



## Committee of the Whole Report For the Meeting of December 9, 2021

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**To:** Committee of the Whole **Date:** November 25, 2021

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

**Subject:** Rezoning Application No. 00752 for 1025 Kings Road

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### RECOMMENDATION

That Council instruct staff to prepare the necessary Zoning Regulation Bylaw Amendment that would authorize the proposed development outlined in Rezoning Application No. 00752 for 1025 Kings Road, that first and second reading of the Zoning Regulation Bylaw Amendment be considered by Council and a Public Hearing date be set once the following conditions are met:

1. Revised plans that identify the visitor parking stall, to the satisfaction of the Director of Sustainable Planning and Community Development.
2. Confirmation that third party servicing would not negatively impact the ability to replant new trees within the City boulevard, to the satisfaction of the Director of Parks, Recreation and Facilities.
3. Confirmation that municipal tree #11614, a 51cm DBH hedge maple will be protected and retained through development, to the satisfaction of the Director of Parks, Recreation and Facilities.
4. Preparation of the following legal agreements, executed by the applicant, in a form satisfactory to the City Solicitor to:
  - a. Secure the building as rental for the greater of 60 years or the life of the building, to the satisfaction of the Director of Sustainable Planning and Community Development.
  - b. Secure the building as affordable as per the *Zoning Regulation Bylaw* definition at time of adoption, to the satisfaction of the Director of Sustainable Planning and Community Development.
  - c. Secure a minimum of three one-bedrooms, one two-bedroom and two three-bedroom units as affordable for a minimum of ten years and allocated to median income households (or lower) as defined in the Victoria Housing Strategy, to the satisfaction of the Director of Sustainable Planning and Community Development.
  - d. Secure a monetary or equivalent contribution of \$100,000 to go towards park improvements at 2550-2560 Fifth Street, or an alternative location satisfactory to the Director of Parks, Recreation and Facilities.

- e. Secure car share memberships for each of the residential units and the provision of one car share vehicle.

## LEGISLATIVE AUTHORITY

In accordance with Section 479 of the *Local Government Act*, Council may regulate within a zone the use of land, buildings and other structures, the density of the use of the land, building and other structures, the siting, size and dimensions of buildings and other structures as well as the uses that are permitted on the land and the location of uses on the land and within buildings and other structures.

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.

## EXECUTIVE SUMMARY

The purpose of this report is to present Council with information, analysis and recommendations for a Rezoning Application for the property located at 1025 Kings Road. The proposal is to rezone from the R3-2 Zone, Multiple Dwelling District to a site-specific zone in order to construct a new six-storey residential rental building with approximately 56 housing units.

The following points were considered in assessing this application:

- The proposal is generally consistent with the Large Urban Village land use designation in the *Official Community Plan, 2012 (OCP)*, which envisions low to mid-rise multi-unit residential buildings up to approximately six storeys.
- The proposal is inconsistent with the *Hillside-Quadra Neighbourhood Plan* designation of *Maintain Existing Zoning*, but is consistent with the goals to develop a new park at the Warehouse School property.
- The proposal is consistent with the Tenant Assistance Policy.

## BACKGROUND

### Description of Proposal

This Rezoning Application is to rezone from the R3-2 Zone, Multiple Dwelling District, to a site-specific zone to construct a new six-storey residential rental building with approximately 56 housing units.

The following differences from the current zone are being proposed and would be accommodated in the new zone:

- increase the density from 1.20 floor space ratio (FSR) to 2.93 FSR
- increase the height from 18.5m to 21.24m
- decrease the front, rear and side yard setbacks to 5.0m
- increase the site coverage from 20% to 40%.

While staff believe this proposal has been designed to fit the site, maintain privacy and provide appropriate transitions to neighbouring buildings, staff do not recommend enshrining the proposed setbacks and parking within a new site-specific zone and instead recommend

addressing them as variances associated with the concurrent development permit application. This is to ensure that, should this proposal not be constructed, any new proposals must meet the setbacks or request variances from Council while demonstrating that the impact on the public realm and neighbouring properties is minimal. Therefore, the proposed building would require variances to the setbacks and to the vehicle parking requirements.

### **Affordable Housing**

The applicant proposes the creation of 56 new residential units, which is a net increase of 41 units and would increase the overall supply of housing in the area.

A Housing Agreement would secure the building as rental for 60 years or the life of the building, whichever is greater. The Housing Agreement would also secure all units as affordable as per the *Zoning Regulation Bylaw* definition, which is defined as “housing that falls within the financial means of a household in either market or non-market dwellings. Total costs for rent or mortgage plus taxes (including a 10% down payment), insurance and utilities must equal 30% or less of a household’s annual income”.

Finally, the Housing Agreement would secure 10% of the units to be affordable, for a minimum of ten years and allocated to median income households (or lower) as defined in the *Victoria Housing Strategy*. The unit breakdown of the affordable units would be secured as follows: three one-bedrooms, one two-bedroom and two three-bedrooms.

### **Tenant Assistance Policy**

The proposal is to demolish an existing building, which would result in a loss of 15 existing residential rental units. Consistent with the Tenant Assistance Policy, the applicant has provided a Tenant Assistance Plan which is attached to this report. In summary, the Tenant Assistance Plan exceeds Policy expectations by offering all eligible tenants financial compensation above the amounts listed in the Policy for both rent and moving expenses. A Tenant Relocation Coordinator has been hired and all tenants have been informed about the process and their rights. Many tenants are currently paying below-market rents and will be receiving additional assistance applying for non-market housing and related programs. All eligible tenants have also been offered Right of First Refusal at 10% below market in the new development, as well as Right of First Refusal in an adjacent below-market rental housing complex within the applicant’s portfolio.

### **Active Transportation**

The application proposes the following features which support active transportation:

- 70 long term bicycle stalls, including eight cargo bicycle stalls
- 20% of the long-term bicycle stalls will be equipped with 110V outlets for electric bicycle charging
- six short term bicycle stalls located near the main lobby entrance and with ramp access
- a bicycle repair station located in the underground parkade.

### **Public Realm**

The applicant is proposing a contribution to improve City-owned lands at 2550-2560 Fifth Street, or another suitable location. Council recently provided direction to engage School District 61 (SD61) to explore the feasibility of operating the municipally owned Fifth Street parcels as a park, on either an interim or permanent basis. While there have been initial discussions with

SD61, to date, representatives of the City and SD61 have not had an opportunity to thoroughly explore the potential use of the space as a public park due to other priorities. It is recommended that the City secure a monetary or equivalent contribution of \$100,000 to go towards future park improvements at 2550-2560 Fifth Street, or an alternative location satisfactory to the Director of Parks, Recreation and Facilities.

### Land Use Context

The area is characterized by a mixture of commercial and residential uses. Mixed-use and commercial buildings are located to the west, a new multi-unit residential building is located to the south, and townhouses are proposed under an active application to the east.

### Existing Site Development and Development Potential

The site is presently a three-storey rental building with 15 units. Under the current R3-2 Zone, the property could be developed as a multiple dwelling with heights up to 18.5m and densities up to 1.6 Floor Space Ratio (FSR) if completely compliant with the zone.

### Data Table

The following data table compares the proposal with the existing R3-2 Zone. An asterisk is used to identify where the proposal does not meet the requirements of the existing R3-2 Zone.

Zoning Criteria	Proposal	Existing R3-2 Zone	Proposed Zone	OCP Policy
Site area (m <sup>2</sup> ) – minimum	1203	N/A	N/A	
Density (Floor Space Ratio) – maximum	<b>2.93*</b>	1.2 (parking variance reduces max density from 1.6)	2.94	2.5
Total floor area (m <sup>2</sup> ) – maximum	3527.38	N/A		
Height (m) – maximum	<b>21.24*</b>	18.5	18.5	
Storeys – maximum	6	6 or more	6	6
Site coverage (%) – maximum	<b>70*</b>	20	40	
Open site space (%) – minimum	39	30	39	
<b>Setbacks</b> (m) – minimum				
Front (Fifth Street)	<b>1.93*</b>	13.5	5.0	
Rear (west)	<b>2.68*</b>	10.62	5.0	

Zoning Criteria	Proposal	Existing R3-2 Zone	Proposed Zone	OCP Policy
Side (Kings Road)	1.41*	13.5	5.0	
Side (south)	3.98*	10.62	5.0	
<b>Parking – minimum</b>				
Residential	20*	37	37	
Visitor	0*	6	6	
<b>Bicycle parking stalls – minimum</b>				
Short Term	6	6	6	
Long Term	70	67	67	

### Community Consultation

Consistent with the *Community Association Land Use Committee (CALUC) Procedures for Processing Rezoning and Variance Applications*, the applicant has consulted the Hillside-Quadra CALUC at a Community Meeting held on September 17, 2020. The minutes from that meeting and the Pre-Application Consultation Comment Forms are attached to this report. The applicant held a second Community Meeting on November 16, 2021. The 30-day Consultation Comments are also attached to this report.

### ANALYSIS

#### Official Community Plan

The subject site is designated as Large Urban Village in the *Official Community Plan, 2012* (OCP), which envisions low to mid-rise multi-unit residential up to approximately six storeys and densities up to approximately 2.5 Floor Space Ratio (FSR). The place character features call for one- to three-storey building façades that define the street wall, buildings located close to the street frontage and off-street parking located underground or at the rear. Staff consider the proposal to be generally consistent with the OCP, even though the proposed density of 2.93 FSR is above the envisioned amount noted in the OCP. This is because the proposed building fits within the overall context and provides a transition to the five-storey building to the south. Furthermore, the proposal advances OCP goals related to the provision of rental housing, the provision of affordable housing and a contribution towards a new public park.

The OCP considers higher density redevelopment proposals on properties with existing rental units in buildings of four or more units only if, as a voluntary amenity, the same number of rental self-contained dwelling units is maintained on-site, and the general rent level identified, or an equivalent cash in-lieu contribution is made to the City's Housing Fund. The proposal would nearly quadruple the number of rental units and secure the rental tenure through a Housing Agreement. In addition, the applicant is proposing to secure 10% of the units, or six units, as affordable for a minimum of ten years and allocated to median income households (or lower) as

defined in the *Victoria Housing Strategy* and will contribute \$100,000 to improve the local public realm.

### **Hillside-Quadra Neighbourhood Plan**

The subject site is designated as “Maintain Current Zoning” within the *Hillside-Quadra Neighbourhood Plan*. The application is technically inconsistent with this designation since the property is proposed to be rezoned; however, the height in the current R3-2 Zone does allow for buildings up to six storeys. The neighbourhood plan also notes that a playlot suitable for young children should be developed in the area south of Hillside Avenue and east of Quadra Street, and specifically names the area on the Fifth Street side of the Warehouse School. The applicant is proposing a \$100,000 monetary or equivalent contribution for the City to develop a park on this parcel.

### **Inclusionary Housing and Community Amenity Policy**

The proposal is for a purpose-built rental project, which will be secured for 60 years or the life of the building through a legal agreement. Therefore, the proposal is exempt from the Inclusionary Housing and Community Amenity Policy and no amenity contributions are required. However, the applicant is also proposing to secure 10% of the units as affordable, for a minimum of ten years and allocated to median income households (or lower) as defined in the *Victoria Housing Strategy*. The applicant is also proposing a monetary contribution towards developing a new public park in the rear yard of the heritage registered Warehouse School property (2550-2560 Fifth Street), which has been included as a condition of the Council motion.

### **Tree Preservation Bylaw and Urban Forest Master Plan**

The goals of the *Urban Forest Master Plan* include protecting, enhancing, and expanding Victoria’s urban forest and optimizing community benefits from the urban forest in all neighbourhoods. This application was received between October 24, 2019 and July 1, 2021, so Tree Preservation Bylaw No. 05-106 (consolidated November 22, 2019) applies.

Eight trees have been inventoried. Of these, only one 44 cm diameter, bylaw protected, Western Red Cedar is located on the subject lot. The other seven trees are municipal trees located on the Kings Road and the Fifth Street frontages.

Seven trees are proposed for removal, including six municipal trees. On the subject lot, Western Red Cedar NT1 is in direct conflict with the pad mounted transformer and will require removal. Municipal trees #11611, #11612 and #11613 on the Kings Street frontage will be impacted by excavation for the underground parkade and extensive canopy pruning would be required to accommodate the proposed building. Municipal trees #11637 and #11638 on the Fifth Street frontage will be impacted by construction activities and have been assessed in fair/poor health condition. Municipal tree #11636 also on the Fifth Street frontage will be impacted by installation of the pad mounted transformer and extensive canopy pruning would be required to accommodate the proposed building. These six municipal trees are proposed for removal. As a result, the new sidewalk is proposed to be constructed along the property line creating separated boulevards on both frontages.

The applicant is proposing to plant six new boulevard trees, three on the Kings Street frontage and three on the Fifth street frontage. Soil cells are proposed under the sidewalk on the Kings Street frontage to ensure adequate soil volume. The landscape plan shows nine new trees on the subject lot, including two replacement trees as required by the Tree Preservation Bylaw.

If it is determined that the location of third-party servicing would prevent boulevard tree planting, it is recommended that the application return to Council for further consideration as this may result in permanent loss of municipal trees in this location.

Tree Impact Summary Table

Tree Status	Total # of Trees	To be REMOVED	To be PLANTED	NET CHANGE
On-site trees, bylaw-protected	1	1	2	+1
On-site trees, not bylaw-protected	0	0	7	+7
Municipal trees	7	6	6	0
Neighbouring trees, bylaw-protected	0	0	0	0
Neighbouring trees, not bylaw-protected	0	0	0	0
<b>Total</b>	<b>8</b>	<b>7</b>	<b>15</b>	<b>+8</b>

**CONCLUSIONS**

The proposal is generally consistent with the height and general form of the Large Urban Village designation in the OCP. The proposal would create an increase in rental units in Hillside-Quadra, 10% of which would be secured as affordable for ten years. It also proposes a monetary contribution to a new park on the Warehouse School property. The *Hillside-Quadra Neighbourhood Plan* notes that the current zoning should be maintained; however, staff believe the proposed height and density are acceptable in this location, and the proposal has been designed to fit relatively well within the existing context. Therefore, it is recommended that Council consider supporting the application.

**ALTERNATE MOTION**

That Council decline Rezoning Application No. 00752 for the property located at 1025 Kings Road.

Respectfully submitted,

Mike Angrove  
Senior Planner – Development Agreements  
Development Services Division

Karen Hoese, Director  
Sustainable Planning and Community  
Development Department

**Report accepted and recommended by the City Manager.**

## List of Attachments

- Attachment A: Subject Map
- Attachment B: Aerial Map
- Attachment C: Plans date stamped September 7, 2021
- Attachment D: Letter from applicant to Mayor and Council dated August 31, 2021
- Attachment E: Community Association Land Use Committee Minutes from the September 17, 2020 meeting dated November 3, 2020
- Attachment F: Advisory Design Panel Minutes from the January 27, 2021 meeting
- Attachment G: Parking Variance Report dated August 31, 2021
- Attachment H: Construction Impact Assessment & Tree Preservation Plan dated August 6, 2020, and amended May 5, 2021 and August 27, 2021
- Attachment I: Pre-Application Consultation Comments from Online Feedback Form
- Attachment J: Correspondence (Letters received from residents).