

F.1 Bylaws and Update Report for Rapid Deployment of Affordable Housing

Moved By Councillor Alto
Seconded By Councillor Potts

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

1. Land Use Procedures Bylaw, Amendment Bylaw (No. 15) No. 22-021

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)

Moved By Councillor Alto
Seconded By Councillor Potts

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

1. Maximum Floor Space Ratio for Affordable Housing Bylaw No. 22-019

FOR (7): Mayor Helps, Councillor Alto, Councillor Dubow, Councillor Isitt, Councillor Loveday, Councillor Potts, Councillor Thornton-Joe

OPPOSED (2): Councillor Andrew, Councillor Young

CARRIED (7 TO 2)



Council Report For the Meeting of March 3, 2022

To: Council **Date:** February 17, 2022
From: Karen Hoese, Director, Sustainable Planning and Community Development
Subject: Update Report – Rapid Deployment of Affordable Housing

RECOMMENDATION

That the following bylaws be given introductory readings:

- a. Maximum Floor Space Ratio for Affordable Housing Bylaw No. 22-019
- b. Land Use Procedures Bylaw No. 22-021, Amendment Bylaw (No. 15).

BACKGROUND

On January 27, 2022, Council passed the following motion:

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.*

Staff have prepared the necessary Bylaw amendments for introductory readings and have provided additional information and updates below.

Public Notification

As part of the consultation phase, non-profit affordable housing providers identified a desire to ensure neighbours and Council are informed of active affordable housing applications. Staff have committed to working with the non-profits and government housing providers to ensure that

signage is placed on site with details of the proposal and contact information, to facilitate the ability of interested parties to ask questions and receive further information.

At the January 13, 2022 Committee of the Whole (COTW) meeting, members of Council questioned whether applications that qualify for this program could also be posted on the City's Development Tracker. Staff have reviewed this, and can confirm that, in the event that the attached Bylaws are adopted, full details of all delegated Development Permit applications that are subject to the proposed regulatory changes will be posted on the Development Tracker.

Road Dedications

Previous staff reports relating to this matter identified that processing affordable housing applications through a Development Permit, rather than through rezoning, would remove the ability of the City to require a road dedication beyond what can be achieved through a routine building permit.

However, staff are preparing Zoning Bylaw amendments which will require that, in order to achieve the maximum density contemplated in the OCP, a proposal would have to satisfy the qualifying criteria for affordable housing and agree to a road dedication, if needed. The extent of the road dedication would then likely be described in a schedule attached to the Zoning Bylaw. However, creating a formula for road dedications in a regulatory format is a complex exercise and work is ongoing. Delivering more affordable housing in an expedited manner is a Council strategic priority and, as such, staff have brought forward Bylaw amendments for Council's consideration now, and further amendments to the Bylaw, to secure road dedications, can be brought forward at a later date. In the interim, staff would continue to work with applicants, explaining the benefits of providing road dedications to the project and neighbourhood, however, very few, if any, applications are anticipated to be impacted by the delays in bringing forward these further Bylaw amendments.

Notwithstanding the above, development would still be required to provide frontage works and improvements set out in the *Subdivision and Development Servicing Bylaw*, and any other applicable City Bylaws.

Co-operative Housing

In the January 13, 2022 report to COTW, staff recommended the inclusion of non-profit co-operative housing in this program of regulatory changes. Consistent with the approach for affordable non-market rental housing, wording has been provided in the attached Zoning Bylaw amendments to ensure that housing that is owned by a third party (e.g., Community Land Trust) but operated by a non-profit housing cooperative and pursuant to a legally binding arrangement, would also qualify for this program. This adjustment to the qualifying criteria will provide greater opportunities for new non-profit housing cooperatives to be developed in the future.

Monitoring

As discussed at COTW on January 13, 2022, the Rapid Deployment of Affordable Housing regulatory changes, if adopted, would be monitored on an ongoing basis. A formal review would be conducted after two years and a report with observations and findings presented to Council. However, if further opportunities or challenges were identified prior to the two-year anniversary, staff would report back to Council for further direction ahead of the formal review.

Respectfully submitted,

Jim Handy
Manager, Planning & Regulatory Services
Development Services Division

Karen Hoese
Director, Sustainable Planning and
Community Development

Ross Soward
Senior Planner – Housing Development
Community Planning Division

Report accepted and recommended by the City Manager.

List of Attachments

- Attachment A: Maximum Floor Space Ratio for Affordable Housing Bylaw No. 22-019
- Attachment B: Land Use Procedures Bylaw No. 22-021, Amendment Bylaw (No. 15)

MAXIMUM FLOOR SPACE RATIO FOR AFFORDABLE HOUSING

A BYLAW OF THE CITY OF VICTORIA

The purposes of this Bylaw are to amend the Zoning Regulation Bylaw and the Zoning Bylaw 2018 to establish a maximum floor space ratio for qualifying affordable housing developments.

Contents

- 1 Title
- 2 Zoning Regulation Bylaw Amendments
- 3 Zoning Bylaw 2018 Amendments
- 4 Effective Date

Pursuant to its statutory powers, including section 479(1)(c) of the *Local Government Act*, the Council of The Corporation of the City of Victoria enacts the following provisions:

Title

- 1 This Bylaw may be cited as the “MAXIMUM FLOOR SPACE RATIO FOR AFFORDABLE HOUSING BYLAW”.

Zoning Regulation Bylaw Amendments

- 2 Bylaw No. 80-159, the Zoning Regulation Bylaw, is amended as follows:

- (a) by adding the following as a new section 48 immediately after section 47:

“48. (1) Notwithstanding any other provision of this Bylaw, the maximum floor space ratio on a lot containing affordable housing development is the higher of:

- a) the floor space ratio allowing for such use in the zone in which the lot is located; or
- b) the floor space ratio that is specified in Schedule “O” as applicable to that lot,

subject to any conditions as to the provision of amenities in the applicable zone or Schedule “O”, as the case may be.

(2) For the purposes of subsection (1), if the maximum floor space ratio specified for a lot is the same in (1)(a) and (1)(b), then the maximum floor space ratio for affordable housing development is that in (1)(b), subject to any conditions as to the provision of amenities in Schedule “O”.”;

- (b) In Schedule A – Definitions, the following is inserted immediately after the definition of “Affordable”:

“ **“Affordable Housing Development”** means a housing development that is:

- a) subject to a legal agreement securing affordability and rental tenure for a minimum period of 60 years, and is either:

- i) wholly owned and operated by a public housing body as prescribed in the *Residential Tenancy Act*, or
 - ii) operated by a public housing body as prescribed in the *Residential Tenancy Act* pursuant to a legally binding arrangement with the property owner; or
- b) subject to a legal agreement securing affordability for a minimum period of 60 years and is either wholly owned and operated by a housing cooperative meeting the below requirements, or operated by a housing cooperative that meets the below requirements and operates the development pursuant to a legally binding arrangement with the property owner:
- i) the housing cooperative must:
 - A) be a housing cooperative pursuant to the *Cooperative Association Act*,
 - B) have purposes including the provision of affordable housing to low- or moderate-income households, and
 - C) have constating documents preventing the remuneration of directors and providing for the disposition of assets on dissolution or wind-up to an organization with similar purposes and restrictions.”;
- (c) In Schedule B – Table of Contents, the following is inserted on the first page, immediately after “Schedule M Garden Suites”:
- “Schedule N Residential Rental Tenure**
- Schedule O Maximum Floor Space Ratio for Affordable Housing Development”;** and
- (d) The new Schedule O attached to this Bylaw as Schedule 1 is added after Schedule N – Residential Rental Tenure.

Zoning Bylaw 2018 Amendments

- 3 Bylaw No. 18-072, the Zoning Bylaw 2018, is amended as follows:
- (a) In the Table of Contents, the following is inserted beneath “Part 3 – Use of Land, Buildings and Structures”, with a corresponding page number:

“3.2 Affordable Housing”;
 - (b) In section 1.1.5, by striking out “The” at the beginning of the section and replacing it with “Subject to section 3.2.1, the”;
 - (c) In section 1.1.17, by striking out “The” at the beginning of the section and replacing it with “Subject to section 3.2.1, the”;
 - (d) By adding the following new definition to Part 2.1 Administrative Definitions immediately after the definition for “Affordable”:
- “Affordable Housing Development** means a housing development that is:
- a. subject to a legal agreement securing affordability and rental tenure for a minimum period of 60 years, and is either:
 - (i) wholly owned and operated by a public housing body as prescribed in the *Residential Tenancy Act*, or

SCHEDULE 1

SCHEDULE O – MAXIMUM FLOOR SPACE RATIO FOR AFFORDABLE HOUSING DEVELOPMENT

The location of a lot is determined by its Urban Place Designation in the *Official Community Plan Bylaw, 2012*, and any restrictions contained within the “Locational Factors” column.

Row	Official Community Plan Urban Place Designation	Locational Factors	Maximum Floor Space Ratio for Residential Uses
1	Traditional Residential	N/A	1:1
2	Urban Residential	a) Site is located: i. within 200 m of the following <i>Official Community Plan</i> Urban Place Designations: a) Urban Core b) Town Centre c) Large Urban Villages, or ii. abutting an arterial or secondary arterial road	2:1
		b) All other areas	1.2:1
3	Small Urban Village	Site abuts an arterial or secondary arterial road, or pursuant to Map 21 (Fairfield Neighbourhood) of the <i>Official Community Plan</i> is: i. within Fairfield Plaza, or ii. within Five Points Village and abuts Fairfield Road	2:1
		All other areas	1.5:1
4	Large Urban Village	N/A	2.5:1
5	Town Centre	N/A	3:1
6	Core Inner Harbour/Legislative	N/A	4:1
7	Core Residential	a) the eastern side of the block bounded by Johnson Street, Cook Street and Yates Street	6.8:1
		b) area south of Mason Street / east of Quadra Street / west of Vancouver Street	5.5:1

		c) area east of Vancouver Street / west of Cook Street / on Pandora Avenue	5.5:1
		d) area on Mason Street / east of Vancouver Street / west of Cook Street	2:1
		e) area south of Meares Street / west of Vancouver Street / north of Rockland Avenue / east of Pioneer Square	2.5:1
		f) area east of Blanshard Avenue / south of Fort Street / west of Quadra Street / north of Courtney Street	5:1
		g) area east of Cook Street / north of Meares Street	3.5:1
		h) areas south of Meares Street / east of Vancouver Street	3:1
		i) area west of Quadra Street / north of Pandora Avenue / south of Caledonia Avenue	5:1
8	Core Songhees	N/A	2.5:1
9	Core Business	N/A	3:1
10	Core Employment	N/A	3:1
11	Industrial Employment – Residential	N/A	1.5:1
12	Employment Residential	N/A	1.5:1

SCHEDULE 2

3.2 Affordable Housing

1. Affordable Housing Development

- a. Notwithstanding any other provision of this bylaw, the maximum Density of Development on a Lot containing Affordable Housing Development is the higher of the Density of Development that is specified in:
 - i. the zone and any “Site Specific Regulations” applicable to the Lot that allows for such use; or
 - ii. Table A as applicable to that Lot,subject to any conditions as to the provision of amenities in the applicable “Site Specific Regulations” in the case of (i), if applicable.
- b. For the purposes of subsection (a), if the maximum Density of Development specified for a Lot is the same in (a)(i) and (a)(ii), then the maximum Density of Development for Affordable Housing Development is that in (a)(ii).
- c. The location of a Lot for the purposes of Table A is determined by its Urban Place Designation in the *Official Community Plan Bylaw, 2012*, and any restrictions contained within the “Locational Factors” column.

TABLE A: MAXIMUM FLOOR SPACE RATIO FOR AFFORDABLE HOUSING DEVELOPMENT

Row	Official Community Plan Urban Place Designation	Locational Factors	Maximum Floor Space Ratio for Residential Uses
1	Core Historic	N/A	3:1
2	Core Residential	The north-west corner of the intersection of Johnson Street and Quadra Street	5.5:1
3	Core Business	N/A	3:1

LAND USE PROCEDURES BYLAW, AMENDMENT BYLAW (NO. 15)

A BYLAW OF THE CITY OF VICTORIA

The purpose of this Bylaw is to amend the *Land Use Procedures Bylaw* to delegate development approvals for non-market affordable housing to the Director of Sustainable Development and Community Planning in all Development Permit Areas.

Under its statutory powers, including Part 14 of the *Local Government Act* and section 154 of the *Community Charter*, the Council of the Corporation of the City of Victoria in a public meeting assembled enacts the following provisions:

Title

1. This Bylaw may be cited as the “LAND USE PROCEDURES BYLAW, AMENDMENT BYLAW (NO. 15)”.

Amendments

2. Bylaw No. 16-028, Land Use Procedures Bylaw, 2016, is amended as follows:

In Schedule D, Delegated Approvals, the following row is added after the last row in the table:

20	DP, with or without variances, for new buildings, building additions, structures and equipment for residential developments with secured affordability	All DP Areas	<p>The proposed development complies with the applicable guidelines.</p> <p>The proposed development is:</p> <ol style="list-style-type: none"> 1. subject to a legal agreement securing affordability and rental tenure for a minimum period of 60 years, and is either: <ol style="list-style-type: none"> a. wholly owned and operated by a public housing body, as prescribed in the <i>Residential Tenancy Act</i>, or b. operated by a public housing body, as prescribed in the <i>Residential Tenancy Act</i>, pursuant to a legally binding arrangement with the property owner; or 2. subject to a legal agreement securing affordability for a minimum period of 60 years and is either wholly owned and operated by a housing cooperative meeting the
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			<p>below requirements, or operated by a housing cooperative that meets the below requirements and operates the development pursuant to a legally binding arrangement with the property owner:</p> <ul style="list-style-type: none"> a. the housing cooperative must <ul style="list-style-type: none"> i. be a housing cooperative pursuant to the <i>Cooperative Association Act</i>, ii. have purposes including the provision of affordable housing to low- or moderate-income households, and iii. have constating documents preventing the remuneration of directors and providing for the disposition of assets on dissolution or wind-up to an organization with similar purposes and restrictions. <p>Permit is valid for two years from the date of issuance.</p>
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Effective Date

3. This Bylaw comes into force on adoption.

READ A FIRST TIME the _____ day of _____ 2022

READ A SECOND TIME the _____ day of _____ 2022

READ A THIRD TIME the _____ day of _____ 2022

ADOPTED on the _____ day of _____ 2022

CITY CLERK

MAYOR