

E.1.a.c Rapid Deployment of Affordable Housing

Council discussed the following:

- *Proposed level of involvement of staff in affordable housing applications*
- *Appropriate venues for public engagement*

Moved By Councillor Alto

Seconded By Councillor Loveday

That Council direct staff to:

1. Prepare and bring forward, for first and second readings, amendments to the Zoning Regulation Bylaw and Zoning Bylaw 2018 to add regulations that would increase the maximum density affordable housing projects can achieve, to the maximum density identified in the Official Community Plan, as outlined in this report and with the inclusion of non-profit housing co-operatives.
2. Prepare and bring forward, for first, second and third readings, amendments to the Land Use Procedures Bylaw to delegate Development Permits with or without Variances as well as Development Variance Permits for affordable housing developments to staff, as outlined in this report, and that Council consider enacting the Land Use Procedures Bylaw Amendment if the Zoning Regulation Amendment Bylaw and Zoning Bylaw 2018 Amendment Bylaw identified in #1 are adopted.
3. That the definition of affordable housing at 1.b of page 13 include revision for a minimum 60 year lease to the public housing body.

FOR (4): Councillor Alto, Councillor Isitt, Councillor Loveday, and Councillor Potts

OPPOSED (3): Councillor Andrew, Councillor Thornton-Joe, and Councillor Young

CARRIED (4 to 3)

F.3 Rapid Deployment of Affordable Housing

Council received a report dated December 30, 2021 from the Director of Sustainable Planning and Community Development regarding further information and recommendations relating to proposed regulatory and process changes that would support strategic policy objectives to deliver more affordable housing in an expedited manner.

Committee discussed the following:

- *Processes and site sign*
- *CALUC and Design Panel feedback*
- *Overlap between different co-ops and models*

Committee recessed at 12:30 and reconvened at 1:30 p.m. Councillor Isitt was not present.

Committee discussed the following:

- *Minimum thresholds for affordability*
- *Operators and private sector developers*

Councillor Isitt returned to the meeting at 1:34 p.m.

- *Innovative partnerships and projects*
- *Housing needs assessment and review period*

Motion to extend:

Moved By Councillor Alto

Seconded By Councillor Thornton-Joe

That the Committee of the Whole meeting be extended to 3:00 p.m.

CARRIED UNANIMOUSLY

Moved By Mayor Helps

Seconded By Councillor Alto

That Council direct staff to:

1. Prepare and bring forward, for first and second readings, amendments to the Zoning Regulation Bylaw and Zoning Bylaw 2018 to add regulations that would increase the maximum density affordable housing projects can achieve, to the maximum density identified in the Official Community Plan, as outlined in this report and with the inclusion of non-profit housing co-operatives.
2. Prepare and bring forward, for first, second and third readings, amendments to the Land Use Procedures Bylaw to delegate Development Permits with or without Variances as well as Development Variance Permits for affordable housing developments to staff, as outlined in this report, and that Council consider enacting the Land Use Procedures Bylaw Amendment if the Zoning Regulation Amendment Bylaw and Zoning Bylaw 2018 Amendment Bylaw identified in #1 are adopted.

Moved By Councillor Isitt
Seconded By Councillor Dubow

3. That the definition of affordable housing at 1.b of page 13 include revision for a minimum 60 year lease to the public housing body.

CARRIED UNANIMOUSLY

Committee discussed the following:

- *The opportunity for public input at a hearing*
- *Staff's future report back to Council*

On the main motion as amended:

That Council direct staff to:

1. Prepare and bring forward, for first and second readings, amendments to the Zoning Regulation Bylaw and Zoning Bylaw 2018 to add regulations that would increase the maximum density affordable housing projects can achieve, to the maximum density identified in the Official Community Plan, as outlined in this report and with the inclusion of non-profit housing co-operatives.
2. Prepare and bring forward, for first, second and third readings, amendments to the Land Use Procedures Bylaw to delegate Development Permits with or without Variances as well as Development Variance Permits for affordable housing developments to staff, as outlined in this report, and that Council consider enacting the Land Use Procedures Bylaw Amendment if the Zoning Regulation Amendment Bylaw and Zoning Bylaw 2018 Amendment Bylaw identified in #1 are adopted.
3. That the definition of affordable housing at 1.b of page 13 include revision for a minimum 60 year lease to the public housing body.

FOR (6): Mayor Helps, Councillor Alto, Councillor Dubow, Councillor Isitt, Councillor Loveday, Councillor Potts,

OPPOSED (3): Councillor Andrew, Councillor Thornton-Joe, Councillor Young

CARRIED (6 to 3)



Committee of the Whole Report For the Meeting of January 13, 2022

To: Committee of the Whole **Date:** December 30, 2021
From: Karen Hoese, Director, Sustainable Planning and Community Development
Subject: Rapid Deployment of Affordable Housing through Regulatory & Policy Amendments and Process Revisions – Update Report

RECOMMENDATION

That Council direct staff to:

1. Prepare and bring forward, for first and second readings, amendments to the *Zoning Regulation Bylaw* and *Zoning Bylaw 2018* to add regulations that would increase the maximum density affordable housing projects can achieve, to the maximum density identified in the *Official Community Plan*, as outlined in this report and with the inclusion of non-profit housing co-operatives.
2. Prepare and bring forward, for first, second and third readings, amendments to the *Land Use Procedures Bylaw* to delegate Development Permits with or without Variances as well as Development Variance Permits for affordable housing developments to staff, as outlined in this report, and that Council consider enacting the Land Use Procedures Bylaw Amendment if the Zoning Regulation Amendment Bylaw and Zoning Bylaw 2018 Amendment Bylaw identified in #1 are adopted.

EXECUTIVE SUMMARY

This report provides Council with further information and recommendations relating to proposed regulatory and process changes that would support strategic policy objectives to deliver more affordable housing in an expedited manner. The report also responds to the Council motion of May 27, 2021, and provides specific updates, analysis and recommendations relating to:

- qualifying criteria for affordable housing projects
- securing public realm improvements where a rezoning is not required
- feedback received from focused consultation
- options for delegation that do not result in complete delegation of Council's authority to issue Development Permits
- the inclusion of non-profit co-operative housing
- the impacts of the proposed regulatory and process amendments.

It is recommended that the necessary Zoning Bylaw and Land Use Procedure Bylaw amendments be prepared, and that the proposed changes advance to a Public Hearing.

BACKGROUND

Purpose and Context

The purpose of this report is to provide an update on the Council directions set out in the following motion moved by Council on May 27, 2021:

1. *That Council direct staff to:*
 - a. *Undertake focused consultation with non-profit affordable housing providers, the Urban Development Institute and CALUCs in relation to the proposal to amend the Zoning Bylaws and Land Use Procedures Bylaw, as identified in this report.*
 - b. *In a subsequent report, provide Council with details of the feedback received and how the feedback has affected the amendments to the Zoning Bylaws and Land Use Procedures Bylaw.*
 - c. *In a subsequent report, provide Council with information on options for further expediting non-market housing applications in a way that does not require complete delegation of Council's authority.*

And concurrently:

2. *That Council direct staff to prepare amendments to the Land Use Procedures Bylaw, consistent with the "tier one option" in this report, to delegate the authority to the Director of Sustainable Planning and Community Development to issue all Development Permits, with or without variances, offering affordable non-market housing secured by legal agreement.*
3. *That Council direct staff to prepare amendments to the Zoning Regulation Bylaw and Zoning Bylaw 2018, consistent with the "tier two option" in this report, to allow the maximum density contemplated in the Official Community Plan to be the maximum density permitted for a specific site, where an affordable non-market housing development is proposed and affordable dwelling units are secured with a legal agreement to the satisfaction of Director of Sustainable Planning and Community Development and the City Solicitor.*
4. *Staff report back to Council after a 2-year period to evaluate the effectiveness of this new policy.*
5. *And that Council direct staff to report back with opportunities and implications of applying these same rules to co-operative housing.*

This report provides an update on the items listed in the motion and recommends that Council direct staff to prepare Zoning Bylaw amendments to add regulations that increase the maximum density for affordable housing projects to the maximum identified in the *Official Community Plan, 2012* (OCP) and Land Use Procedures Bylaw amendments that would allow the delegation of affordable housing projects. The definition of "affordable housing" in the context of the proposed Bylaw amendments is explained below.

Like many cities across the province, Victoria is in a housing crisis. Nearly half of Victoria's 27,720 renter households are spending more than 30% of their income on housing as of the last census. More recent data shows that BC Housing has a waitlist of roughly 1,100 people for affordable rental housing in the City of Victoria. Based on the urgent need for affordable housing, Council directed staff in June 2020 to re-prioritize actions in the Victoria Housing Strategy to support the rapid

deployment of affordable and supportive housing with government partners and non-profit housing providers.

Over the past few years, the City of Victoria has received considerable feedback on how to improve the affordable housing application process. Specifically, housing partners have communicated that the current Rezoning and Development Permit application process adds risk to a project, increases costs and makes it challenging for non-profits to deliver homes to those most vulnerable in our community.

In response, staff identified and recommended process and regulatory changes in May 2021 to encourage affordable housing investment from non-profit and government partners while maintaining strong municipal policy review and guidance to ensure project design meets the envisioned context of the surrounding area and other community priorities. The proposed process and regulatory changes would apply to projects that meet the definition of “affordable housing” outlined in this report as well as already established design guidelines.

In May 2021, staff were directed to undertake targeted consultation on the proposed process and regulatory changes prior to bringing forward draft bylaws. Also, staff were directed to consider how housing co-operatives could be integrated in the proposed changes and to explore other ways to support the delivery of affordable housing with less delegation of Council powers. This report provides an update on the May 2021 Council motions with further analysis on the affordable housing qualifying criteria and the possible impact of the proposed changes.

The proposed process and regulatory changes are summarized below and have not changed since the May 2021 report.

Tier 1

Development Permits for affordable non-market housing, with or without variances, where the project meets the affordability criteria, would be delegated to the Director of Sustainable Planning and Community Development, and would not be considered by Council.

- Applications must be consistent with Design Guidelines previously approved by Council
- Applications would still go to the Advisory Design Panel to provide additional design insight and feedback
- It is estimated that this change will save two to four months of application processing time.

Tier 2

Building on Tier 1, allow the maximum density contemplated in the Official Community Plan (OCP) for affordable housing projects, without requiring rezoning. This would mean that fewer projects would need to go to public hearing thereby saving time, costs, and risk to affordable housing providers.

- When paired with the Tier 1, the Director of Sustainable Planning and Community Development would review Development Permits and Development Permits with Variance, not Council
- Applications must be consistent with Design Guidelines previously approved by Council or they would not qualify for potential approval
- Existing zoning must allow for residential uses (e.g., multiple dwelling)
- The two tiers together, would offer application process time savings of three to nine months.

ANALYSIS

The following sections respond to the issues raised in the May 2021 Council motion, and provide specific updates, analysis and recommendations relating to the “affordable housing” qualifying criteria, opportunities to secure future road widening and public realm improvements and the impacts of the proposed regulatory and process changes.

1. “Affordable Housing” Qualifying Criteria

The staff report presented to Committee of the Whole on May 20, 2021, stated that:

Reference to “affordable housing” in this report refers to any housing development that is:

- a. wholly owned and operated by a registered non-profit residential housing society or government agency, or operated by a registered non-profit residential housing society or government agency pursuant to a legally binding arrangement with the property owner; and*
- b. subject to a legal agreement securing affordability and rental tenure.*

After consulting with housing providers and funders staff determined the affordability criteria included in the May 20, 2021 report is advantageous as it offers flexibility to the City of Victoria and its housing partners. The proposed definition relies on the mandates of non-profit housing organizations, which are enshrined in bylaws, constitutions, as well as their 60-year project operating agreements with senior funding partners. Similarly, senior housing partners like BC Housing are guided by provincial legislation that enshrines their commitment to the development of housing for those with low to moderate incomes through grants and loans.¹ More flexible affordability criteria reflect a collaborative response to the housing emergency that recognizes the mission-driven nature of affordable housing providers and is also consistent with principles of trust-based governance.

Establishing more stringent criteria, where projects are required to meet specific minimum affordability or income thresholds (e.g., 50 per cent of units at City’s affordable rent levels) to qualify for the process changes, could restrict housing providers and undermine the goal of increasing the affordable housing supply. Because affordable housing providers are mission-driven and typically rely on senior government funding to build projects, there is little risk associated with providing greater flexibility around the criteria for the process changes.

- Without flexibility in the affordability criteria, there is a risk the proposed process changes will help very few projects and have little impact in enabling investment and addressing the urgent need for affordable housing supply.

The benefits of the proposed qualifying criteria are described below.

¹ [British Columbia Housing Management Commission Regulation \(gov.bc.ca\)](https://www2.gov.bc.ca/gov2/industry/BC_Housing_Management_Commission_Regulation)

Enable Housing Providers to Secure Funding

To deliver projects where most units meet the City's affordable rent levels, housing providers need access to significant capital and operational subsidies. A recent project indicated a capital subsidy of \$120,000 per unit and average monthly operating subsidies of \$700 per unit were needed to deliver 70 per cent of the units at the City's affordable rates. At the same time, senior government funding programs are oversubscribed and are increasingly requiring projects to have municipal approvals in place as a condition to apply and receive funding. Therefore, less rigid affordability criteria to qualify for the streamlined process will make it easier for affordable housing providers to gain municipal approvals and then access senior government funding subsidies needed to deliver deeper affordability.

Adaptable to Shifts in Funding Programs

The more flexible affordability criteria proposed ensure that the proposed process changes will be able to adapt to shifting housing needs and changes to funding programs. In addition, it will ensure all affordable housing providers can benefit from the process change regardless of the housing model (i.e., mixed-income, below-market, low-income supportive housing, etc.). This approach acknowledges that housing providers are mission-driven organizations that serve specific populations (e.g., Indigenous people, seniors, families, workforce) with varying levels of subsidy required. More flexible criteria will reduce the need for the City to adjust those criteria as funding priorities shift, recognizing that lower operating subsidies from BC Housing would mean that housing providers would become more reliant on cross-subsidization within a building to deliver affordability.

- The proposed flexible affordability criteria will allow the City's process changes to be resilient to inevitable shifts in senior government funding programs as opposed to crafting process changes to reflect the funding program and housing needs of the day.

Enable Mixed-income Housing Models

The proposed flexible affordable housing criteria offer affordable housing providers the option of incorporating units for people with various income levels as part of their mission of delivering affordable housing, which may include low-end of market units to subsidize other units for people with low incomes. The proportion of units that are rented at below-market rents varies based on availability of capital grants and operating subsidies from BC Housing and CMHC. A cross-subsidization funding model gives housing providers greater ability to create a viable business plan in the absence of BC housing subsidies where the housing provider has an existing land asset, equity to invest and can secure low interest loans. A similar approach is used by non-profit co-ops where units are subsidized by senior levels of government or the co-op directly, to allow for a mix of income groups.

Mixed-income housing also allows for housing to support residents as their life circumstances change. For example, if someone loses a job, a child moves out or their income increases, a mixed-income building provides people with housing to match their needs over time and does not require people to be "moved along". As affordable housing providers secure subsidies or reduce operating costs they will increase the affordability of the units they manage. For example, the Greater Victoria Housing Society cited a recently built project where the rents of below-market units decreased significantly over the first couple of years to be in line with City's affordable rent levels due to lower

operating costs, reflecting their mission to deliver affordable housing and pass on savings to tenants.

- Overall, having more flexible qualifying criteria will help affordable housing providers to deliver projects in the future if capital and operating subsidies decrease, while creating more economically diverse communities.

2. Securing of Public Right of Way for Mobility and Urban Forest Improvements

The May 20, 2021, staff report identified potential risks associated with the recommended regulatory and process amendments. One issue related to the fact that processing affordable housing applications through a Development Permit, rather than through rezoning, would remove the ability of the City to secure public right-of-way to achieve city standard road widths for improvements such as new and widened sidewalks and street trees.

Staff have given further thought to this matter and are exploring a potential solution to secure public right-of-way whereby, to achieve the maximum density contemplated in the OCP, a proposal would have to satisfy the qualifying criteria for affordable housing, as described in this report, and agree to a road dedication public right-of-way where road widening is required for improvements. The extent of this would then likely be prescribed in a schedule attached to the *Zoning Regulation Bylaw*. However, creating a formula for city-wide public right-of-way improvements in a regulatory format is a complex exercise and work is ongoing. Staff will provide an update on this matter when the necessary Bylaw amendments are presented to Council for first and second reading prior to a Public Hearing being held.

In the event this formula development work is not completed in advance of these proposed bylaw amendments, staff may recommend that given the very small number of properties likely to qualify for these process and regulatory changes that the impact of missing out on these potential public right of way improvements would be small, and staff would still request that applicants voluntarily offer the needed widening and upgrades.

3. Public Consultation

Consistent with recommendations outlined in the May 20, 2021 staff report, the following public consultation has been undertaken:

- Notice of the proposed Bylaw amendments was posted on the City website
- Focused consultation was undertaken in the form of a 30-day referral with Non-Profit Affordable Housing providers, the Urban Development Institute (UDI), and CALUCs. Each were sent an information package on the proposed considerations and were invited to submit written comments.

Feedback received is attached to this report in Attachment C. At the time of writing this report, no correspondence has been received from individual neighbourhood CALUCs or the UDI (previous UDI correspondence attached), however, the Victoria Community Association Network (VCAN) did send a letter (attached) to Mayor and Council, dated June 10, 2021, outlining concerns with the proposed regulatory amendments.

In terms of further consultation opportunities, it should be noted that, with respect to the Zoning Bylaw amendments required to initiate these changes, consistent with the *Local Government Act* and City's *Land Use Procedures Bylaw* (LUPB), a Public Hearing will be required and notice of the

Hearing will be advertised in the local newspaper and on the City website inviting the public to share their input directly with Council.

Feedback from Non-profit Affordable Housing Organizations

The proposed process changes were motivated by Council's direction to find ways to support government and non-profit partners to rapidly expand the supply of affordable housing. Accordingly, staff have summarized feedback from affordable housing providers, recognizing that success of this initiative is contingent upon the process changes having a meaningful impact in assisting this small group of organizations in creating more affordable housing.

In response to the request for feedback, a group of eight local non-profit affordable housing organizations worked together to prepare a coordinated response to the proposed process and regulatory changes. Each of the organizations reiterated that their role as mission-driven organizations is to deliver affordable housing for families, seniors, and individuals with low incomes. As part of the groups' detailed response, they expressed the urgent need for affordable housing as demonstrated by the high level of demand in our community and based on the hundreds of people living in precarious and sometimes dangerous situations, and the high numbers on BC Housing and local operator waitlists. At the same time, the groups emphasized the role of housing as a social determinant to health and foundation for a thriving community. In response to the proposed process changes the following points were raised:

Tier 1 Process and Regulatory Changes

The affordable housing providers confirmed the delegated development permit would speed up their ability to deliver affordable housing and thereby improve the viability of projects. In addition, the group highlighted the extensive public process involved with the development of the City's various design guidelines and urged the City to allow staff to work with housing providers to ensure projects conform with the design guidelines and consider the scale and character of the surrounding neighbourhood. Furthermore, the housing providers encouraged the City to allow for Advisory Design Panel submission to be optional and at the discretion of the planner with a focus on design guideline conformance.

Tier 2 Process and Regulatory Changes

The second component of the process changes (exclusion from rezoning) was also identified as having a major impact in accelerating the processes and reducing the risks associated with approvals for new affordable housing projects. Specifically, the non-profits highlighted how reliant these groups are on borrowed money to advance a project and that the risk associated with a potential refusal at public hearing can be a risk too great for many non-profits. The affordable housing providers also emphasized that robust public engagement should occur when local area plans and the OCP are developed, as opposed to individual housing projects. However, to ensure neighbours and Council are informed of active affordable housing applications, they proposed including a communications framework to complement the proposed process changes. The framework is proposed to include ways to inform the local neighbourhood of an active development application and ensure access to the proponent's contact information for members of the public who want to learn more about proposed developments.

Affordable Housing Qualifying Criteria

In response to the affordable housing criteria, the affordable housing providers requested a flexible approach that did not specify details on affordability thresholds or maximum rents or income levels. The housing providers highlighted measures and restrictions already in place that dictate their affordability framework, some of which are internal to their organizations as well as agreements with senior levels of government. Also, a more detailed affordability criteria was seen as a barrier to new innovative housing models and would limit their ability to create mixed income housing, including units for people with very low income to those with moderate income at near market rates to ensure financial viability. Mixed income housing was also referenced as an important tool as Victoria deals with a labour shortage that is exacerbated by the housing crisis.

Lastly, the housing providers encouraged the City to allow the process changes to extend to projects where a non-profit partners with a market developer to deliver affordable housing. It should be noted that the regulatory changes, as proposed, would apply to projects owned/built by a market developer but only where a legally binding arrangement was in place ensuring that the housing provided was operated by a Public Housing Body such as a non-profit residential housing society or government agency for a minimum of 60 years or the life of the development.

Overall, the housing providers confirmed that the proposed process changes would have a positive impact in creating more affordable housing in Victoria. The housing providers saw the proposed process changes as a significant step toward the goal of creating a timely, consistent, and flexible development process for affordable housing. The housing providers described their collective mission to deliver safe and affordable housing for all and stated that an alternate approvals process would be essential for them to meet the demand for affordable housing in Victoria.

4. Recommended Delegation Approach

Under Tier 2 of the proposed process and regulatory changes affordable housing projects that meet the qualifying criteria could develop up to the maximum density contemplated in the Official Community Plan (OCP), without a rezoning. In addition, the recommended delegated approach (Tier 1) outlined in the May 20, 2021, report to Council included the following:

- an amendment to the LUPB delegating Development Permits, Development Permit with Variances, Development Variance Permits to the Director of SPCD
- delegation would be limited to non-market affordable housing developments only, and secured with a legal agreement
- applications must be consistent with applicable Design Guidelines to qualify for delegation.

It is anticipated that the delegation of these types of development permits to staff would save at a minimum two to four months of application processing time, thus significantly expediting qualifying applications proposing affordable housing. Moreover, the exclusion of affordable housing projects from rezoning is estimated to save three to nine months and would enhance the ability of housing providers to secure much needed senior government funding based on reduced risk associated with the approval process. These estimates are very conservative and do not reflect the time-savings that are likely to be achieved by offering affordable housing providers greater certainty than the current process, which being political in nature, can be subject to unanticipated referrals and requests to reconsider elements of the proposal.

If Council is not supportive of the above approach but, in principle, support some form of additional delegation to expedite applications for affordable housing, then there are other ways to expedite or delegate housing applications that are discussed in the next section of the report. However, these

options would have a much lower impact in terms of benefits and time savings in comparison to the proposed Tier 1 and Tier 2 process and regulatory changes and therefore do not meet the objective of reducing barriers for affordable housing and facilitating funding from other levels of government.

5. Options to Expedite Housing without complete delegation of Council's Authority

Council's May 27, 2021 motion included direction to "*provide Council with information on options for further expediting non-market housing applications in a way that does not require complete delegation of Council's authority*". Should Council wish to consider options other than the recommended approach to delegation the following three sections outline different approaches that could be taken with details and discussion:

- options for lesser delegation
- options for reducing process with no delegation; and
- utilization of Bill 26 Legislation.

Options for Lesser Delegation

1. Delegate only DPs with no variances

Only Development Permits that are entirely consistent with the Zoning Bylaw (i.e., no variances are proposed) would qualify for delegation. It is noted that major projects rarely meet all aspects of the Zoning Bylaw and often, some minor variances are unavoidable due to factors such as site conditions, irregular shaped lots, etc.

- Not Recommended – low impact as few, if any, projects would qualify.

2. Delegate DPs with Minor Variances

Only Development Permits proposing minor variances would qualify for delegation under this option. If Council chose this option, then further work would be required to determine what would qualify as a "minor" variance. This is a potentially complex exercise, particularly in determining how we define a "minor" variance.

For example, staff would not recommend an approach using the degree of variance, measured as a percentage, as an appropriate method of identifying a "minor" variance. In reviewing past proposed variances, most relate to parking and setbacks and a significant number of those occurrences allowed a 50% or greater variance from the *Zoning Regulation Bylaw* standard. This is a result of parking and setback requirements being set at smaller numbers and therefore any variance appears significant when viewed as a percentage. As a result, this approach clearly does not satisfactorily reflect potential impacts.

An example of this would be a scenario whereby parking variances equal or greater than 50% are excluded from delegation: an application proposing a variance from one parking stall to zero (100% variance from Zoning Standard) would be referred to Council and an Opportunity for Public Comment, whereas a variance from 100 stalls to 51 (49% variance from Zoning Standard), would be dealt with under delegated authority.

It should also be noted that the supportability of a variance is not typically based on the degree of variance but instead is based on various site-specific conditions and the overall project design. For example, a significant setback variance may be supportable for a new development if the adjacent

site is used for surface parking, whereas a small setback variance may not be supportable if the adjacent land is used as residential amenity space and the new development (through height, orientation, and window placement) resulted in shadowing and loss of privacy impacts.

Additionally, under the proposed process all applications must be consistent with Council's approved design guidelines, therefore, a variance that could not meet required thresholds could not be supported by staff.

- Not recommended. It would be a difficult and time-consuming task to establish criteria for minor variances and some variances which could be considered minor, would inadvertently not make the "cut-off". As a result, few housing projects would qualify for the rapid deployment processes. Also, regardless of the variance, if an application does not meet the design guidelines, staff would not have authority to consider approval.

3. Delegate DPs with Specific Types of Variances

Under this option only DPs with specific types of variances (i.e., related to parking) would qualify for delegation. Under this option further work and direction will be required to determine which variances would qualify for delegation. This would potentially be a complex exercise for similar reasons to those described above (i.e., the supportability of a variance is not necessarily related to the type of variance but the impacts of that variance).

- Not recommended. This would be a time-consuming task to establish which variances should qualify for delegation and likely some variances which would be considered minor or inconsequential, would inadvertently not be identified. This would ultimately mean few housing projects would qualify for the rapid deployment processes. Again, regardless of the variance, if an application does not meet the design guidelines, staff would not have authority to consider approval.

Options for Reducing Process with No Delegation

1. Waive the Opportunity for Public Comment

Provincial legislation does not require that a Public Hearing be held to consider a Development Permit with Variances application. However, Victoria City Council has chosen to hold a non-statutory hearing, referred to as an Opportunity for Public Comment, for applications proposing a variance (some exceptions apply, i.e., non-residential parking variances proposing a variance of less than six stalls). This requirement is outlined in the City's Land Use Procedures Bylaw. Development Permits that do not propose a variance do not require an Opportunity for Public Comment.

Council could choose to amend the LUPB to remove the requirement for an Opportunity for Public Comment for Development Permit with Variance applications proposing affordable housing. It is anticipated that this would save approximately two to four weeks of application processing time.

- Not Recommended. The time savings are nominal, but many projects do have variances, and this could be applied to all affordable housing projects.

2. Remove the 30-day referral to CALUCs for Applications with Variances

Under the LUPB, Development Permit with Variance applications that are considered by Council, are referred to the applicable Community Association Land Use Committee (CALUC) for a 30-day comment period. It should be noted that despite what topics may be raised through this notification process consideration of the applications is limited to consistency with the design guidelines and the impact of the variances. Furthermore, consistent with the *Local Government Act*, the appropriate place for public input is during the establishment of Development Permit Areas and the associated guidelines.

Notwithstanding the above, although elimination of this consultation is an option available to Council, this often occurs concurrently with the staff review of the proposal. Therefore, it is considered that removing this process step would, at most and only in some instances, save approximately one to two weeks of application process time. In most instances it would not reduce the timeline at all.

- Not Recommended. The time savings are nil to nominal but could be applied to all affordable housing projects.

3. Remove Referral to Advisory Design Panel

As noted above, the only relevant consideration when determining whether to approve a Development Permit is whether the application is consistent with the applicable design guidelines. Council's Advisory Design Panel (ADP) reviews many types of development permit applications and offers insights and feedback on compliance with guidelines. As such, staff do not recommend eliminating this element of the application review process; however, if Council did choose to remove the ADP referral (for affordable housing projects only) then this would save approximately three to four weeks of application processing time.

- Not recommended. Referral to ADP adds value and helps ensure applications are consistent with Council approved design guidelines.

Utilization of Bill 26 Legislation

1. Waive Requirement for Public Hearings

Bill 26 – the Municipal Affairs Statutes Amendment Act (No. 2), 2021 was given royal assent November 25, 2021. The Bill includes amendments to the *Local Government Act (LGA)* regarding public hearings and states that a local government is not required to hold a public hearing on a proposed Zoning Bylaw if:

- an Official Community Plan is in effect for the area that is the subject of the zoning bylaw, and
- the bylaw is consistent with the Official Community Plan.

If Council decided to utilize this recent change to the *Local Government Act* to not require a public hearing, the result would be that the overall application process would remain substantially unchanged and affordable housing applications would continue to go through a rezoning process.

While the new legislation allows Council to not hold a public hearing, it still requires notification (mailed notice as specified in *Land Use Procedures Bylaw*, newspaper ads and site sign) prior to first reading to state that Council has decided not to hold a hearing and that introductory readings

are occurring on a specified date. For those receiving the notice, this approach may result in confusion about the process and their ability to comment on a proposal and will present a potential conundrum for Council at introductory readings if questions or concerns are raised by the public about either the project or why a hearing is not being held. This has the potential to create new risks and time-delays, particularly if Council decides to subsequently hold a public hearing.

An alternative may be for the City to amend the LUPB to identify that for specific types of applications (e.g., affordable housing) public hearings are not to be held. However, this still requires a rezoning process which is the most time-intensive part of the approvals process with the highest risk for affordable housing providers and would not result in any time savings. Additionally, the requisite notice set-out in the LGA would still be required which again could lead to confusion and false expectations among the public regarding the process.

- Not Recommended: Does not yield time savings and would likely lead to confusion, but could be applied to all affordable housing projects.

2. *Delegation of Development Variance Permit Applications*

Bill 26 also includes a provision to allow Council to delegate authority to staff to approve Development Variance Permits (DVP) where the proposed variance is “minor”, and the variance relates to:

- siting, size and dimensions of buildings, structures and permitted uses
- off-street parking and loading space requirements
- regulation of signs
- screening and landscaping to mask or separate uses or to preserve, protect, restore and enhance natural environment.

The legislation states that a Bylaw delegating the power to issue a DVP must include criteria for determining whether a variance is minor and guidelines that must be considered when deciding whether to issue the Permit.

When a Development Permit is not required for a proposal, but the applicant seeks to vary regulations set out in a Zoning Bylaw, then a DVP is required. It is unlikely that many affordable housing projects would benefit from this legislative change given that most new developments will require a Development Permit.

However, there may be circumstances where renovations to existing facilities are proposed, and minor variances are sought in conjunction with the proposal. In these circumstances the delegation of DVPs may be beneficial to affordable housing providers; however, it is still up to the municipality to establish the criteria for “minor” variances, consistent with the legislation. As outlined in earlier sections of this report this exercise is not straightforward and would require further consideration if Council wishes to consider the delegation of this type of application. It is recommended that the potential to realize process improvements, related to simple and often technical variances, be explored more broadly as there could be wider benefits gained; staff are advancing this work independent of the rapid deployment of affordable housing initiative.

- Low impact: Could offer a modest time savings in some cases, but not applicable to most affordable housing projects. This opportunity will be explored independent of this initiative.

6. Co-operative Housing

Co-operative (co-op) housing is unique a form of tenure that emphasizes member control, member participation, and community building. There are several different models of housing co-ops including: non-profit rental co-ops, equity co-ops and apartment corporation co-ops. Each model is slightly different, but non-profit rental housing co-ops are the form of housing that is best aligned with the City's affordable housing objectives. This form of housing co-op often provides housing that is affordable to members with moderate incomes and provides security of tenure. Non-profit rental co-ops are member controlled and in cases where they do not have operating agreements with senior levels of government there is the potential that monthly rents could increase beyond what the City would consider to be affordable.

Under this model all units in a building are required to purchase shares and become members in the co-op, collectively the members own the co-op, but not the land or the buildings. Non-profit rental co-ops aim to break-even through the collection of monthly housing charges ("rents"), while aiming to provide housing that costs less than 30 per cent of household income. Often the monthly "rents" within a building will vary with some units paying less than the break-even amount based on subsidies from government or within the co-op. Overall, the goals of non-profit housing co-ops are typically aligned with the City's affordability targets and goals for security of tenure.

Although there are 13 Co-operative (co-op) Housing developments in the City of Victoria, the City has not received an application for co-op housing in over a decade. The housing co-ops in Victoria are aging with several expected to pursue building envelope upgrades to extend their lifespan in the coming years. The inclusion of housing co-ops in the proposed process changes could support the revitalization of housing co-ops if new senior government funding became available for redevelopment.

Given the identified alignment between the City's affordable housing objectives and non-profit rental housing co-ops, it is recommended that Council consider an updated affordability criteria (shown below) that would provide non-profit rental housing co-ops the potential to benefit from the proposed process changes.

Revised Affordability Housing Criteria including Non-Profit Co-Op Housing

It is recommended that the qualifying criteria relating to the "affordable housing" be amended as follows, to include non-profit co-op housing:

"Affordable housing" means housing development that is:

1. *subject to a legal agreement securing affordability and rental tenure, and is either:*
 - a. *wholly owned and operated by a public housing body as prescribed in the Residential Tenancy Act or*
 - b. *operated by a public housing body as prescribed in the Residential Tenancy Act pursuant to a legally binding arrangement with the property owner, or*
2. *subject to a legal agreement securing affordability and wholly owned and operated by a housing cooperative pursuant to the Cooperative Association Act whose purposes include provision of affordable housing to low- or moderate-income households, and whose constating documents prevent remuneration of directors and provide for disposition of assets on dissolution or windup to an organization with similar purposes and restrictions.*

7. Potential Impact of Proposed Changes

The proposed process change would only apply to a small number of non-profit housing projects each year. For example, two applications were submitted to the City of Victoria in 2018, five in 2019 and three in 2020. Housing providers typically have finite land and organizational capacity, and, therefore, need to be strategic in terms of how many affordable housing projects they can focus on in any year. These groups are also limited in the number of projects they can advance based on availability of senior government funding. While the number of developments expected to take advantage of these process changes is not large, the benefit to Victoria residents would be significant given the acute need for new affordable rental units.

To better understand potential impacts of the proposed process changes in terms of triggering future projects staff mapped the location of land owned by government partners, housing non-profits and non-profit housing co-ops. The map provided (Attachment D) shows roughly 150 acres of land with virtually all the land already built-out with affordable housing. Some of these sites are likely to be at the end of their useful life over the next 10-20 years. In cases where older buildings are no longer serving the needs of the community and the OCP envisions greater density, the proposed process changes could help housing providers use existing land holdings to create new affordable housing. As these groups are mission-driven affordable housing organizations they typically have robust tenant relocation strategies that exceed the City's Tenant Assistance Policies, ensuring limited risk of tenant displacement where redevelopment occurs. Overall, the process changes would support housing providers in leveraging both new and existing land assets to deliver the next generation of affordable housing.

CONCLUSIONS

Staff recommend that Council consider advancing the proposed amendments to the Land Use Procedures Bylaw and the Zoning Bylaws as they would result in an expedited timeline and increased certainty for projects offering affordable housing. The proposed changes would provide significant support to the City's affordable housing partners as they endeavor to respond to the urgent need for affordable housing in the region and would ultimately result in more affordable and supportive housing.

Any meaningful response to the housing crisis will require concerted action from all levels of government to find ways to create a robust supply of housing that serves the housing needs of all income groups in our society. The proposed changes leverage the City's authority for land use and development approvals to enable a streamlined process for housing that serves the most vulnerable in the community, many who are unable to find secure, affordable, and adequate housing.

Staff are also exploring the potential for Zoning Bylaw amendments that include provisions to secure public realm improvements through either a road dedication or an SRW, where required. An update on this matter will be provided when the necessary Bylaw amendments come forward for first and second readings, prior to a Public Hearing.

These positive impacts, resulting from procedural and regulatory amendments, directly address the Council motion seeking rapid deployment and delivery of affordable and supportive housing by reducing barriers to building affordable housing and facilitating funding from other levels of government.

Respectfully submitted,

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Development Services

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Sustainable Planning and Community
Development Department

Ross Soward
Senior Planner – Housing Development
Community Planning

Report accepted and recommended by the City Manager.

List of Attachments

- Attachment A: COTW Report May 20, 2021
- Attachment B: Council Motion May 27, 2021
- Attachment C: Consultation Feedback
- Attachment D: Affordable Housing Providers Land Ownership Map



Committee of the Whole Report For the Meeting of May 20, 2021

To: Committee of the Whole **Date:** May 14, 2021
From: Karen Hoese, Director, Sustainable Planning and Community Development
Subject: Options to Support Rapid Deployment of Affordable Housing through Regulatory and Process Changes

RECOMMENDATION

1. That Council direct staff to:
 - a) undertake focused consultation with non-profit affordable housing providers, the Urban Development Institute and CALUCs in relation to the proposal to amend the Zoning Bylaws and *Land Use Procedures Bylaw*, as identified in this report;
 - b) in a subsequent report, provide Council with details of the feedback received and how the feedback has affected the amendments to the Zoning Bylaws and *Land Use Procedures Bylaw*.

And concurrently:

2. That Council direct staff to prepare amendments to the *Land Use Procedures Bylaw*, consistent with the “tier one option” in this report, to delegate the authority to the Director of Sustainable Planning and Community Development to issue all Development Permits, with or without variances, offering affordable non-market housing secured by legal agreement.
3. That Council direct staff to prepare amendments to the *Zoning Regulation Bylaw* and *Zoning Bylaw 2018*, consistent with the “tier two option” in this report, to allow the maximum density contemplated in the Official Community Plan to be the maximum density permitted for a specific site, where an affordable non-market housing development is proposed and affordable dwelling units are secured with a legal agreement to the satisfaction of Director of Sustainable Planning and Community Development and the City Solicitor.

EXECUTIVE SUMMARY

This report outlines options and recommendations that support the development of affordable and supportive housing through regulatory and process changes.

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 in the *Strategy* is to advance the rapid supply of affordable and supportive housing.

The recommendations contained in this report support the construction of new affordable and supportive housing by advancing two strategies. These are characterized as:

- the “tier one” approach which will build on the existing scope of delegation and would delegate authority for certain affordable housing projects, and
- the “tier two” approach, which would expand the “tier one” approach to include Zoning Bylaw amendments to allow the maximum density contemplated in the *Official Community Plan, 2012 (OCP)* for affordable housing projects.

These recommendations respond to other previous Council directives as well as feedback received from non-profit housing operators and senior levels of government. If approved, the recommended options would facilitate an increased supply of affordable and supportive housing through a more streamlined process and by offering greater certainty to applicants while maintaining policy review and guidance to help ensure project design and contextual fit are well considered.

PURPOSE

The purpose of this report is to present Council with information, analysis and recommendations regarding options for regulatory and process changes to support the rapid deployment of affordable and supportive housing in the City.

BACKGROUND

Supporting Policy and Council Directives

The following section identifies policies, Council directives and previous consultation efforts that support the approach and recommendations outlined in this report.

- **Victoria Housing Strategy Phase II, 2019-2022 (July 2019)**

The *Victoria Housing Strategy* defines the City’s role in the provision of affordable housing and assesses and forecasts Victoria’s needs across the housing continuum. Like many cities across the province, the City of Victoria is in the midst of a housing crisis, and nearly one in four of the City’s households do not have access to affordable, suitable, or appropriate housing to meet their needs. As a result, actions that are seen to have the “biggest bang” have been prioritized.

- **COVID-19 Recovery, Special Council Meeting (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. A new action added was to advance and support the rapid supply of affordable and supportive housing with government partners and non-profit housing providers.

- **Housing Needs Assessment, City of Victoria (October 2020)**

The findings of the Housing Needs Assessment have reinforced the importance of the Housing Strategy’s focus on supporting the expeditious development of affordable housing across the housing continuum, with emphasis on supporting those with the greatest need. Some vulnerable groups have been identified as most-at-risk for housing affordability, including low-income earners, single-income earning households, women-lead lone parent families, senior-lead households, renters and those with disabilities. Continued support, partnership and advocacy for new non-market affordable housing including shelter rate housing and support services, is integral to addressing these housing gaps.

- **Housing Strategy Annual Review (2019)**

The Annual Review 2019 showed that between November 2018 and November 2020 over 900 non-market affordable and below-market homes are either approved or in stream. These trends are the result of reinvestment into non-market housing from both the provincial and federal governments. Despite this recent uptick, more work is needed to address existing needs for affordable housing. The City's updated Housing Targets plan to support non-profit housing providers and senior governments to create approximately 1,450 new affordable non-market homes over the next six years.

- **Official Community Plan Amendments, Council resolution (June 27, 2019)**

To further incentivize the provision of public benefits including affordable housing, Council passed a resolution to consider development applications that exceed the OCP's guidance related to height and density limits. The amendment is being explored and implemented through a broader OCP Updates Project, which is currently underway and includes a series of policy amendments.

Regulatory Challenges for Non-Profit Housing Providers and Funders

Consultation with non-profit housing providers and funders to identify ways to improve the affordable housing application process at the City has been an ongoing priority. Feedback has been received through a number of initiatives such as the Secured Rental Housing Project, annual updates to the Victoria Housing Reserve Fund guidelines, the Victoria Housing Strategy Phase Two and the Victoria Housing Summit 2019, as well as through direct conversations with BC Housing, the Capital Region Housing Corporation and non-profit housing providers. In addition, in October 2020 a workshop was held with non-profit housing providers and government agencies to gather additional feedback on how to improve City processes for non-market development proposals.

Feedback from the most recent workshop and previous outreach initiatives, identified that two of the key challenges that non-profit organizations are facing in delivering affordable housing relate to the City's development process.

- Consistently, the greatest challenge identified by non-profits is the uncertainty of the development process where rezoning is required, as this process adds significant cost, time, complexity, and risk to development applications.
- Non-profits have also reported that the need for rezoning impacts their ability to access funding, as senior government programs often require approved zoning for eligibility. As a result, this can put these organizations in a situation where they take on significant risk and cost to rezone a site, without any commitment of funding to ensure project viability.

Prioritization of Affordable Housing Applications

To better support affordable and rental housing proposals, Council has provided staff direction to prioritize these applications. These applications are therefore advanced ahead of all other applications, by all departments, both during the pre-application and the application process. While these applications are a priority, in most instances some form of Council approval is required so the associated timelines can only be compressed to a certain extent. Although staff continue to review internal staff processes to determine whether further streamlining can occur, the most significant time savings can be achieved through channeling applications out of the rezoning stream and by simplifying the approval process.

ANALYSIS

In developing options, a range of factors have been explored and addressed under the following headings:

1. Affordable Housing Definition
2. Legal Parameters
3. Potential Approaches and Examples
 - Tier One Approach
 - Tier Two Approach
4. Potential Challenges and Benefits
5. Ongoing Monitoring
6. Consultation on Proposed Regulatory and Process Changes

1. Affordable Housing Definition

Reference to “affordable housing” in this report refers to any housing development that is:

- wholly owned and operated by a registered non-profit residential housing society or government agency, or operated by a registered non-profit residential housing society or government agency pursuant to a legally binding arrangement with the property owner; and
- subject to a legal agreement securing affordability and rental tenure.

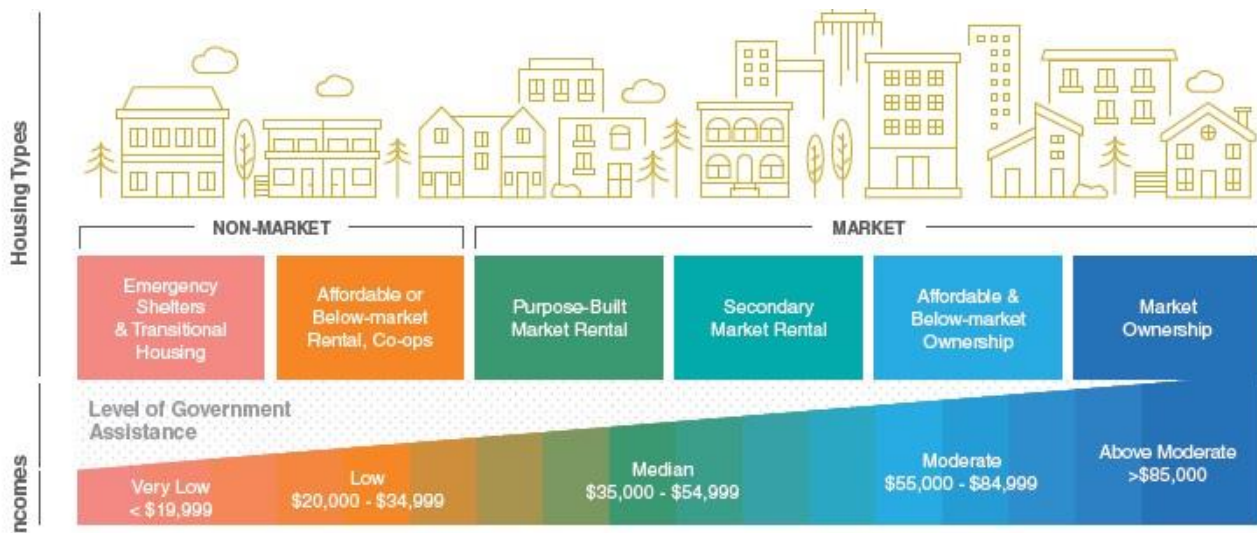


Figure 1. Housing Continuum

The actions outlined in this report support affordable or below-market rental housing that is in the non-market category of the housing continuum as shown in Figure 1.

2. Legal Parameters

It is important to consider the legislation that informs the City’s regulatory process, as it establishes the opportunities, and perhaps more critically the constraints, associated with the potential streamlining of approval processes.

Development Application Types

To help explain the proposed changes, the main development application types are summarized below. (Heritage Applications are not discussed as no changes affecting those processes are recommended.)

- *Rezoning* – used when a proposal exceeds the permitted density and/or requests a use not including in the existing zoning.
- *Development Permit (DP)* – used when a proposal is located within a designated Development Permit Area (DPA) and pre-established design guidelines are utilized to assess the proposal’s consistency with the goals and objectives of the DPA.
- *Development Permit with Variance (DPV)* – used when a proposal is located within a designated Development Permit Area (DPA) and there is also a variance (not use or density), and pre-established design guidelines are utilized to assess the proposal’s consistency with the goals and objectives of the DPA and the impact of the variance is also considered.
- *Development Variance Permit (DVP)* – used when a proposal is not subject to DPA considerations but where a variance(s) to the Zoning Bylaw is required.

Provincial Legislation and Delegated Authority

As noted above, for land use and density changes, a rezoning application is required, which necessitates Council review and a Public Hearing. Section 154 (2) (a) of the *Community Charter* states that a Council may not delegate the making of a bylaw and, therefore, staff cannot be delegated the authority to approve rezoning applications. However, Council can amend the City’s zoning bylaws to establish conditions, such as the provision of affordable housing, under which higher densities can be achieved thereby negating the need for such applications pursuing rezoning.

Section 154 of the *Community Charter* and Section 490(5) of the *Local Government Act* enables Council to delegate its authority to approve DPs. This delegated authority includes the authority to approve DPs with variances. However, the *Local Government Act*, in Section 498 (4), is clear that Council cannot delegate the authority to approve DVPs:

“As a restriction on section 229 [delegation of board authority] of this Act and section 154 [delegation of council authority] of the Community Charter, a local government may not delegate the power to issue a development variance permit.”

The reason for this is that DPs are governed by previously approved policy in the form of Council adopted design guidelines contained within DPAs, so there is a basis upon which to make a decision, whereas with a DVP application Development Permit Area considerations and design guidelines do not come into play. However, DVP applications are very rare within the City as there are extensive DPAs established and most forms of development trigger a DP in association with any variances being proposed.

It should be noted that, given the aforementioned clause in the *Community Charter*, in the event that a development proposal associated with DP requires the making of a bylaw (e.g., a Housing Agreement), the bylaw itself must be approved by Council.

The options presented in this report are within the bounds of the Provincial legislation.

Land Use Procedures Bylaw

The City's *Land Use Procedures Bylaw* (LUPB) outlines procedures for applications relating to land use (Rezoning applications, DPs, DVPs, HAPs etc.), public meetings, sign posting, details of application fees and refunds and, amongst other items, the authority of staff to make delegated decisions. The scope of delegated authority is currently set out in Schedule D of the LUPB. The options presented below would build on the delegated authority already established by Council.

3. Potential Approaches

Two potential strategies that would advance the swift delivery of affordable and supportive housing have been outlined in the report and are recommended to be advanced simultaneously.

- The “tier one” approach proposes amendments to the LUPB to delegate DPs proposing affordable housing, with or without variances, to the Director of Sustainable Planning and Community Development.
- The “tier two” approach proposes regulatory changes to allow an increase in density, generally consistent with *Official Community Plan* (OCP, 2012) for affordable housing. This approach would eliminate the need to submit a rezoning application for certain applications and, combined with the “tier one” approach, any associated DP would be delegated to staff.

“Tier One” Approach: Delegated Authority for Affordable Housing (Recommendation 2)

The “tier one” approach builds on the existing delegated authority outlined in the LUPB and would expedite the review of applications for affordable housing that do not require a rezoning application. This methodology would delegate all DPs for affordable housing, with or without variances, to the Director of Sustainable Planning and Community Development.

In accordance with Provincial Legislation, DP applications are approved or denied based on their consistency with the applicable design guidelines established by Council in the OCP and the Director would make decisions on this basis. It is recommended that referral of an application to the Advisory Design Panel (ADP), which adds about four weeks to the process, would still occur which would provide additional design insight and feedback.

To qualify for issuance of a DP under delegated authority, an application would need to:

- propose affordable housing consistent with the definition described above and
- be consistent with applicable Design Guidelines.

If staff are unable to work with an applicant to refine the design to a point of consistency with the applicable design guidelines, then the matter would be referred to Council for consideration.

The delegation described above would reduce timelines for affordable housing applications, as consideration of these proposals would otherwise be presented to Committee of the Whole, requiring ratification by Council and, where variances are proposed, requiring an Opportunity for Public Comment. It is estimated that this change would result in potential time savings of between two and five months. Attachment A of this report illustrates the process and estimated timelines associated with a DP and a DP with Variances versus a delegated DP.

When considering the “tier one” approach, it should be noted that the City has an established framework of planning policy and design guidelines to help guide decision-making. Under the current Council approval process, when staff provide a recommendation to Council, that

recommendation is formulated based on a thorough analysis of policy and guidelines that apply to the site, as well as sound planning principles and practice. As is the case with the present delegated system, this same rigour would be applied to affordable housing applications.

“Tier One” Approach Summary

- Amendment to LUPB would delegate DPs and DPVs to Director of Planning
- Applicable to affordable housing only, and secured with a Housing Agreement
- Application must be consistent with design guidelines

“Tier One” Approach Examples

Council has already established a range of applications that can be approved by staff utilizing delegated authority. The following sections provide three examples.

Example 1 – Garden Suites

Since April 2017 when the program was established, the City has received 96 garden suite applications. Of these, 69 have been approved through delegated authority, and two were referred to Council for a decision as the applications were inconsistent with the design guidelines (both were approved by Council). Another 15 applications are in process, as staff work with applicants to improve the quality of the application to attain consistency with the design guidelines and sort out technical details. One application was declined by staff and another nine applications were closed as applicants changed plans and/or realized they could not meet technical and/or design criteria.



Figure 2. Built Garden Suite Examples

Council will also recall that in 2019, approximately two years after the program was established, staff presented Council with an update report suggesting amendments. This was initiated when it became apparent to staff that the initial zoning permissions approved by Council, were resulting in some garden suites being excessively tall in relation to their neighbours. Another corrective action involved closing a “loop-hole” where some applicants were circumventing the tree protection bylaw and design review process by applying for a building permit for an accessory building and then converting it to a garden suite after it was constructed.

The garden suite program demonstrates how delegated authority can be used to successfully influence design. In this instance, ending the requirement for public consultation as well as eliminating the need for a rezoning and DP approval process which required Council involvement in each application has worked well. An application that is consistent with the garden suite design guidelines can now be issued within as little as five to six weeks, whereas, when a rezoning was required, they would typically take five to six months.

Example 2 – New Buildings in DPA 10 and DPA 16

With the establishment of the new OCP in 2012, and the decision to expand the number of Development Permit Areas across the City, Council delegated authority to the Director of Planning for new buildings, additions and structures located in DPA 10A: Rock Bay, DPA 10B (HC): Rock Bay Heritage and DPA16: Form and Character. The intention behind this delegation was to streamline the process for properties not previously subject to DPA considerations. Although there have been few applications for entirely new buildings, examples of buildings that have been approved under delegated authority include a car dealership on Douglas Street, a mixed-use multi-unit residential development under construction at the corner of Pandora and Cook, and very recently an affordable seniors housing project located at Cook Street and Mallek Crescent.

Application processing for the affordable seniors housing project included internal staff review, a referral to ADP and two rounds of applicant revisions to improve on the applications' consistency with design guidelines. The application was approved and the DP was issued in approximately four months, noting that the application was fully "with the applicant" during the revision stage for approximately 10 of the 18 week processing time. Renderings are included below. The proposal will result in 78 units (36 studio, 40 one-bedroom and 2 two-bedroom units and features 27 EV stalls as well as extensive landscaping and rain gardens).



It is worth noting, that consistent with the process for development permits, there was no formal consultation requirement; however, as per staff's normal approach with all applicants, the proponent was encouraged to be neighbourly and to discuss the proposal with nearby residents. A neighbour did reach out to both staff and the applicant regarding a concern about a perceived lack of parking. Nonetheless, the proposal did meet the minimum parking requirements established in the zoning bylaw and the applicant chose to not increase the amount of parking required.

Example 3 – Parking Variances

As noted previously, Council has also delegated a small subset of parking variances (five stalls or less for commercial, industrial and institutional uses), which resulted in the approval of seven applications in 2020. The majority of these were necessary to facilitate minor changes and expansions for small businesses. A prerequisite for approval of a delegated parking variance, as stipulated in the *Land Use Procedures Bylaw*, is that it will “not adversely impact the neighbourhood by unduly contributing to on-street parking issues.” In the event it was deemed by staff to have excessive impacts on the neighbourhood, it would not be approved.

“Tier Two” Approach: Density up to OCP Limit for Affordable Housing (Recommendation 3)

The “tier two” approach would build on the delegated authority of the “tier one” approach and further expedite the review of applications offering affordable housing. The implementation of this approach would require regulatory changes to allow an increase in density consistent with *Official Community Plan* (OCP, 2012).

The OCP assigns different Urban Place Designations to different areas of the City. Within each of these designated areas a maximum density for development is contemplated. In some areas a base density and a maximum density are described. For example:

- In the Traditional Residential Urban Place Designation, the OCP contemplates total floor space ratios (FSRs) up to approximately 1:1.
- In the Urban Residential Urban Place Designation an FSR of generally up to 1.2:1 is contemplated; however, an increased density up to approximately 2:1 may be considered in strategic locations for the advancement of plan objectives. A key plan objective is contributing to the affordable housing supply.

Currently, if a rezoning application proposes uses and density consistent with OCP policy and the *Inclusionary Housing and Community Amenity Policy*, it is generally considered supportable. However, when the specifics of a project are reviewed, it may become apparent that the maximum allowable density cannot be achieved without compromising design objectives, such as providing adequate open site space, setbacks from neighbours, etc. In such instances, staff would work with the applicant to amend the proposal to be consistent with the applicable design guidelines. With the proposed changes, this design review would still take place and if the applicant was unwilling or unable to achieve these objectives, the application would be referred to Council.

It is proposed that the City’s zoning bylaws (*Zoning Regulation Bylaw* and *Zoning Bylaw 2018*) be amended to allow projects offering affordable housing, that are consistent with City policy, to achieve the maximum density contemplated in the OCP. To qualify for this density uplift, all housing within the proposal would need to meet the definition of affordable housing, secured through a legal agreement. The increase in density would only apply to residential uses; however, a range of commercial and service uses, including supports and amenities for residents and the broader community alike would be allowed, provided they were listed as permitted uses within the existing zone.

When combining the “tier one” and “tier two” option, it would allow projects offering affordable housing to be considered through a delegated development permit, further expediting the application timeline.

Attachment B compares the rezoning application process to the delegated DP process and illustrates the potential for significantly shortening the timeline by four to nine months; however, like

other delegated processes such as garden suites, the process continues to rely heavily on staff resources across the City.

“Tier Two” Approach Summary

- Amendment to Zoning Bylaw would allow affordable housing up to maximum density expressed in OCP
- Amendment to LUPB would delegate DPs and DPVs to Director of Planning
- Applicable to projects offering affordable housing, secured with Housing Agreement
- Application must be consistent with design guidelines

“Tier Two” Approach Examples

While there are many development scenarios that could benefit from the proposed “tier two” approach, two examples of how this would work in practice are described below:

Example 1: R-K Zone, Medium Density Attached Dwelling District in Traditional Residential Urban Place Designation

The R-K Zone, Medium Density Attached Dwelling District allows townhouses up to a maximum floor space ratio (FSR) of 0.6:1. The Traditional Residential Urban Place Designation allows a maximum FSR of 1:1. This is summarized in the following table and would only apply to affordable housing projects.

	Residential Use	Permitted Density (FSR)
Existing R-K Zone	Townhouse	Up to 0.6:1
OCP Traditional Residential	Townhouse	Up to approx. 1:1
Proposed Zoning Bylaw amendment Affordable housing projects only	Townhouse	Up to approx. 1:1

Example 2: R3-2 Zone, Multiple Dwelling District in an Urban Residential Urban Place Designation

The R3-2 Zone, Multiple Dwelling District, permits multiple dwellings with a density of up to 1.6:1 (subject to the development satisfying certain provisions relating to height, site coverage and parking outlined in the zone). This zone is commonly found in the Urban Residential Urban Place Designation where, as described above, a base density of 1.2:1 and a maximum density of 2:1 FSR are contemplated. Based on the “tier two” approach, the Zoning Bylaw would be amended to include provisions to allow an increase in density from 1.6:1 to 2:1 FSR on a property zoned R3-2, for an affordable housing project. This is further summarized in the following table.

	Residential Use	Permitted Density (FSR)
Existing R3-2 Zone	Multiple Dwelling	Up to 1.6:1
OCP Urban Residential	Multiple Dwelling	Base density of 1.2:1 Maximum density up to 2:1
Proposed Zoning Bylaw amendment Affordable housing projects only	Multiple Dwelling	Up to 2:1

Note that in these scenarios, while the proposed zoning bylaw amendments would include provisions allowing for the increased density, the regulations in the existing zone would still apply. Given that every site is different and that there could be numerous development scenarios, staff do not recommend creating a new set of regulations (e.g., addressing setbacks, site coverage, etc.) as part of the proposed bylaw amendments, nor would the legislation allow relaxed siting criteria as a “bonus” for affordability. Instead, if Council approves the “tier one” option, any variances from the existing site zoning would be handled through the Development Permit with Variance application and would be delegated to staff. If variances could not be accommodated in manner consistent with the design guidelines, the application could not be approved through delegated authority and it would be referred to Council.

4. Potential Challenges and Benefits

Challenges

Off-Site Improvements and Amenities

Processing affordable housing applications through a development permit, rather than through rezoning, would remove the ability of the City to require public right-of-way improvements or amenities beyond what can be achieved through a routine building permit.

For example, in conjunction with a rezoning, the City regularly requires Statutory Rights-of-Way (SRW) to allow for immediate street upgrades as well as protecting for future mobility improvements including sidewalk improvements, bicycle lanes and transit stops as well as treed boulevards where existing road widths are substandard. Securing SRW is a core, frequently used and standard requirement for subdivision and rezoning applications to mitigate the impact of new development on the City’s current and future transportation systems and services and to advance mobility, accessibility and urban forest policy objectives. While standard frontage works would still be required, the granting of SRW would be voluntary under a development permit process. Further, applicants are often reluctant to provide SRW even though there would be minimal additional costs, little or no impact on construction timelines and no impact on achievable density. Although staff would continue to identify and seek SRW, and work with applicants to incorporate them within their developments, in the absence of the ability to *require* SRW, it would reduce the City’s ability to achieve broader mobility improvements and introduce inconsistency between developments.

Typically, where non-profit affordable housing is advanced, consistent with Council’s *Inclusionary Housing and Community Amenity Contribution Policy*, the “housing affordability” is seen as a significant amenity and although proposals may include other amenities such as on-site daycare or community support services, this is encouraged but not actively negotiated nor required by policy. So, while changing the zoning bylaws to allow increased density for affordable housing may represent a lost opportunity to negotiate other amenities such as public art, heritage conservation or on-site public open space, it is unlikely that these would be pursued for a proposal offering affordable and/or supportive housing.

Nonetheless, it is noted that even with the increased level of commitment to providing affordable housing in the region, the total number of applications that would qualify would still be relatively low in comparison to all development across the City. In 2019, the City received five applications associated with affordable housing and in 2020 the number declined to three applications. With increased funding becoming available, it is anticipated that the number will likely increase again; however, the overall proportion will likely remain relatively small and any consequences would be monitored and reported on with any future update reports.

Public Consultation

Another possible challenge associated with the recommended changes relates to expectations surrounding public consultation and the modifications that would be needed.

Under the Local Government Act, the only relevant matters that may be considered in evaluating Development Permits and or Development Permits with Variances is whether the application is consistent with design guidelines and if there are variances, the impact of the variance. Whether the decision is rendered by Council or whether it is a decision delegated to staff, these are the constraints that limit the decision.

Development Permit Process:

Development permits without variances (whether delegated or not) are not subject to public consultation and do not require referrals to Community Association Land Use Committees (CALUCs), a Public Hearing nor Opportunity for Public Comment. As noted above, the only relevant consideration is whether the application is consistent with the design guidelines. Council's Advisory Design Panel also reviews many types of development permit applications and offers insights and feedback on compliance with guidelines. Although there is sometimes pressure from members of the public to be heard regarding a specific application, consistent with the Local Government Act, the appropriate place for public input is during the establishment of Development Permit Areas and the associated guidelines.

Development Permit with Variance Process:

Under the City's *Land Use Procedures Bylaw*, applications with variances that are considered by Council, are referred to the applicable Community Association Land Use Committee (CALUC) for a 30-day comment period and there is an Opportunity for Public Comment. A site sign and notice to immediate neighbours are also required. Despite what topics may be raised through the notification or at the Opportunity for Public Comment, Council must focus their consideration on the consistency with the design guidelines and the impact of the variances.

Should Council approve the proposed changes, it is recommended that delegated applications with variances follow the same process already established for delegated parking variances and the application not be referred to the CALUC nor require further notification or signage.

Referring applications for consultation typically extends timelines. Moreover, when public consultation is undertaken, the comments received often stray into topics related to use or other subjects which cannot be considered in assessing the application. Staff are limited in what can be considered in the exercise of delegated authority (as are Council when they consider similar applications) and initiating consultation could lead to false expectations about the public's role.

Finally, there is also an increased likelihood of a legal challenge if applications are declined or referred to Council and there has been a formal public consultation process which may be seen to have unduly influenced a decision. Each of these factors contribute to staff's recommendation that Council not expand consultation for DP applications with variances beyond the process already established for parking variances.

Rezoning Process:

The rezoning process requires consultation, both prior to application submission and at the public hearing, even for applications which are consistent with use and density detailed in the OCP. If

proposals offering affordable housing were able to achieve densities up to the maximum specified in the OCP, fewer rezoning applications with the requisite consultation would be required. However, the OCP is itself a bylaw adopted after significant public consultation; therefore, the density would need to be aligned with the OCP and the use would need to be permitted within the existing zone.

Benefits

The primary benefit associated with the proposed changes would be that they would facilitate the rapid delivery of affordable and supportive housing, at a time when there is a critical community need. For non-profit housing providers, the actions outlined in this report would result in increased certainty and reduced risk around the development process as well as reduced timelines and costs, and easier access to funding.

Further, while the recommendations streamline the approval process for affordable housing, the proposals would still involve assessment by professional, trained staff, who would have the ability to require modifications to ensure that the overall fit within neighbourhoods and the design quality of projects would remain high. Council's Advisory Design Panel would also continue to be engaged in the review of these applications and be able to add valuable feedback and insights to the design process.

The changes may also have the added benefit of opening up expedited processes for senior levels of government allowing them to rapidly advance housing solutions while adhering to a municipal process that would ensure design oversight.

It is also noted that when rezoning is avoided and delegated authority can be used, the resulting process changes represent significant time savings for a number of departments. This is because the simplified process no longer requires reports and presentations to Council, results in fewer public hearings and eliminates notification requirements, and negates the need for bylaw amendments associated with zoning bylaw amendments. The cumulative affect of these changes would ultimately also have a positive impact on the timelines of the many other applications still requiring Council review.

5. Ongoing Monitoring

If adopted by Council, staff would monitor applications that are processed under the recommended approach. If during the ongoing monitoring, challenges or unintended consequences were identified, staff would prioritize an accelerated report to Council to seek course-correcting direction.

6. Consultation on Proposed Regulatory and Process Changes

Given the specific Council direction relating to the rapid deployment of affordable housing, and to address the housing issues currently being experienced in the City, staff recommend that:

- Notice of these proposed changes be posted on the City website.
- With respect to the Zoning Bylaw amendments, consistent with the *Local Government Act* and City's LUPB, notice of the Public Hearing be advertised in the local newspaper and on the City website. On-site sign posting is not required where ten or more properties are affected by a City initiated Zoning Bylaw amendment.
- Focused consultation in the form of a 30-day referral be undertaken with the Non-Profit Affordable Housing providers, Urban Development Institute (UDI), and CALUCs by way of sending background information as well as an invitation to submit comments by a specific date.

Should Council wish to undertake broader or more lengthy consultation it would result in delays moving forward with any associated Bylaw amendments.

OPTIONS AND IMPACTS

Options

The options related to the “tier one and two” approaches have been outlined in the preceding sections; however, a summary is offered below. Council may also choose to leave the application process as is.

Option One – “Tier One” Approach

The “tier one” option alone would advance changes to the *Land Use Procedures Bylaw* to delegate authority to Director of Planning to review and, when consistent with relevant design guidelines, approve Development Permit applications (with and without variances.) The “tier one” approach facilitates a time savings of two to five months on average; however, it would apply to a very limited number applications and would therefore have a nominal impact.

Option Two – “Tier Two” Approach (Recommended)

This option expands on the “tier one” approach by advancing changes to the City’s Zoning Bylaws in order to increase the maximum density that projects can achieve to the maximum identified in the OCP provided that the project can be designed in such a way that it is still consistent with the relevant design guidelines. This combined approach would both apply to a greater number of applications and would yield a greater number of affordable housing units as levels of density consistent with OCP maximums could be achieved when design guidelines could be met. The “tier two” approach would facilitate a time savings of approximately four to nine months.

Option Three – Leave Regulatory Scheme and Approval Processes As Is

This option would simply maintain the status quo.

Accessibility Impact Statement

The recommended option may at times result in the inability of the City to negotiate Statutory Right of Ways and public realm improvements in excess of the standard requirements associated with Building Permits. At times this may result in narrower sidewalks which may result in narrower sidewalks than can be achieved through some rezoning processes. However, new developments would be required to meet accessibility requirements set out in the BC Building Code and staff would work with applicants to ensure features such as on site circulation and outdoor space respond to accessibility considerations in accordance with design guidelines.

2019-2022 Strategic Plan

The Strategic Plan contains several objectives relating to supporting viable and timely development activity, delivering an increased supply of affordable and rental housing, as well as maintaining a healthy economy.

Impacts to Financial Plan

Although the proposed amendments to the LUPB and Zoning Bylaw will not have a significant impact on the Financial Plan, the inability for the City to require Statutory Right of Ways and public realm improvements in excess of the standard requirements associated with Building Permits may at times result in the City paying for improvements and upgrades separately.

Resource Impacts

As the recommended changes reduce the amount of process required, it is expected that the recommendations would not place an additional burden on staff resources. Should Council approve the staff recommendations, the impacts of the regulatory and process changes will be monitored and, if necessary, staff will bring forward any resulting resource recommendations to Council through the annual financial planning processes.

Official Community Plan Consistency Statement

Continued residential and employment growth is central to achieving the vision and objectives of the OCP. These Bylaw amendments are consistent with Urban Place Designation targets and objectives, and address the numerous goals related to addressing housing needs and sustaining the economy by supporting the construction and housing industry.

CONCLUSIONS

The proposed amendments to the LUPB and the Zoning Bylaws would result in an expedited timeline for projects offering affordable housing along with the potential for additional density, on some sites, which would ultimately mean more affordable and supportive housing could be delivered. These positive impacts, resulting from procedural and regulatory amendments, directly address the Council motion seeking rapid deployment and delivery of affordable and supportive housing.

Respectfully submitted,

Jim Handy
Senior Planner – Development Agreements
Development Services

Karen Hoese, Director
Sustainable Planning and Community
Development Department

Alison Meyer
Assistant Director
Development Services

Report accepted and recommended by the City Manager.

List of Attachments

- Attachment A: DP Timelines and Processes
- Attachment B: Rezoning Application Timeline and Process.



VICTORIA CITY COUNCIL TO FOLLOW COTW
MEETING OF THURSDAY, MAY 27, 2021

E.1 Committee of the Whole

E.1.a Report from the May 20, 2021 COTW Meeting

E.1.a.a 1150 Douglas Street: Local Government Recommendation for Cannabis Application (Downtown)

1. That Council direct staff to advise the Liquor and Cannabis Regulation Branch (LCRB):

The Council of the City of Victoria supports the application of Seed and Stone at 1150 Douglas Street to receive a provincial cannabis retail store license with the following comments:

- a. The Council recommends that the Liquor and Cannabis Regulation Branch issue a license to Seed and Stone at 1150 Douglas Street.
- b. Bylaw and Licensing Services and Sustainable Planning and Community Development did not raise any concerns about this referral in terms of community impacts.

The Victoria Police Department notes that a mall is a popular place for young people for both employment and socialization.

- c. Residents' views were solicited through a mail-out to property owners and occupiers within 100 meters of this address and to the relevant neighbourhood association. The City sent 1146 notices and received 4 responses, including correspondence from the Downtown Residents Association received after the end of the opportunity for public comment.
- 2 That Council direct staff to advise the LCRB of Council's recommendation subject to the applicant's compliance with applicable City bylaws and permits.

Carried

E.1.a.b Victoria 3.0 Recovery Reinvention Resilience Progress Report

That Council:

1. Approve \$117,000 from the 2021 Financial Plan contingency budget to support the initial planning for the Arts & Innovation District.
2. Request that staff brainstorm specific actions to ensure that economic development proceeds in an inclusive and equitable manner.
3. That Council direct staff to report back with opportunities to provide a circular economy lens to actions within the Victoria 3.0 strategy.

Carried

E.1.a.c Options to Support Rapid Deployment of Affordable Housing through Regulatory and Process Changes

1. That Council direct staff to:
 - a. undertake focused consultation with non-profit affordable housing providers, the Urban Development Institute and CALUCs in relation to the proposal to amend the Zoning Bylaws and Land Use Procedures Bylaw, as identified in this report;
 - b. in a subsequent report, provide Council with details of the feedback received and how the feedback has affected the amendments to the Zoning Bylaws and Land Use Procedures Bylaw.
 - c. in a subsequent report, provide Council with information on options for further expediting non-market housing applications in a way that does not require complete delegation of Council's authority.

And concurrently:

2. That Council direct staff to prepare amendments to the Land Use Procedures Bylaw, consistent with the "tier one option" in this report, to delegate the authority to the Director of Sustainable Planning and Community Development to issue all Development Permits, with or without variances, offering affordable non-market housing secured by legal agreement.
3. That Council direct staff to prepare amendments to the Zoning Regulation Bylaw and Zoning Bylaw 2018, consistent with the "tier two option" in this

report, to allow the maximum density contemplated in the Official Community Plan to be the maximum density permitted for a specific site, where an affordable non-market housing development is proposed and affordable dwelling units are secured with a legal agreement to the satisfaction of Director of Sustainable Planning and Community Development and the City Solicitor.

4. Staff report back to Council after a 2 year period to evaluate the effectiveness of this new policy.
5. And that Council direct staff to report back with opportunities and implications of applying these same rules to co-operative housing.

Carried

E.1.a.d The City of Victoria Electric Vehicle Strategy

That Council:

1. Receive the draft City of Victoria Electric Vehicle Strategy to support implementation of the Climate Leadership Plan for information (Appendix B).
2. Receive the draft Electric Vehicle Strategy Technical Report for information (Appendix C).
3. Direct staff to bring forward a 5 year capital plan including a budget request for 2022 as part of the 2022 Financial Planning process that is aligned with this strategy to support delivery of targets identified in the Climate Leadership Plan and Go Victoria.
4. Direct staff to bring back the final version of the City of Victoria Electric Vehicle Strategy for approval in Q4 2021.
5. That staff report back on the feasibility of adding bike charging and mobility charging stations as well as other actions to support micro-mobility to this project and report back at the next update on this project.

Carried

E.1.a.e Council Member Motion - Addressing Parking Pressures in Victoria West

That Council:

1. Direct staff to work with the Island Corridor Foundation and other entities to explore options for addressing parking pressures in Victoria West.

Carried

E.1.a.f Council Member Motion - Support for Housing Outreach Pilot Project

Motion to refer to the June 3 Daytime Council Meeting

Carried

That Council:

1. Authorizes a one-time grant of \$60,000 to the Quadra Village Community Centre and partner agencies for the Housing Outreach Pilot Project, funded from the 2021 contingency.
2. Directs staff to finalize the terms of this allocation to the satisfaction of the City's Chief Financial Officer and Director of Sustainable Planning and Community Development, including ensuring access to this service for newcomers, Indigenous, Black, Asian and other persons of colour.
3. Requests that the Quadra Village Community Centre work with partner Community Associations to provide a final report to Council following completion of the pilot project, including information about the demographic of people who access the service, subject to privacy legislation.

E.1.b Report from the May 27, 2021 COTW Meeting

E.1.b.a Temporary Relocation of Council Meetings

That Council:

1. Authorize the holding of Council and Committee of the Whole Meetings between June 15, 2021 and August 31, 2021 at the Capital Regional District Board Room.

Carried

E.1.b.b Banfield Park Dock Expansion and Gorge Waterway Park

That Council direct staff to:

1. Prepare amendments to the Gorge Waterway Park Zoning Regulation Bylaw in order to facilitate the expansion of the Banfield Park swimming dock;

2. Waive the requirement for pre-submission Community Association Land Use Committee consultation;
3. Direct staff to initiate development of the Gorge Waterway Park Management Plan, with input from representatives of the Gorge Swim Fest Society; and
4. Direct staff to report back on the feasibility of enhancing Banfield Park for access to the shoreline in the 2022 Strategic Plan.

Carried

E.1.b.c 900-912 Vancouver St and 930-990 Burdett Ave: Development Permit with Variances Application No. 00164 (Fairfield)

1. That Council, after giving notice and allowing an opportunity for public comment at a meeting of Council, consider the following motion:

“That Council authorize the issuance of Development Permit with Variance Application No. 00164 for 900-912 Vancouver Street & 930-990 Burdett Avenue, in accordance with:

 1. Plans date stamped May 11, 2021.
 2. Development meeting all Zoning Regulation Bylaw requirements, except for the following variance:
 - i. Reduce the vehicle parking from 97 stalls to 73 stalls.
 3. Registration of legal agreements on the property’s title to secure the following:
 - i. the removal of the modular classroom building within five years of Council approval of Development Permit with Variance Application No. 00164, to the satisfaction of the Director of Sustainable Planning and Community Development; and
 - ii. a 1.5 metre Statutory Right-of-Way adjacent to Rockland Avenue to the satisfaction of the Director of Engineering and Public Works.
 4. Final plans generally in accordance with the plans date stamped April 27, 2021 with the following revision:
 - i. amend the site plan to include a statutory right-of-way along a portion of the Rockland Avenue frontage to accommodate a future sidewalk, to the satisfaction of the Director of Engineering and Public Works
 - ii. amend the parking layout to accommodate the statutory right-of-way along Rockland Avenue.
 5. The Development Permit lapsing two years from the date of this resolution.”

Carried

F.1 Bylaw for Streets and Traffic, Amendment Bylaw (No. 10)

That the following bylaw **be given first, second and third readings:**

1. Streets and Traffic Bylaw, Amendment Bylaw (No. 10) No. 21-056

Carried

F.2 Bylaws for 415 and 435 Michigan: Rezoning Application No. 00637 and Development Permit with Variances Application No. 00055

That the following bylaw **be given first and second readings:**

1. Zoning Regulation Bylaw, Amendment Bylaw (No. 1253) No. 21-044

That the following bylaw **be given first, second and third readings:**

1. Housing Agreement (415 and 435 Michigan Street) Bylaw 2021 No. 21-045

Carried

F.3 Bylaw for 1177–1185 Fort Street and 1043-1045 Linden Avenue: Rezoning Application No. 00731

That the following bylaw **be given first and second readings:**

1. Zoning Regulation Bylaw, Amendment Bylaw (No. 1252) No. 21-043

Carried

F.4 Bylaw for 1475 Fort Street: Development Permit with Variances Application No. 00120

Motion to refer to the evening Council meeting of May 27:

Carried

That the following bylaw **be given first, second and third readings:**

1. Housing Agreement (1475 Fort Street) Bylaw (2021) No. 21-057

That Council, after giving notice and allowing an opportunity for public comment at a meeting of Council, consider the following motion:

"That Council authorize the issuance of Development Permit with Variance Application No. 00120 for 1475 Fort Street in accordance with:

1. Plans date stamped April 30, 2021
2. Development meeting all Zoning Regulation Bylaw requirements, except for the following variances:
 - i. reduce the vehicle parking from 45 stalls to 26 stalls;
 - ii. reduce the visitor parking from 3 stalls to 2 stalls;

- iii. increase the building height from 12 metres to 12.92 metres;
 - iv. reduce the front setback from 10.5 metres to 1.81 metres (entrance canopy) and 3.53 metres (building);
 - v. reduce the rear setback from 6.46 metres to 3.96 metres;
 - vi. reduce the east side yard setback from 6.46 metres to 3.05 metres (balconies and entrance canopy) and 4.93 metres (building);
 - vii. reduce the west side yard setback from 6.46 metres to 3.86 metres (balconies) and 5.75 metres (building);
 - viii. increase the site coverage from 40 percent to 47 percent;
 - ix. allow for an accessory structure to be located in the front yard rather than the rear yard.
3. Final plans generally in accordance with the plans date stamped April 30, 2021 with the following revisions:
- i. changes to the panhandle driveway to comply with the Highway Access Bylaw and BC Building Code requirements, to the satisfaction of the Director of Engineering and Public Works
 - ii. Relabel the proposed bylaw replacement trees to ensure replacement trees are provided on site, to the satisfaction of the Director of Parks, Recreation and Facilities
4. The Development Permit lapsing two years from the date of this resolution.”

F.5 Bylaw for Delegation of Signing Authority Bylaw Amendment Bylaw

That the following bylaw **be adopted**:

- 1. Delegation of Signing Authority Bylaw, Amendment Bylaw (No. 2) No. 21-039

Carried

G.1 Letter from the Minister of Energy, Mines and Low Carbon Innovation; Minister of Municipal Affairs; and Minister of Environment and Climate Change Strategy

That the letter be received for information.

Carried

AFFORDABLE HOUSING PROJECTS: CITY OF VICTORIA PROPOSED PROCESS CHANGES

Overview:

A number of non-profit affordable housing organisations serving Victoria have come together to consolidate our feedback to the Sustainable Planning and Community Development Department on the proposed process changes that would streamline the rezoning and development permit process for future affordable housing projects.

As mission driven organisations, with boards of directors, we are committed to working in partnership with the City of Victoria to accelerate the supply of affordable housing for families, individuals and seniors living with low income.

The need has never been greater. Wait lists are long: people registered through BC Housing can wait years for a home; those of us with our own lists have hundreds waiting (The Gorge View Society has over 200 seniors). Every day we receive applications from people living in precarious, sometimes dangerous, housing situations; and from people who are couch surfing or living in their car – the hidden homeless. As a key social determinant of health, safe and stable housing is a precondition for people to develop their social, emotional, spiritual and economic wellbeing; for our community as a whole to thrive.

Principles:

Consistency and certainty.

Overall, we believe that the proposed changes are a step in the right direction towards the goal of expanding Victoria's affordable housing stock: increasing our need, as non-profit developers, for a timely, consistent and flexible development process. Further, we are pleased that the proposal is strengthened by proposed BC Government legislative amendments giving the City of Victoria power and direction to simplify and speed up development approvals.

Our more detailed feedback is as follows.

1. Please share your feedback about the proposal of moving forward with Tier 1 and Tier 2 process changes. Do you think these proposed changes will help meet the affordable housing need in Victoria?

Tier 1

Broadly, yes – the change will speed up the rate at which we can build affordable housing, increasing the financial viability and a non-profit's ability to take on a new project.

- Development Permits concern form and character and can be evaluated by the City Planner in reference to existing general planning and design guidelines.
- For example, in your Question and Answer guide you mention Chown Place. The Gorge View Society is currently applying for rezoning and OCP amendment with its Master Plan, seeking to double the number of units within Chown Place. Should the Master Plan be approved, submissions for subsequent Development Permits should involve a simplified process involving the City Planner.
- The OCP and neighbourhood plan contain clear design guidelines against which an application can be measured. In our view, detailed design guidelines are a good mechanism for addressing common concerns expressed by neighbours to a proposed development, such as:
 - Respecting the scale and character of an existing neighbourhood

- Ensuring a visually interesting and attractive exterior
- Ensuring that the hard and soft landscaping fits into the neighbourhood
- Ensuring that any new development does not reduce the value of neighbouring properties.
- With respect to Advisory Design Panel, it is understood that the City Planner may rely upon ADP for advice on whether an application meets the intent of planning guidelines. We suggest this important role be given more structure for affordable housing applications, to focus the Panel discussion on questions the Planner has with respect to guideline conformance.
We also suggest for further streamlining applications, referral to ADP for these applications should be at the discretion of the Planner, so only if absolutely necessary.
- Greater clarity on the issues (who and how that occurs) that would trigger Council involvement would be helpful.

Tier 2

The change envisioned in Tier 2 will also speed up the approval process considerably: it takes the politics out of non-profit housing.

- A public hearing presents a considerable risk for a non-profit: the rezoning request, while consistent with the OCP, may be rejected for political reasons.
- It is important to remember that many non-profits are working with borrowed money. The time involved in the whole process, taken together with the possibility of refusal at the public hearing stage, can present a risk too great for many non-profits.

We are in absolute agreement that neighbours and communities have their voices heard in development of affordable housing. We believe that the engagement process involved in developing the OCP was robust and provided ample opportunity for people to set the direction they believe is appropriate for the city.

Communicating with neighbours as individual projects are proposed is also important to secure community buy-in. We would like to see the proposed changes outline a communications framework where City of Victoria staff and Councillors partner with us to inform neighbours about the development.

2. Please share your feedback on the proposed definition of affordability. Do you think this definition is appropriate?

It is essential that the proposed changes are applicable to all non-profit affordable housing providers and do not include details on affordability, rents, or residents' incomes. We can be trusted to define affordability: our constitutions, bylaws and internal restrictions require us to work within the affordability framework. Many of us are also accountable to other orders of government, with the relevant checks and balances in place.

If the proposed changes were to include detailed definitions of affordability and incomes, we would be prevented from generating innovative housing models that are necessary to expand supply and housing types.

The ability to offer a mix of housing is important: non-profits often need the capacity to offer a range of units, for residents living with very low income to those able to afford closer to market rents, to ensure financial viability in operating costs. Mixed housing also benefits residents: it offers residents the option to stay in a building where they have put down roots and built

community as they develop economic capacity. Further, mixed income housing is important as Victoria struggles with a labour shortage, increasing near market options for those in the middle-income bracket.

Ensuring that non-profit affordable housing organisations are given flexibility extends also to the partnerships: a partnership with a market provider may open up development opportunities.

3. Do you have any concerns or suggestions for changes to what is being proposed?

The proposed changes, as we have noted, will certainly take some of the time and uncertainty out of development projects for non-profits. However, there are two more measures that would further support us in developing the 1,450 units needed in the next six years:

- Relieve non-profits affordable housing projects from the 5% parkland dedication. This costs us either in land or a dollar amount in lieu.
- Relieve projects from Development Cost Charges, which add considerably to project costs and impact final rent levels.

These two measures would offer extra incentive for us to finance and build affordable housing. One final consideration would be to specifically include projects on leased land as part of this initiative. Furthermore, for leases related to City owned land, we request that a consideration be made to extend the standard 60-year length of City land leases for affordable housing to 62 or 63 years to account for the construction period.

In conclusion

As non-profits we are guided by our mission statements, all of which broadly align around our commitment to safe, affordable housing for all. We therefore welcome the City of Victoria's acknowledgement of the central role our organisations play in increasing the supply of affordable housing - and that an alternate development process is essential if we are to meet the demand.



Kevin Albers,
CEO, M'akola Housing Society



Julian Daly,
CEO, Our Place



Don Elliott
Senior Manager, Regional Housing and Capital Regional
Housing Corporation



Virginia Holden,
Executive Director, Greater Victoria Housing Society



Carolina Ibarra
CEO Pacifica Housing



Kathy Stinson
CEO Victoria Cool Aid Society



Corinne Saad
Executive Director, The Gorge View Society



Colin Tessier
Executive Director, Threshold Housing Society

November 12, 2021

City of Victoria Housing Team, Mayor & Council
1 Centennial Square, Victoria, BC

Attn: Ross Soward, MCIP, RPP, Senior Planner

RE: Support for City of Victoria Affordable Housing Process Improvements

On behalf of the Capital Region Housing Corporation (CRHC), please accept this letter of support for the proposed process improvements put forward by the City of Victoria Housing Development team to Council for consideration in November 2021.

As a wholly owned subsidiary of the Capital Regional District, the CRHC is the largest social housing provider on southern Vancouver Island. Our portfolio consists of 52 properties with over 2000 units of affordable rental housing in the capital region. Within the City of Victoria, the CRHC owns and/or operates 23 properties with 636 rental units that accommodate very low, low and moderate income individuals, families and seniors. Through recent Council approvals of our Caledonia and Michigan Square redevelopments, the offering will increase to 869 units.

The CRHC is committed to addressing the housing crisis in the region through the addition of new, energy efficient, high quality living spaces for lower income earners and vulnerable populations that are integrated into existing residential neighbourhoods with nearby amenities. As we look to increase our presence in the City, there may be future opportunities to intensify housing sites or acquire new properties.

The Municipal Approval process for Rezoning and Development Permit approvals has become increasingly complex and requires significant investment by non-profits to advance projects through the pre-construction stage when grant funding is limited and uncertain. As such, the CRHC is supportive of the City's process improvements to decrease the risk associated with timeline delays and costs shouldered by non-profits who are beholden to government grant programs to offset our capital costs of construction or acquisition. Lower costs during the approval stage will allow multiple projects to be pursued with deeper levels of affordability to be offered to tenants.

Further, the CRHC is supportive of the proposed definition of "affordability" that aligns with our mandate and is reinforced through our operating agreements with BC Housing or other federal programs. While we do not object to having Housing Agreements or Covenants registered on title, they are not necessary when our mandate and Board direction is to build and manage affordable rental units in perpetuity.

The proposed process improvements will assist in our efforts to continue investing in our housing portfolio and offer more affordable rental units to Victorians of all income levels.

Sincerely,



Kimberly Lemmon, MCIP, RPP
Manager, Planning & Development
Capital Region Housing Corporation



Affordable Housing Development Process Changes

November 12, 2021

City of Victoria

1 Centennial Square
Victoria, BC V8W 1P6

Sustainable Planning and Community Development Department,

I am writing to provide feedback and voice support for the proposed Rapid Deployment of Affordable Housing process changes. We are encouraged to see that the City understands non-profit housing providers require clear, consistent, and efficient development approval processes in order to most effectively work with the City to address the housing crisis. We look forward to seeing how these changes are bolstered by the recent provincial amendments giving the City of Victoria the ability to simplify and speed up development approvals.

We would first like to recognize that the City is working hard to provide more housing options for the many individuals and families in dire need of safe and secure homes in Victoria. Overall, we are pleased to see attention being placed on ensuring the efficiency and effectiveness of delivering non-profit housing through current municipal processes. As was highlighted in the recent [Opening Doors](#) report, the length of the processes required to bring new housing supply to market can add risks, create uncertainty, and significantly increase the costs associated with non-profit housing developments. The City's current review process is critical for addressing that reality.

Additionally, it is our understanding that a coalition of local non-profit housing providers is also sending feedback to the City. We would like to express our organizational support for their feedback and echo their sentiments. As industry experts with decades of successful non-profit housing development and operation between them, their feedback should be carefully considered as the City works to reshape development approval processes.

Upon your review of their feedback, please consider the following factors:

1. Taking politics out of the approval process for affordable housing where possible will result in more homes delivered to the people that need them. Public hearings present a considerable risk for non-profit housing providers and that risk can quickly translate into increased costs and reduced affordability when a building is completed. When projects being proposed meet design guidelines and reflect the community vision as articulated through the Official Community Plan,



BCNPHA

BC Non-Profit Housing Association

TEL 604.291.2600

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TOLL-FREE (BC) 1.800.494.8859

220-1651 Commercial Dr.

Vancouver, BC V5L 3Y3

www.bcnpha.ca

we believe the City's proposed approach will lead to greater efficiencies in delivering affordable housing and will continue to uphold good planning practices.

2. Non-profit housing providers are mission driven organizations, with bylaws and boards in place to ensure their projects are delivering affordability to the communities they serve. It will be critical that the City's definition of "affordable" housing is kept broad and that income thresholds align with other levels of government. If the proposed changes were too narrow in terms of levels of affordability or too prescriptive around incomes, it would be a challenge for providers to strike the balance that makes a project financially viable.
3. We also suggest that the City ensure there is sufficient staff capacity to streamline the projects and help to deliver the common goals of local non-profit housing providers and the City of Victoria.
4. Lastly, providers are also calling upon the City to make the follow changes to better support them in delivering affordable housing to community members:
 - a. Relieve non-profits affordable housing projects from the 5% parkland dedication.
 - b. Relieve projects from Development Cost Charges.

BCNPHA would like to thank you for your time and consideration for our feedback.

Sincerely,

Jill Atkey

Chief Executive Officer

BC Non-Profit Housing Association

Phone: 778-945-2155

www.bcnpha.ca

British Columbia Non-Profit Housing Association (BCNPHA) is the umbrella organization for the province's non-profit housing sector and is comprised of more than 500 members, including many members currently operating in Victoria.

Victoria, B.C.

June 10th, 2021

Mayor Helps and Councillors,
City of Victoria.

Dear Members of City of Victoria Council,

**Re: Waiving of Public Input/Hearings for Rezoning
for Affordable Housing Applicants**

It is of great concern to the undersigned members of VCAN that Council is considering waiving the opportunity to receive public input through public hearings on what can be highly impactful rezonings for some forms of development proposals. There are several areas of concern.

First - issue of governance:

Approvals for land use are always political decisions and it should not be the purview of staff to make these decisions, as they are not our elected representatives. Delegating both the interpretation of our core planning documents and the adjudicating of applications to unelected people is an effort to sidestep accountability and in our view, will do little to speed the process.

Second - lack of public consultation:

This appears to be a hastily proposed policy offered under the guise of "saving time". Not engaging the public may save time, but the time saved will be only a fraction of the existing processing period. A process review reveals that the greatest amount of time taken for most applications to complete the development process is the time spent in the back and forth between the city and the applicant. The public engagement portion only adds a few weeks. The proposed policy may meet the minimum required by law, but it removes one stakeholder group from the conversation and eliminates any community voices of concern or opposition. It eliminates any community voice at an early stage of design, an attribute of the current system which can often be beneficial to all parties.

Third - expectation that projects "meet the criteria of the OCP and design guidelines":

This expectation is difficult to accept on face value - particularly since that assessment is going to happen behind closed doors. The interpretation of what complies or does not comply with design guidelines or the OCP are almost always debateable and Council needs to hear that debate, in full. Staff frequently state that applications "*generally comply with the OCP*" when it is apparent that they do not objectively meet the measure. The words "generally comply" are often followed by aspects of the

proposal which do not comply. Staff may be equivocating on matters regarding the OCP in anticipation of the political will of the Council table, often speaking of the "intent" rather than applying standards in the OCP. Checks and balances are provided by the opportunity for the public to review proposals, comment, or raise concerns in the public forum.

The City presents itself as open and transparent, with a commitment to listen to the public. This proposed policy would move public process into the darkness of the backroom. The proposed policy change needs to be fully developed and brought to the public under the requirements outlined in the Engagement Framework for consideration, response, and feedback and not rushed through to final adoption. The CALUC involvement at the consult and involve and even collaborate levels, in any policy development regarding land use, needs to be honoured. The City's commitment to consult and involve the public in matters of importance to their well-being needs to be honoured. The proposed policy would circumvent those commitments.

An often ignored benefit of consultation through the CALUC process is development design, fit with the near-by housing, and functionality for those who will become residents.

The City, and particularly Council, faces a crisis with respect to public trust. The perception that the City stopped listening to their constituents started long ago, and this proposal and this approach (delegation to staff without proper stakeholder engagement to make this citywide policy change) further erodes public trust.

A proposed two-year review does not replace public process, nor does it instill confidence. The public does not have an appetite for another "lessons learned" project.

Taking the public out of what is perhaps the City's most important process that grants irrevocable development rights is too important to be imbedded in a policy under the guise of assisting in the creation of affordable housing. The policy should be fully and publicly aired, with consideration of impacts on the community and possible unintended consequences of such a policy.

We the undersigned again request that Council not proceed with the proposed policy which would undermine the democratic public process. We ask Council to uphold the commitment to the City's Engagement Framework policy based on the IAP2 principles.

Regards,

VCAN signatories:
VicWest
Hillside-Quadra
Oaklands

Burnside-Gorge
Rockland
North Jubilee
Fernwood

Downtown (DRA)
Fairfield-Gonzales
JBNA

Mayor and Council

Re: Affordable Housing Process Changes.

Placement and development of Affordable Housing should not be left to the whims and vagaries of the OCP and Director of Sustainable Planning and Community Development and his/her interpretation of the OCP.

The record shows that, despite Planning's belief that a proposal ticks all the OCP boxes, many proposals are returned at COTW, or by Council at Public Hearing, as the plans depart significantly from the OCP, existing zoning, or neighborhood expectations. A bureaucracy should not be the final arbiter of significant developments. That is councils' responsibility.

Through recent development processes in the Rockland neighborhood and many discussions with neighbors I would not support the changes proposed in the Affordable Housing Process.

Development Services and the Director of Sustainable Planning and Community Development have consistently neglected to bring a consideration of neighbors and a critical lens of their concerns to the requests for variances or for rezoning's.

Currently, in my neighborhood we have a development, recommended by the Director, with variance offering less than 50% of the required setbacks and an originally proposed 2.5m./9 ft./one floor increase in height over zoning. It was returned by COTW. In another instance we have a new home being built, with only a Board of Variance hearing, with a 1.5m/5 ft. side yard setback in an area the OCP specifically requires attention to the (21.24 .1, .4, .6) heritage and estate character, landscape character, and is to provide sensitive infill.

The current analysis is flawed and it would be an even greater detriment of neighborhoods and the neighbors if the opportunity for public engagement is removed.

Discussion at the Advisory Design Panel, directed by the Planner, is frequently superficial rather than an in-depth analysis factoring in neighborhood concerns. Further, there is no, or little, opportunity for concerned neighbors to have their concerns addressed in a comprehensive fashion by the panel.

To allow the maximum density contemplated by the OCP without rezoning is problematic, The OCP is vague and states that maximum density "generally, approximately, may be considered," Density is a very elastic concept and subject to various interpretations. Further, council has a propensity to amend the OCP in pursuit of maximizing density; 16 Land Use amendments from 2017 thru 2019. (No Annual Review numbers are yet available for 2020, 2021 is almost over)

Simply put, there is little reason to believe that building with only Development Services consideration and without community input will bring Affordable Housing to the city without unacceptable and unwarranted impact of neighborhoods and adjacent neighbors.

This council was not elected with a mandate to negate citizen involvement in their neighborhoods. Council should remain the final arbiter of land use decisions impacting the city and neighborhoods; not the Director or Advisory Panels. We have zoning bylaws and a review process for reason.

Regards:

Bob June

From: Yvonne Hsieh <yhsieh@uvic.ca>

Sent: October 28, 2021 2:17 PM

To: Engagement <engage@victoria.ca>

Subject: feed back on Rapid Deployment of Affordable housing process changes

To the City of Victoria's Housing Team

1. Please

share your feedback about the proposal of moving forward with Tier 1 and Tier 2 process changes. Do you think these proposed changes will help meet the affordable housing need in Victoria?

Yes. This is a step in the right direction. Affordable housing is so desperately needed in Victoria right now. Any change that will speed up the application approval process and get construction going as quickly as possible is good. It will also encourage non-profit associations to submit more development applications.

2.

Please share your feedback on the proposed definition of affordability. Do you think this definition is appropriate?

Yes. This seems like a reasonable definition to me.

3.

Do you have any concerns or suggestions for changes to what is being proposed?

I would like to further suggest that non-profit housing projects be exempt from development cost charges, and given relief from the 5% parkland dedication.

Thank you for inviting our feedback.

Respectfully

submitted,

Yvonne Hsieh

#401 - 1014 Rockland Avenue

Victoria, BC V8V 3H5



May 18, 2021

Mayor and Council
City of Victoria
One Centennial Square
Victoria, BC V8W 1P6

Re: Options to Support Rapid Deployment of Affordable Housing through Regulatory and Process Changes

Dear Mayor and Council,

As our region continues to face increasing pressure on housing affordability and supply, we are very encouraged to see the City of Victoria taking a strong lead on initiatives that will help to mitigate the crisis by streamlining development application processes. The Urban Development Institute (UDI) – Capital Region would like to applaud council for directing staff to consider “Options to support rapid deployment of affordable housing through regulatory and process changes”.

The proposed regulatory amendments granting the Director of Planning and Community Development the authority to issue all Development Permits, with or without variances, offering affordable non-market housing secured by legal agreement and allowing the maximum density contemplated in the Official Community Plan to be the maximum density permitted for a specific site, will take pressure off the political process and accelerate the approvals on much needed affordable housing. Further, by removing affordable housing applications from the political process, Council can free up time for other housing applications, which will also benefit from being delivered into our region in a more timely manner.

The UDI fully supports this initiative. We look forward to collaborating further to ensure our built environment maintains momentum to assist in producing the housing necessary to meet the needs of our communities.

Kind Regards,

A handwritten signature in black ink, appearing to read "Kathy Whitcher".

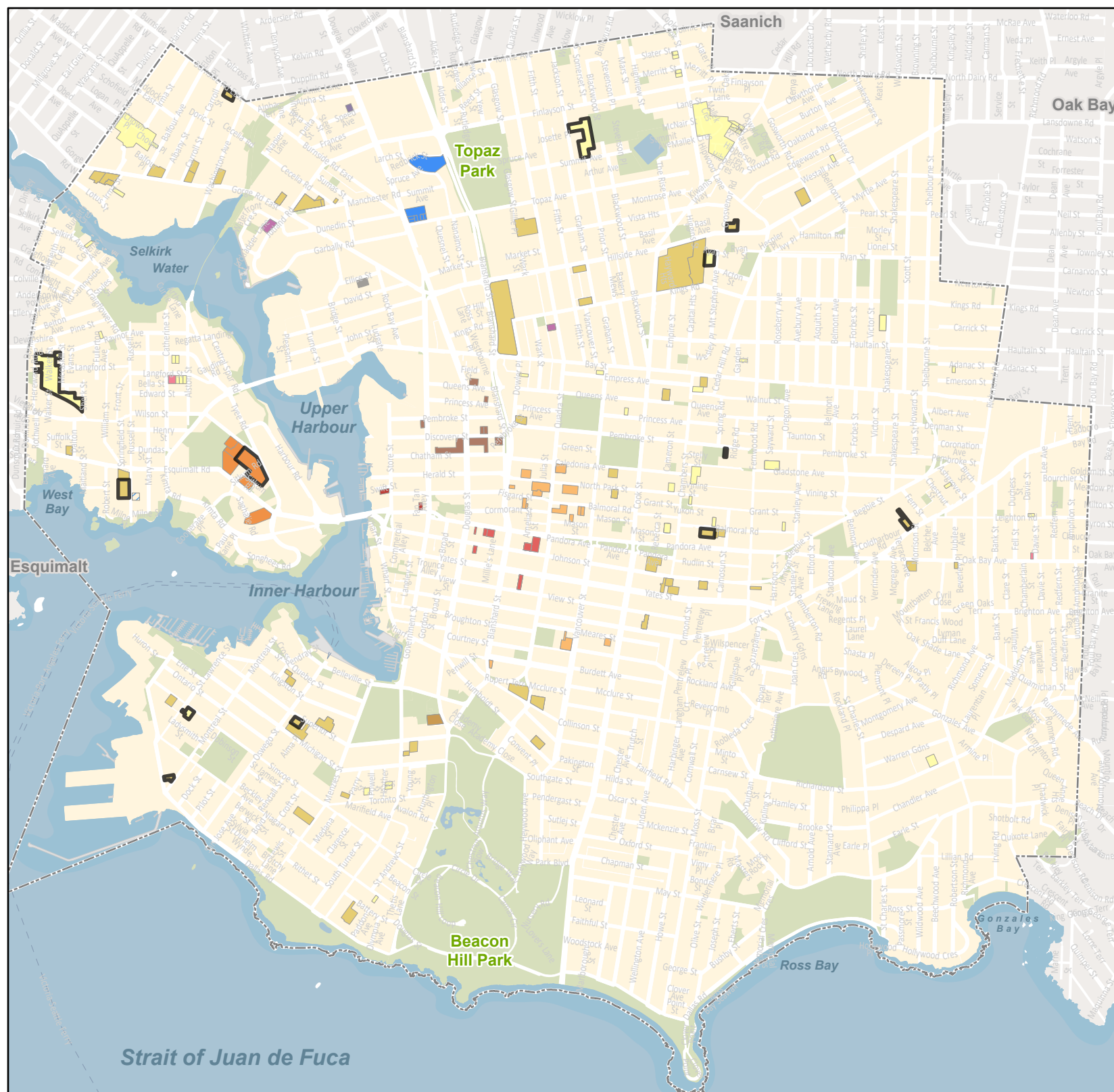
Kathy Whitcher (Executive Director)

CC: Karen Hoese

Parcels owned by affordable housing providers

Urban Place Designation of Identified Parcels

-  Light Industrial Employment with Limited Residential
-  Employment with Limited Residential
-  Rail Corridor
-  Core Historic
-  Core Business
-  Core Employment
-  Core Inner Harbour/Legislative
-  Core Songhees
-  Core Residential
-  General Employment
-  Industrial Employment
-  Marine Industrial
-  Town Centre
-  Large Urban Village
-  Small Urban Village
-  Urban Residential
-  Traditional Residential
-  Public Facilities, Institutions, Parks and Open Space
-  Housing Co-op



Strait of Juan de Fuca

2021-12-02



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Meters

Rapid Deployment of Affordable Housing

PROJECT UPDATE



1

Background

Council Policy and Directives:

- The Victoria Housing Strategy Phase II
- COVID Response & Recovery
- OCP Amendments
- Housing Needs Assessment, 2020
- Housing Strategy Annual Review, 2019



Rapid Deployment of Affordable Housing

2

Benefits of Recommendations

- Accelerates process timelines
- Removes risk
- Reduces cost
- Encourages investment
- Creates supply
- Reduces impacts of rising construction costs



Rapid Deployment of Affordable Housing

3

Delegate Development Permits

Delegate DPs for affordable housing, with or without variances, to the Director of Planning.

Must:

- meet affordable housing definition
- be consistent with design guidelines



Rapid Deployment of Affordable Housing

4

Increased Density for Affordable Housing Projects

Amend Zoning Bylaws to allow increased density, up to OCP max., for affordable housing projects.

Time savings: approx. up to 9 months



Rapid Deployment of Affordable Housing

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Council Motion

- Amend Bylaws to delegate DPs and to allow the maximum density contemplated in the OCP
- Consult (UDI, CALUCs, non-profit affordable housing providers)
- Provide options for expediting proposals that results in less delegation
- Co-op Housing



Rapid Deployment of Affordable Housing

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Qualifying Criteria for Affordable Housing Projects (May 2021)

Reference to “affordable housing” refers to any housing development that is:

- a. wholly owned and operated by a registered non-profit residential housing society or government agency, or operated by a registered non-profit residential housing society or government agency pursuant to a legally binding arrangement with the property owner; and*
- b. subject to a legal agreement securing affordability and rental tenure.*



Rapid Deployment of Affordable Housing

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Qualifying Criteria for Affordable Housing Projects

Recommended Approach:

- Take advantage of mandates of housing providers
 - Low degree of risk



Rapid Deployment of Affordable Housing

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Qualifying Criteria for Affordable Housing Projects

- Maintain flexibility
- Enable housing providers to secure funding
- Remain adaptable to shifts in funding programs
- Promote mixed-income housing models
- Create process that enables affordable housing



Rapid Deployment of Affordable Housing

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Inclusion of Co-operative Housing

- Non-profit rental housing co-ops align with housing goals
 - Target low to moderate incomes, rents cover basic costs
- Integrating co-ops could support new projects

Staff recommend updated qualifying criteria to allow for non-profit rental housing co-ops



Rapid Deployment of Affordable Housing

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Revised Affordability Criteria

“Affordable housing” means housing development that is:

1. subject to a legal agreement securing affordability and rental tenure, and is either:
 - a. wholly owned and operated by a public housing body as prescribed in the Residential Tenancy Act or
 - b. operated by a public housing body as prescribed in the Residential Tenancy Act pursuant to a legally binding arrangement with the property owner, or
2. subject to a legal agreement securing affordability and wholly owned and operated by a housing cooperative pursuant to the Cooperative Association Act whose purposes include provision of affordable housing to low- or moderate-income households, and whose constating documents prevent remuneration of directors and provide for disposition of assets on dissolution or wind-up to an organization with similar purposes and restrictions.



Rapid Deployment of Affordable Housing

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Consultation Feedback from Affordable Housing Providers

- Mission-driven
- Urgent need
- Remove risk
- Accelerate process
- Create supply

Affordability criteria should reflect role of mission-driven organizations

- Avoid prescriptive thresholds
- Changes should apply to all application types



Rapid Deployment of Affordable Housing

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Options for Delegation

Options for Lesser Delegation

Delegate:

- DPs with no variances
- DPs with minor variances
- DPs with specific variances



Rapid Deployment of Affordable Housing

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Options for Reducing Process Timelines with no Delegation

PROCESS	EST. TIME SAVING	RECOMMENDATION
Waive the Opportunity for Public Comment	2 weeks	Nominal time saving – <u>not recommended</u>
No 30-day referral to CALUCs for variances	Nil	Occurs concurrently with staff review – <u>not recommended</u>
No referral to ADP	3-4 weeks	Assists with ensuring consistency with Guidelines – <u>not recommended</u>



Rapid Deployment of Affordable Housing

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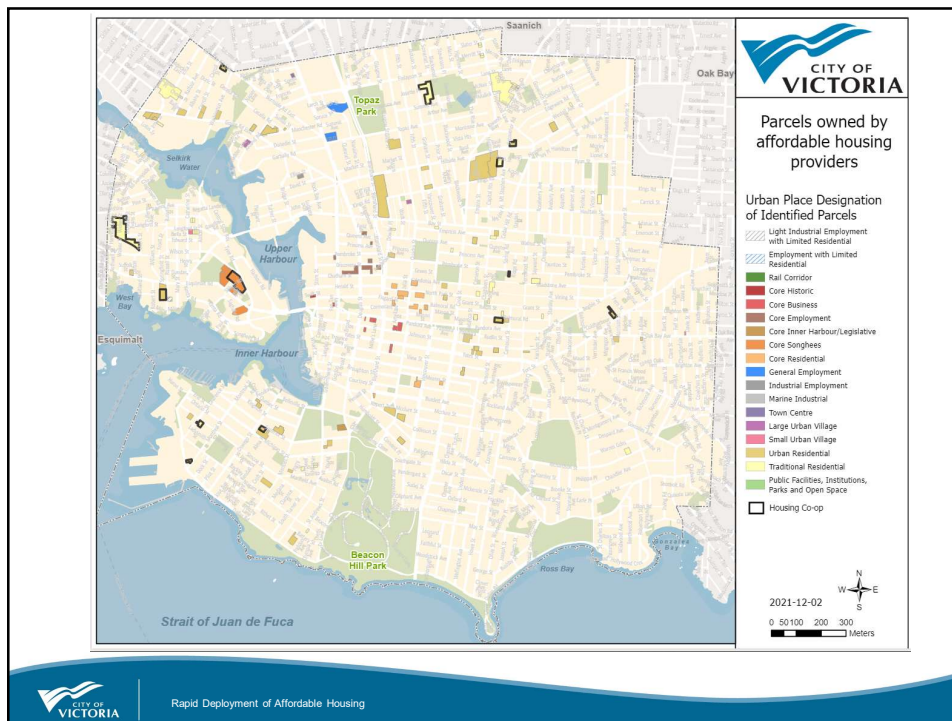
Next Steps

- Prepare the necessary Bylaw amendments
- Introductory readings of Bylaws
- Public Hearing



Rapid Deployment of Affordable Housing

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Rapid Deployment of Affordable Housing

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