



Committee of the Whole Report

For the Meeting of May 5, 2022

To: Committee of the Whole **Date:** April 25, 2022

From: Karen Hoesel, Director, Sustainable Planning and Community Development

Subject: Local Area Plans, Official Community Plan Amendments and Zoning Guidance for Fernwood, North Park and Hillside-Quadra

RECOMMENDATION

That Council:

1. Receive for information the Village and Corridor Planning Phase 1 Engagement Summary and the Local Issues, Opportunities, and Implementation Summary.
2. Consider approval of *Hillside-Quadra Neighbourhood Plan (2022)*, the *North Park Neighbourhood Plan (2022)*, the *Fernwood Neighbourhood Plan (2022)*, and the edited *Downtown Core Area Plan (2022)* at the same Council meeting at which the associated *Official Community Plan* Amendment Bylaw is considered for adoption, and allow for public comment.
3. Direct staff to bring forward an *Official Community Plan* Amendment Bylaw for first and second readings prior to consideration at a public hearing.
4. Rescind the *Hillside-Quadra Plan and Design Guidelines Parts 1, 2, and 3 (1996)*, the *North Park Plan (1996)*, and the *Fernwood Plan (1994)* following approval of the respective 2022 Plans.
5. Direct staff to prepare amendments to the Zoning Regulation Bylaw to pursue Option 3 in Attachment J of this report to implement City-initiated zoning for residential rental tenure in locations both on and off frequent transit corridors and bring forward for Council consideration at a later date.
6. Direct staff to develop one or more “destination” zones as outlined in Attachment J of this report and bring forward for Council consideration at a later date.
7. Direct staff to prepare updates to the *Inclusionary Housing and Community Amenity Policy* to reflect the intent of the new Urban Place Designations developed during the Village and Corridor Planning Process – Phase 1, if the *Official Community Plan* amendments are approved by Council.

EXECUTIVE SUMMARY

The purpose of this report is to present Council with the final products resulting from Village and Corridor Planning Phase 1 for consideration. The City has completed the latest round of engagement for the areas of North Park, Fernwood, and Hillside-Quadra. The resulting products include newly revised neighbourhood plans for each of the three areas and two development permit area guidelines (for Fernwood Village and general multi-unit, commercial and industrial development).

These products are the result of a comprehensive, two-year planning and engagement process. The process focused on diversity and inclusion, while remaining nimble to the impacts of pandemic-related restrictions and responsive to community desires and concerns. Given the extensive nature of engagement, the City had the opportunity to hear a wide array of issues, opportunities, and ideas. Not everything can be realized through the development and implementation of a local area plan, but all have been documented, shared with relevant City departments, and can continue to be considered and addressed as appropriate.

Staff are seeking Council approval of the neighbourhood plans and consideration of the associated *Official Community Plan* amendments required to implement them. Staff are further seeking direction for related implementation measures, including zoning updates that seek to improve the process and outcome of multi-unit housing development, and advance rental tenure zoning, as well as updates to the *Inclusionary Housing and Community Amenity Policy*.

A diverse range of opinions and interests were heard during this extensive planning and engagement process focused on equity, diversity, and the advancement of community-wide goals. The approval and implementation of the plans would advance the City's response to the housing crises and the climate emergency, as well as several discrete actions in the *2019-2022 Strategic Plan*, primarily through the advancement of complete, connected, low-carbon communities. If approved, their implementation would be complemented by a layering of other city-wide plans, strategies, and actions, as well as the actions of other levels of governments and community organizations to support a more equitable, sustainable, and liveable city.

PURPOSE

The purpose of this report is to present Council with the final products resulting from Village and Corridor Planning Phase 1 for consideration, including:

- A summary of engagement (Attachment A) and a summary of community issues, opportunities, and implementation (Attachment B) to receive for information.
- Neighbourhood plans for Fernwood, Hillside-Quadra, and North Park (Attachments C, D, and E respectively), and proposed edits to the *Downtown Core Area Plan 2022* (Attachment F) to be considered for approval at the same a public hearing for the related *Official Community Plan* bylaw amendments.
- Design guidelines for multi-unit, residential, commercial, and industrial development and Fernwood Village heritage (Attachments G and H respectively).
- Draft *Official Community Plan* amendments (Attachment I), consistent with Council direction of October 1, 2020, to be considered at a public hearing.

This report further presents recommendations to advance the realization of diverse, affordable housing and community amenities in tandem with the above products, by seeking direction to

update the *Inclusionary Housing and Community Amenity Policy* and amend the Zoning Regulation Bylaw. The proposed Zoning Strategy (Attachment J) includes options to pilot City-initiated residential rental tenure zoning in select areas.

BACKGROUND

A three-phased Village and Corridor Planning process was directed by Council on October 24, 2019. The intent of the Village and Corridor Planning approach was to implement a streamlined version of local area planning, focused on important geographic areas and planning topics most relevant at a local scale. The process was also intended to focus on depth and diversity of engagement.

While a wide array of topics was discussed with the community, four overarching objectives remained the focus of this process:

- Making room for the diverse housing we need today and in the future.
- Advancing safe, and sustainable mobility.
- Supporting walkable urban villages.
- Creating joyful public spaces.

Advancing a long-term land use and transportation framework that reinforces the City's objectives around climate action and housing affordability were central goals of the process. The need to advance these objectives with tools the City has at its disposal has become all the more urgent as the cost of living continues to rise rapidly, and recent reports from the International Panel on Climate Change re-emphasized the urgent action needed to reduce carbon emissions.

The City has completed the latest round of engagement for the first phase of Village and Corridor Planning for areas of North Park, Fernwood, and Hillside-Quadra. While each phase of Village and Corridor Planning was originally intended to span about one year, staff remained nimble and responsive to community needs in light of pandemic-related restrictions and stressors. This phase began in earnest in early 2020, with three robust rounds of engagement taking place over approximately two years, in addition to technical, policy, and urban design analysis.

At the July 15, 2021, Committee of the Whole meeting, staff presented a planning summary and key directions for each of the neighbourhoods that emerged from the first two rounds of engagement. These directions shaped the draft design guidelines and neighbourhood plans for each area. The third round of engagement offered opportunities for the community to review and recommend revisions to the drafts. Staff are now presenting the revised plans for consideration and recommending steps for implementation.

ISSUES AND ANALYSIS

Engagement and Broader Community Issues and Ideas

Engagement Summary

A key directive of this process was to ensure diversity in engagement and outcomes (a specific commitment in the Local Area Planning Terms of References established at the outset of the process). Throughout engagement, diverse means were used to reach all members of the community, especially those that tend to be underrepresented in neighbourhood-level engagement. The process emphasized quality over quantity.

Key elements of the engagement process included:

- Community-led Engagement: Each neighbourhood association was provided a planning grant to complete community-led planning work that would inform the final outcomes of this process. Some prepared surveys, others organized community events, and others commissioned independent studies. The diverse approaches to this work led to increased involvement of community members, deep discussions, and new ideas.
- Working Group: A Working Group was formed at the start of the planning process to help reach diverse stakeholders. Members include residents recommended by community associations and their land use committees, other community organizations, the local business community, the arts and culture community, the Intercultural Association, Indigenous representatives, and a diverse cross-section of residents.
- Early Engagement (January 2020 to March 2020): This stage explored issues, opportunities, and big ideas. Key components included a survey, community pop-ups, discussions, and a “Meeting in a Box” tool. The result was a sampling and illustrative synopsis of what people love about these places today and what they would like to see improved in the future. (The Early Engagement Summary Report provides additional details.)
- Stage Two Engagement – Planning Together (September 2020 and April 2021): This stage involved a workshop series and a virtual open house aimed at developing key directions. The approach included two series of planning and design workshops, adapted for a virtual setting, and a virtual open house which included four surveys and discussion forums, videos, targeted focus groups, presentations, and a variety of promotions to reach a diverse audience. (The Stage Two Engagement Summary Report provides additional details.)
- Stage Three Engagement – Reviews and Revisions (November 2021 to January 2022): This stage involved community review of the draft neighbourhood plans and design guidelines. This stage benefited from the virtual engagement lessons learned in the second stage (incorporating elements like the online and recorded “Ask a Planner” sessions), as well as the opportunity to engage in-person as pandemic-related restrictions lifted. It included an online open house and surveys, three in-person open houses, several pop-ups and community and stakeholder meetings.

Though the process faced challenges, the novel forms of engagement helped to better converse directly with equity seeking populations. Great support from the Working Group, made up of diverse residents, resulted in a robust and equitable process that can inform future engagement efforts. While residents missed some of the benefits of in-person formats, many stakeholders also reported that online and accessible formats allowed them to participate where once they could not, due to time or capacity constraints. See the Village and Corridors Planning Phase 1 Engagement Summary for a more comprehensive summary of the process and themes of what we heard (Attachment A).

Broader Community Issues and Ideas

Local area planning provides the City with an opportunity to have in-depth discussions with community members about how things are working, not working, or could be improved at the local level as we plan for the future. The City learns a lot about what matters and what is desired. However, the products of local area planning (including neighbourhood plans) are not always the best avenue to address what we heard or implement good ideas. Much of what was heard also requires attention beyond the local scale and deserves a citywide perspective.

For example, some concerns may be local in nature (like a desire for curb space near a village to be for short term parking) but deserve a citywide perspective or beget a larger question for a citywide conversation (like, how should we balance parking provision in all areas of the city for economic, public space, and mobility objectives? Or what percent of curb space should be allocated to general stalls, accessible stalls, car share stalls, or loading zones?) and require a citywide implementation approach (City policy and bylaw updates). Similarly, desired improvements to parks may be documented in a local area plan, but depending on the extent of the desired improvement, and available resources, a citywide perspective is required to ensure it can be achieved among other priorities.

The Local Area Planning Issues, Opportunities, and Implementation (Attachment B) supplements neighbourhood plans by highlighting these key issues and ideas that fall beyond the neighbourhood plan scope, or that can be better addressed in other ways. Where possible, the document also identifies existing or potential paths forward.

Proposed Urban Place Designations and Meeting Housing Needs

Capacity for more housing choice was a top concern among residents and, as noted, one of the four key objectives of this process. Beyond clear community desire, the need for more housing that meets a diversity of lifestyles, preferences, and incomes is illustrated in latent demand indicators, growth projections, and the gaps in existing *Official Community Plan* (OCP) Urban Place Designation capacity (see the *2021 Housing Futures* report for more information).

The new neighbourhood plans and associated OCP updates create capacity for this needed and desired housing through the application and expansion of three Urban Place Designations that support multi-family housing forms:

Mixed Residential

A newly proposed designation that envisions multi-unit housing in both ground-oriented forms and low-rise apartment buildings at scales that can potentially accommodate a greater diversity of housing forms and tenures than Traditional Residential while still providing a neighbourly transition to nearby lower density areas. This designation would complement Missing Middle forms by providing transitional opportunities in good locations.

Urban Residential

An existing designation that envisions multi-unit housing in low- to mid-rise apartment forms is proposed to be applied to some areas currently designated Traditional Residential.

Housing Opportunity

A newly proposed designation that envisions multi-unit housing in low- to mid-rise apartment forms, similar to Urban Residential. Scales of development higher than Urban Residential would be considered in this designation where housing affordability and amenity objectives are realized.

The newly proposed designations are detailed in the draft edits to Chapter 6 of the OCP in Attachment I. The locations where these designations are to be applied are illustrated on Map 2 of Chapter 6, as well as in each of the attached neighbourhood plans. Incorporating these designations into the OCP will make them available to consider in other areas of the city as the phased Village and Corridor Planning process proceeds.

Establishing these designations and applying them in local areas supported by the community is a

foundational step towards addressing the city's housing crisis and advancing climate action. The designations are the base for other layers of policy and regulatory tools that, when working together, will help to realize an array of housing objectives.

For example, where once the OCP envisioned limiting choices to ground-oriented housing only, some areas now provide opportunities for diverse multi-unit buildings that could potentially accommodate both rental and homeownership opportunities over the coming decades. The City's rental housing incentives project (underway) and family housing policy (commencing later this year) will then encourage new developments to incorporate housing types and tenures that meet a diversity of needs, as will the proposed Zoning Strategy (outlined later in this report). The establishment of these designations also reduces redevelopment pressure on sites with older purpose-built rental buildings and condominiums (that tend to be more affordable).

The advantage of identifying areas to add housing capacity through local area planning is that, while continuing to think strategically about regional growth management, climate action, and sustainable mobility, the City has the opportunity to better understand local community identity and desires. This understanding and community input triggers other land use, policy, and regulatory changes that help to advance complete, walkable communities, thus reinforcing climate, equity, and sustainable mobility goals. These changes come in the form of expanded villages areas, identified amenity needs, and others, as described in the neighbourhood plan summaries below.

NEIGHBOURHOOD PLAN SUMMARIES

The plans are comprehensive and detailed, but a brief summary of how each plan achieves the overarching objectives, including new housing capacity, and what has changed since the key directions, is provided for convenience. A summary of the new design guidelines and how they have been revised is also provided below. (Note, in the attached plans, policies in red text reflect key updates since the latest round of engagement).

Hillside-Quadra

New capacity for diverse housing opportunities is proposed in several areas throughout Hillside-Quadra. Much of the new housing capacity is proximate to frequent transit routes (along Quadra Street and Hillside Avenue) and close to existing amenities in the neighbourhood (including Topaz Park, Summit Park, the Quadra Village Community Centre, and urban villages). Housing near Quadra Village is also considered within walking distance of downtown and future Rapid Transit on Douglas Street, helping to advance complete, walkable neighbourhoods and further efforts to reduce vehicle emissions.

Since the key directions were first prepared, modifications to proposed land uses were made in a few areas, based on community and stakeholder feedback:

1. Some areas along north Quadra Street were shifted from Housing Opportunity to Urban Residential. This change was in recognition that the original designation likely wouldn't accommodate the envisioned densities within the proposed design parameters, but that the area was still an important location for new housing, given its access to transit, services and amenities. The Housing Opportunity designation was added elsewhere along the Quadra Corridor and near Quadra Village to reflect opportunities for more housing with affordability in these good locations.
2. The Evergreen Terrace Site and the adjacent site at 901 Kings Road (home to the Quadra

Village Community Centre) were shifted to Housing Opportunity. The local area plan identifies these and the adjacent site at 950 Kings Road as a Special Planning Area and sets out comprehensive principles for the sites. This approach signifies the recognition that BC Housing has begun a multi-year process to redevelop Evergreen Terrace and that rather than presupposing densities and built forms that may emerge, the process should be guided by the principles outlined in the Hillside-Quadra Plan. Among these principles is to encourage consideration of community amenities through that process, including the potential to realize the long-standing desire to expand the adjacent Community Centre which serves residents at the Evergreen Terrace site.

3. Sites owned by the Khalsa Diwan Society (KDS) of Victoria near their temple on Blackwood Street were shifted to Urban Residential. The KDS provided information about their goals of serving affordable rental housing needs of the community, including for seniors and Canadian newcomers who often reach out to the KDS for support. Urban design testing showed that, given the slopes of the area, the corner frontages, and the temple itself being the primary neighbour, Urban Residential forms could be suitable for the area, are proximate to services, open space and transit, and would aid in meeting a key housing need.

New housing capacity is complemented near urban villages throughout the neighbourhood, including an expanded village at Tolmie and Quadra, a new small village along Finlayson Street, with flexibility to be opportunistic about the location, and several Community Corners.

The plan also includes policies that support a thoughtful evolution of Quadra Village which seek to maintain its key services, amenities, and cultural assets, as well as the small-footprint, local serving, multicultural businesses. It considers opportunities for new development that could support the provision of amenities and public space, most notably a central plaza and the cultural asset of the Roxy Theatre.

A variety of public space, parks, and community amenity features are identified to complement anticipated growth, including seeking a new park south of Hillside Avenue, as reflected in the proposed amendments to the *Official Community Plan*. New greenway connections and crossing improvements are also proposed that will help connect homes and destinations such as parks, schools, and urban villages.

North Park Plan Summary

Given its proximity to Downtown, much of North Park already had land use designations that could support denser forms of housing. While capacity was added in some key areas proximate to existing and desired frequent transit routes (Bay Street, Quadra Street, and Cook Street), land use changes focused on making room for housing that could serve diverse incomes, including secured and affordable rental homes – a priority for much of the community – in an urban form that would be distinct from the towers of Downtown. Distinguishing North Park from Downtown was a priority for many and is realized primarily through the application of the Housing Opportunity Designation in the southwest portion of the neighbourhood, the implementation of new guidelines, and proposed updates to the *Downtown Core Area Plan* (Attachment F).

The newly identified Quadra Cultural Corridor stretches the length of the neighbourhood and beyond and includes a new Small Urban Village adjacent to Central Park. The village is intended to serve the growing community (including the added housing capacity envisioned along Quadra Street) and add vibrancy adjacent to the park, for a more complete community focal point.

North Park Village remains the central area of activity for the community and policies encourage small and medium-footprint commercial spaces, community-led placemaking and making room for redevelopment that could provide additional gathering space. Newly added policies reflect community feedback that the commercial uses in the village are somewhat homogenous and there is a desire for new uses to locate that can contribute to the community's sense of social cohesion, such as a full-service restaurant or small grocer.

The Urban Place Designation along North Park Street (Industrial-Employment Residential) recognizes the desire to preserve existing light industry and allow new artisan and light industrial uses to locate there, which reflects an important element of the community's identity and creates potential for arts and quality jobs.

The addition of a community park continues to be a priority for the neighbourhood (as previously acknowledged in the *OCP, Downtown Core Area Plan* and *Parks and Open Spaces Master Plan*). Other neighbourhood connections and public space improvement ideas are also documented.

Fernwood Plan Summary

Fernwood is unique in this planning process. Its villages are shared with three other neighbourhoods (two of which are in the next phase of Village and Corridor Planning). The geographic focus of this phase were areas in and near Fernwood Village and along the Bay Street Corridor. Additional areas along and south of Pandora Avenue and in the eastern portions of the neighbourhood will be explored in the next phase of planning, which includes the Fort Street and Shelbourne Street corridors, and updates to the plan would be considered at that time.

For the areas that were explored in this phase, new and diverse housing opportunities were added, both on and off frequent transit corridors. Indeed, the proposed Mixed Residential designation arose from community input that illustrated how desirable the area between Fernwood and North Park Villages is to live, that more opportunities for renters or first-time buyers should exist there, but that the things that make that area desirable should remain intact.

Housing Opportunity areas along Bay Street recognize the potential for high-quality, frequent transit along this corridor, nearby employment, and the need for services in an area where many residents are more than a fifteen-minute walk from a complete village. These directions are presented with an understanding that building forms and provisions (as illustrated in the new design guidelines) could result in "liveable" housing, even along a busy corridor, while improving pedestrian comfort along the corridor. However, opportunities for diverse, multi-unit options off corridors are also proposed for those who prefer multi-unit living on a quieter street.

An expanded Fernwood Village footprint, new villages along the Bay Street Corridor, and new and improved public spaces and neighbourhood connections are intended to support a walkable, low-carbon community today and in the future.

Based on community and stakeholder feedback, including from the Heritage Advisory Panel, stronger policy statements and additional context regarding heritage was added to the Fernwood Plan (as well as to the other two plans). Additional opportunities to advance the City's heritage program are also identified in the Local Area Planning Issues, Opportunities, and Implementation Summary (Attachment B).

Development Permit Area Guidelines

Two sets of design guidelines were developed through this local area planning process. *General Urban Design Guidelines* (2022) (Attachment G) and the *Fernwood Village Guidelines* (2022) (Attachment H). Both guidelines were crafted based on community input from early phases of engagement, as well as lessons learned from the implementation of similar existing guidelines. The General Urban Design Guidelines may be considered for application in other areas of the city in the future. Both sets were a key component of the latest phase of engagement and have since been revised based on community and stakeholder feedback.

General Urban Design Guidelines

The *General Urban Design Guidelines* are an updated version of the existing *Multi-unit Residential, Commercial and Industrial Development Guidelines* and the *Revitalization Guidelines for Corridors Villages and Town Centres*. Updates focused on improved liveability and better coordination with other City objectives such as those related to the urban forest.

Revisions to the *General Urban Design Guidelines* since the latest round of engagement include:

- an expanded Universal Accessible Design section (7.3), incorporating best practices
- an expanded Bird-Friendly Design section (7.5), incorporating best practices
- an added section for Tall Buildings (over 6 storeys or 21m) and Large Sites, recognizing that within these neighbourhoods there are some sites and/or potential for development that may meet these criteria and would require additional guidance (e.g., for building separation and diversity, mitigation of impacts on the public realm, incorporation of open spaces and pedestrian networks where required)
- addition of a context description for the Finlayson at Highview Small Urban Village
- minor revisions to setbacks to:
 - accommodate averaging of setbacks (with a minimum) for more flexible design
 - greater emphasis of underground setbacks to provide soil volumes for trees and landscaping
 - special attention to north side setbacks to mitigate shading
- expanded context considerations (i.e., when considering response to context in the siting, form, and character of a new building, consider not just the context created by surrounding heritage designated or registered buildings, but also the context of other buildings with heritage merit, streetscapes, or concentrations of buildings that provide a sense of place)
- minor changes to achieve a more cohesive design and quality materials
- minor changes or clarification to landscape guidelines to better support plantings and trees, including street trees
- consideration of design features that support light industrial uses on the ground floor where they are permitted (e.g., floor-to-ceiling heights and loading bays).

Fernwood Guidelines (Heritage)

The new *Fernwood Village Design Guidelines* reflect the unique heritage context of the village and the desire for new development, or modifications to existing buildings, to reflect and respect that context. Revisions since the latest round of engagement include the addition of a Universal Accessible Design section (5.6), incorporating best practices.

PLAN IMPLEMENTATION

Several steps are required to begin to implement the neighbourhood plans and design guidelines, including policy and regulatory updates as described below.

Official Community Plan Amendments and Downtown Core Area Plan Updates

Amendments to the *Official Community Plan* are required, as outlined in Attachment I and as summarized below.

- Amendments are required to Section 6 (Land Management), specifically related to the Urban Place Designations, including:
 - To incorporate the new Urban Place Designations described earlier in this report – Mixed Residential and Housing Opportunity (if incorporated as suggested, designations could be explored for use in future local area planning and OCP amendment applications elsewhere in the city).
 - To update Map 2 to apply existing and proposed designations to areas identified in the neighbourhood plans.
 - To incorporate a policy that would allow consideration of heights and densities above those envisioned in the Urban Place Guidelines (OCP Figure 8) where the site or area is providing primarily non-market housing or other substantial community benefit and is supported by City policy and design guidance. This policy emerged through the resounding desire for more affordability in new development in these three areas, and given the scope of engagement, who we heard from, and the previous Council motion of similar direction, this proposed policy is drafted to be applied citywide. Opportunities to refine it and continue to explore nuances may continue through the OCP Updates Project.
- Amendments are required to Appendix A (Development Permit Areas and Heritage Conservation Areas) to apply the new design guidelines as follows:
 - The revised *Fernwood Village Guidelines* would apply to the proposed boundaries of Fernwood Village Small Urban Village.
 - The *General Urban Design Guidelines* would apply to all areas of Fernwood, North Park, and Hillside-Quadra where development of three units or more is proposed, except areas where other guidelines apply. Areas where other guidelines apply now or in future would include Fernwood Village (see above), parts of North Park west of Quadra Street or along Pandora Avenue (where the *Downtown Core Area Plan Guidelines* would continue to apply), or areas that may be subject to DPA 15 for intensive residential uses (including the proposed *Missing Middle DPA*).
 - In North Park, amendments would reduce the area of DPA 3(HC) - *Core Mixed Use Residential* and create a new DPA 17 (HC) - *North Park Village Area*, extending from Quadra Street to the east edge of North Park Village. This new DPA would use the proposed *General Urban Design Guidelines* and would retain and extend the Heritage Conservation Area provisions of DPA 3 (HC), thereby requiring alterations of buildings that are designated, on the Heritage Register, or subject to a covenant for heritage conservation to receive a Heritage Alteration Permit (the newly added area includes only one building on the Heritage Register).

- Amendments are required to Section 9 (Parks and Recreation) to incorporate the need for an additional park in the Hillside-Quadra neighbourhood, south of Hillside Avenue.
- Amendments are required to Section 14 (Economy) to reflect the new and expanded Urban Villages.
- Finally, amendments to Section 21 (Neighbourhood Directions) are required for the sections on Fernwood, North Park, and Hillside-Quadra to align these directions with the proposed local area plans.

Updates to the *Downtown Core Area Plan* (Attachment F) are required to reflect the new North Park Plan, including updates to provisions in the Mixed Residential District, the Density Bonus Framework, and other cross references to the North Park Plan.

Inclusionary Housing and Community Amenity Policy Updates

The newly proposed Urban Place Designations (Housing Opportunity and Mixed Residential) were developed with the intent to meet the city's diverse housing needs, as described in the *2021 Housing Futures* report. Local area planning engagement reconfirmed the community's strong desire to ensure new units can meet the needs of diverse households, including a range of incomes, lifestyles, and preferences.

The proposed neighbourhood plans and OCP amendments provide the framework – the foundation – for meeting these needs. Other layers of policy, like the *Inclusionary Housing and Community Amenity Policy, 2019* (IHCAP), and ongoing implementation of the *Victoria Housing Strategy* will ensure this foundation advances an emphasis on rental housing, family housing, and affordability.

To implement the plans, and continue to advance housing objectives through them, updates to the IHCAP are required. Updates should reflect the intent of the designations as described in the local area plans and OCP, as summarized in the table below. Staff are seeking direction to incorporate these updates as part of the planned three-year review in 2022. Until the IHCAP is updated, the table below can also be used as general guidance for development proposals in the new designations.

Housing Opportunity	
Scale	Targeted Contribution
For developments up to 1.2:1 FSR	<ul style="list-style-type: none"> • For secured rental projects: Exempt from additional contribution. • For strata projects: Contributions equal to or greater than existing Level 'A' Bonus for Urban Residential.
For developments up to 2.0:1 FSR	<ul style="list-style-type: none"> • For secured rental projects: Exempt from additional contribution. • For strata projects: Contributions equal to or greater than Level 'B' Bonus for Urban Residential.
For developments up to 2.5:1 FSR	<ul style="list-style-type: none"> • For secured rental projects: On-site or cash-in-lieu affordable housing contributions as determined based on further economic analysis. • Strata not considered.

Mixed Residential	
Scale	Targeted Contribution
For developments up to 1.6:1 FSR	<ul style="list-style-type: none"> For secured rental projects: Exempt from additional contribution. For strata projects: Contributions equal to or greater than existing Level 'A' Bonus for Urban Residential.

Zoning Update Strategy

Based on the community's resounding desire to advance housing affordability and livability, and the City's expressed objectives in the *Victoria Housing Strategy*, additional regulatory updates are recommended, including, updates to the City's Zoning Regulation Bylaw as described below:

1. City-initiated zoning for residential rental tenure in certain areas to create an incentive for rental housing development where it is desired (and would serve as a pilot to implement the related action in the *Victoria Housing Strategy*).
2. The creation of "destination" zones for multi-unit housing at different densities, meant to better guide future rezoning applications toward developments that are aligned with the policies in the new local area plans and design guidelines.

The parameters for the destination zone and the approach to Residential Rental Tenure Zoning (RRTZ) implementation are summarized in Attachment J.

Rental Tenure Zoning

City-initiated zoning for rental tenure is proposed in areas identified through this phase of local area planning as desirable locations to live and good locations to accommodate growth and change. The proposal advances key objectives in the *Victoria Housing Strategy* at the local level, based on public input and analysis (see Attachment J).

The proposed City-initiated zoning in select areas would allow for what exists on a property today (including homeownership) but would provide further density and height entitlements to redevelop the property to a scale envisioned in the local area plan and OCP, on appropriately sized sites, if developed as purpose-built rental housing. Redevelopment above existing entitlements for any other tenure (strata) would require a rezoning application (like most properties throughout the city today) and would allow for consideration of other public benefits.

Several options for City-initiated rental tenure zoning areas are outlined in Attachment J, based on an established set of objectives and risks. The options focus on areas that can accommodate new rental housing (rather than sites with existing purpose-built rental) to increase supply and options for renters, while minimizing risk of displacement. The options also reflect the strongly articulated community desire to encourage rental opportunities both on and off transit corridors.

Staff recommend advancing Option 3 in Attachment J: A hybrid of areas along frequent transit corridors (which would reinforce sustainable mobility objectives and balance the housing and transportation cost burden for renters) and areas off corridors, but proximate to villages and amenities (where renters indicated they would like to see additional opportunities). Parameters for

this zone are also provided in Attachment J, as well as additional criteria for site-specific selection.

Development of multi-unit housing on sites with a City-initiated residential rental tenure zone would still be subject to design guidelines and require a Development Permit to be approved by Council. The updated *General Urban Design Guidelines* together with proposed provisions in rental tenure zone seek to support neighbourliness and livability in siting, form, and character of new development.

Destination Zones

The development of “destination” zones is proposed as part of local area plan implementation. These zones would not be applied to specific sites. Rather, they would serve as “destinations” or guidance for future re-zoning applications from property owners. Destination zones are intended to reinforce the desire for neighbourliness and livability which emerged as priority concerns during engagement and urban design testing.

The proposed destination zone parameters reflect desired characteristics of multi-family development related to site planning, setbacks, heights and densities, landscape, and tree protection, among others (see Attachment J for details).

OPTIONS & IMPACTS

Accessibility Impact Statement

The City's Accessibility and Inclusion Policy as well as goals in the Accessibility Framework have been considered in this local area planning processes and informed final products and outcomes.

Barrier-free access and universal design features for building interiors are primarily regulated through the BC Building Code, rather than plan policy or design guidelines which focus on (exterior) building form and character as described in the Local Government Act. However, other documents such as the Master Municipal Construction Document (MMCD) Specifications, Accessible Design for the Built Environment Standards (CSA B651-19), along with the *General Urban Design Guidelines* collectively provide strategic direction to enhance the universal accessible design of outdoor and landscaped common areas, building exteriors, and the surrounding public realm, improving levels of accessibility for people with disabilities.

Further considerations for universal access are expected to be considered in future and City-wide initiatives, through an action in the *Victoria Housing Strategy*.

2019 – 2022 Strategic Plan

The approval of the three neighbourhood plans advances the action in Objective 8: Strong, Liveable Neighbourhoods to develop local area plans. The approval and implementation steps generally support the objective with long-term plans for complete, liveable neighbourhoods.

The neighbourhood plans, *Official Community Plan* amendments, and implementation steps (specifically, the proposed zoning strategy and updates to the *Inclusionary Housing and Community Amenity Policy*) advance various actions in Objective 3: Affordable Housing, notably implementation of rental only zoning.

The neighbourhood plans further support Objective 4: Prosperity and Economic Inclusion, specifically through land use and other policy statements that supports arts, culture and innovation spaces.

The proposed *General Urban Design Guidelines* as well as general policies in the neighbourhood plans support Objective 6: Climate Leadership and Environmental Stewardship by encouraging additional, high-quality space (through underground setbacks) for tree planting and ensuring space for tree planting on private property. The outcomes further support the implementation of the *Climate Leadership Plan* through a land use framework that supports climate action.

Impacts to Financial Plan

The proposed neighbourhood plans, bylaw amendments, and implementation steps will not have any impacts to the Financial Plan.

Official Community Plan Consistency Statement

Each of the three neighbourhood plans advances *Official Community Plan* objectives, notably Section 20: Local Area Planning, which envisions a range of local area plans, with a focus on corridors, villages and areas expected to undergo growth and change.

The proposed amendments to the *Official Community Plan* are consistent with the plan's Adaptive Management Framework (Section 22) and reinforce several other goals in the plan related to climate, housing, and transportation, as well as the broader Growth Management Framework in Section 3.

CONCLUSIONS

The third round of engagement for the first phase of Village and Corridor Planning (Fernwood, North Park, and Hillside-Quadra) is complete. The community had an opportunity to provide feedback on the three draft neighbourhood plans and newly proposed design guidelines. These products were the result of a two-year process of robust, diverse engagement and analysis, and revisions have been made based on the latest round of public input.

The revised plans and guidelines are now presented for Council consideration. Staff are seeking direction to advance consideration of the plans at a public hearing together with the associated *Official Community Plan* amendments. These amendments are required to implement the neighbourhood plan directions, to advance housing affordability and climate action, and, more specifically, to add two new Urban Place Designations that would then be available for consideration in future local area planning processes to make room for more housing in all neighbourhoods.

Staff are also seeking direction to amend the Zoning Regulation Bylaw to advance key objectives arising from the planning process, as well as directions in the *Victoria Housing Strategy* (including advancement of residential rental tenure zoning). Finally, staff are seeking direction to update the *Inclusionary Housing and Community Policy* to incorporate the intent of the newly proposed Urban Place Designations.

A diverse range of opinions and interests were heard during this extensive planning and engagement process. The resulting plans and implementation measures balance different interests, seek to advance equity and diversity, and address key community goals related to housing, mobility, public space, and climate action. They complement city-wide plans, strategies, and actions, as well as the actions of other levels of governments and community organizations to support a more equitable, sustainable, and liveable city.

Respectfully submitted,

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Report accepted and recommended by the City Manager

List of Attachments

- Attachment A: Village and Corridor Planning Phase 1 Engagement Summary
- Attachment B: Local Area Planning Issues, Opportunities, and Implementation Summary
- Attachment C: Fernwood Neighbourhood Plan (2022)
- Attachment D: Hillside-Quadra Neighbourhood Plan (2022)
- Attachment E: North Park Neighbourhood Plan (2022)
- Attachment F: Anticipated updates to the Downtown Core Area Plan
- Attachment G: General Urban Design Guidelines (2022)
- Attachment H: Fernwood Village Guidelines (2022)
- Attachment I: Draft edits to the *Official Community Plan*
- Attachment J: Zoning Strategy for City-initiated Rental Tenure Zoning and Destination Zones