



Committee of the Whole Report For the Meeting of December 2, 2021

To: Committee of the Whole **Date:** November 19, 2021
From: Karen Hoese, Director, Sustainable Planning and Community Development
Subject: Official Community Plan Annual Review 2020

RECOMMENDATION

That Council receive the Official Community Plan Annual Review 2020 (Attachment 1) for information and direct staff to communicate the findings and highlights to the public.

EXECUTIVE SUMMARY

The purpose of this report is to present the results of the Official Community Plan Annual Review (Annual Review) for 2020. This is the ninth 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 2020 calendar year.

Overall, the indicators for the 2020 calendar year show that targets are mostly being met or exceeded, with several indicators experiencing changes worth noting:

- 614 net new housing units were created
- 652 gross new housing units were created of which 63.8% were identified as rental units, 31.1% as strata ownership and 5.1% as fee simple ownership
- the rental housing vacancy rate increased significantly, from 1.0% in 2019 to 2.3% in 2020
- areas around Large Urban Villages and Town Centres saw a greater proportion of the city's residential development, at 55%, while the 2012-2020 cumulative total of 25% continues to trail the OCP target of 40% by 2041
- the city's share of the region's new housing was somewhat lower than in recent years, hitting closer to the targets in the OCP
- the city saw 9.2 km of new bicycle infrastructure built, 4.2 km of greenway improvements, and 2.4 km of upgrades or additions to the sidewalk network
- the highest number of trees were planted since 2012
- increased vacancy rates for downtown street front commercial space (6.0%) and downtown office space (7.1%) indicates a lower demand and a weaker economy likely due to the COVID-19 pandemic.

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.

PURPOSE

The purpose of this report is to present the results of the OCP Annual Review for the 2020 calendar year.

BACKGROUND

On July 30, 2012, Council adopted the *Official Community Plan, 2012* (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 2020 (Attachment 1) presents the ninth 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 2020, 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

OCP Annual Review 2019 – Council Motion

At last year's OCP Annual Review reporting, Council directed staff to undertake OCP amendments as part of adaptive management, to ensure the OCP is up to date with other City plans and policies that came into effect since OCP adoption, and to include policies on more recent City objectives. At the October 15, 2020 Council meeting, the following motion was passed:

"That Council:

- 1. Receive the Official Community Plan Annual Review 2019 (Attachment 1) for information and direct staff to communicate the findings and highlights to the public.*
- 2. Direct staff to prepare amendments to the Official Community Plan, 2012 as part of the adaptive management framework to address the following:*
 - a. Alignment with the Victoria Climate Leadership Plan, 2018*
 - b. Alignment with Go Victoria – Our Mobility Future, 2019*
 - c. Alignment with the Transgender, Non-Binary and Two Spirit + Inclusion Plan, 2019*
 - d. Alignment with the Accessibility Framework, 2020*
 - e. Alignment with Victoria 3.0*
 - f. This should be aligned with the endorsed guidelines and principles of the equity framework.*
 - g. Amendments to support the Inclusionary Housing and Community Amenity Policy, 2019 regarding Council's motion of June 27, 2019 to consider densities and building heights above OCP maximums for affordable housing and community amenity contributions*
 - h. Amendments to help achieve Victoria Housing Strategy objectives and COVID-19 recovery, including the priority action to advance and support the rapid supply of affordable and supportive housing with government partners and non-profit housing providers*
 - i. Amendments to Section 6: Land Management and Development to fix inconsistent language and improve policy interpretation*
 - j. Amendments to Appendix A: Development Permit Areas to add the Guidelines for: Multi-Unit Residential, Commercial and Industrial to: DPA 4: Hillside Town Centre; DPA 5: Stadacona Village, Jubilee Village (excepting Jubilee Hospital), James Bay Village; DPA 6A: Oak Bay Avenue Village; DPA 7A: Hillside Corridor, Oak Bay Avenue Corridor, Fort Street Corridor (north of Oak Bay Avenue), Shelbourne Avenue Corridor; and DPA 7B(HC): Fort Street Corridor.*
- 3. Consider consultation under Section 475(2)(b) of the Local Government Act and direct that no referrals of the Official Community Plan Amendment Bylaw are necessary to the Capital Regional District Board, Island Health, provincial or federal governments, Township of Esquimalt, District of Saanich and the District of Oak Bay.*
- 4. That the OCP amendments be referred to the Esquimalt and Songhees Nations.*
- 5. 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."*

An update on this project will be provided in this report.

ISSUES & ANALYSIS

1. OCP Annual Indicators

Overall, the indicators for the 2020 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).

- **614 net new housing units were created in 2020.** 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. The more detailed housing targets noted in the Victoria Housing Strategy will be monitored in the Housing Strategy Annual Review.
- **652 gross new units were created in 2020, of which 63.8% were identified as rental units, 31.1% as strata ownership and 5.1% as fee simple ownership.** Since 2018, when the city saw a record number of units created (including the highest number of both rental and strata units since the 2012 baseline), the last two years have seen a more modest number of units created overall.
- **The rental housing vacancy rate increased significantly, from 1.0% in 2019 to 2.3% in 2020.** A balanced market is considered to have a rental vacancy rate around 2-3%, which the city had not seen since 2013.
- **Areas around Large Urban Villages and Town Centres saw a much greater residential development proportion in 2020 but continue to see a lesser proportion than envisioned in the OCP.** 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. In 2020, following a 55% growth of residential development around Large Urban Villages and Town Centres, the cumulative total since 2012 now sits at 25%. 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 year's increase is a positive move in this direction and reaffirms the need for focusing local area planning on villages and associated transportation corridors which is currently in progress. The share of new housing built in the Urban Core in 2020, at 22%, was below the OCP vision, and the remaining 23% of new housing was situated in residential areas and exceeded the OCP vision.
- **The city's share of the region's new housing was somewhat lower in 2020 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 accommodated 22% of the region's new units and the Urban Core accommodated 5%.
- **In 2020, the city saw 9.2 km of new bicycle infrastructure built, 4.2 km of greenway improvements, and 2.4 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.

- **In 2020, the highest number of trees were planted since 2012.** The number of new trees on City land increased for the sixth year in a row, with 535 trees planted and 272 removed resulting in a net of 263 trees added.
- **Increasing vacancy rates for downtown street front commercial space (6.0%) and downtown office space (7.1%) indicates a low demand and a weaker economy for 2020, likely due to the COVID-19 pandemic.** The vacancy rate for industrial properties increased slightly to 1.2% in 2020, still indicating that the City's industrial lands are at capacity. The city-wide retail shopping centre vacancy rate was lower in 2020 compared to 2019, at 4.9%.

2. OCP Update - Project Progress

Following the presentation of last year's OCP Annual Review, Council directed staff to undertake a series of amendments to the OCP to reflect recently approved plans and policies, improve clarity and respond to emerging trends.

Key updates include alignment with *Go Victoria – Sustainable Mobility Strategy*, the *Climate Leadership Plan*, and other citywide plans and policies, as well as amendments to improve clarity in the Land Management section of the plan and to support Council directions to advance the supply of affordable housing. Over the first half of 2021, early engagement with the community was conducted and included basic online surveys by subject area, email notification to stakeholders, social media, and a brief video describing the nature of the updates. Internal staff workshops and discussion with partner organizations have also been held.

The first round of community engagement revealed general support for the amendments and for keeping the OCP up-to-date and aligned with current policies and initiatives. Comments and concerns from the community reflected those that were heard in previous city engagements held for the related topic (such as those heard during the development of *Go Victoria*). Some comments expressed desire for larger, more substantive changes to the OCP. Where possible, staff clarified that the nature of these updates are 'housekeeping' rather than to develop new overarching goals and objectives for the city (which would require more robust engagement). Comments relevant to ongoing projects that will likely result in OCP amendments, such as local area planning or the Missing Middle Housing Initiative, were directed accordingly.

Staff are now working interdepartmentally on the detailed updates for each section of the OCP, including text edits and the development of new maps. The detailed updates will be presented to the community for review and feedback in the next round of engagement, which is anticipated this winter. The final amendments would then be drafted and presented to Council for consideration in the new year. During this next engagement, staff will also continue to clarify the role of the OCP and the nature of its Adaptive Management Framework, noting specifically that the 10-year review will provide another opportunity to consider potential updates.

CONCLUSIONS

The Annual Review presents the ninth annual snapshot of progress towards achieving the OCP. This report presents data from the 2020 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.

Respectfully submitted,

Amanda Blick McStravick
Planning Assistant
Community Planning Division

Andrea Hudson
Assistant Director,
Community Planning

Karen Hoese, Director
Sustainable Planning and
Community Development Department

Report accepted and recommended by the City Manager.

List of Attachments

- Attachment 1: Official Community Plan Annual Review 2020