- Attachment 1: Official Community Plan Annual Review 2019
- Attachment 2: Consultation Plan - Proposed OCP Amendments.