



Committee of the Whole Report For the Meeting of June 23, 2022

To: Committee of the Whole **Date:** June 9, 2022

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

Subject: **Rezoning Application No. 00801 for 225 Russell Street and associated Official Community Plan Amendment and Development Permit with Variances Application No. 00189**

RECOMMENDATION

Rezoning Application

That Council instruct staff to prepare the necessary Official Community Plan Amendment Bylaw in accordance with Section 475 of the *Local Government Act* and the necessary Zoning Regulation Bylaw Amendment that would authorize the proposed development outlined in Rezoning Application No. 00801 for 225 Russell Street, that first and second reading of the Zoning Regulation Bylaw Amendment be considered by Council and a public hearing date be set once the following conditions are met:

1. Revised plans addressing the following:
 - a. Demonstrate the long-term bicycle stalls comply with *Schedule C*.
 - b. Soften the effect of the fence.
 - c. Address technical comments from the Department of Engineering and Public Works, as sent to the applicant on June 9, 2022.
2. Preparation of legal agreements executed by the applicant to secure the following with the form and contents to the satisfaction of the Director of Sustainable Planning and Community Development and the City Solicitor:
 - a. Secure the building to be used for supportive housing and its accessory support services for 60 years or the life of the building, whichever is greater.
 - b. Secure a minimum of four accessible dwelling units.
3. Preparation of legal agreements executed by the applicant to secure the following with the form and contents to the satisfaction of the Director of Engineering and Public Works and the City Solicitor:
 - a. Secure a Statutory Right-of-Way for access to the fire water service.
4. That Council consider who is affected by the proposed changes to the *Official Community Plan* and determine that those within a 200m radius of the subject property will be affected.

5. That Council provide an opportunity for consultation pursuant to section 475 of the *Local Government Act*, and direct the Director of Sustainable Planning and Community Development to:
 - a. mail a notice of the proposed OCP Amendment to the persons within a 200m radius of the subject property;
 - b. post a notice on the City's website inviting affected persons, organizations and authorities to ask questions of staff and provide written or verbal comments to Council for their consideration.
6. That Council consider that no consultation is necessary with the Capital Regional District Board; Councils of Oak Bay, Esquimalt and Saanich; the Songhees and Esquimalt First Nations; the School District Board; or the provincial or federal governments or their agencies because the proposed OCP amendment does not affect them.
7. That Council advance this matter for ratification at the June 23, 2022 daytime Council meeting.

Development Permit with Variance Application

That Council, after giving notice and allowing an opportunity for public comment at a meeting of Council, and after the Public Hearing for Rezoning Application No. 00801, if it is approved, consider the following motion:

"That Council authorize the issuance of Development Permit with Variances Application No. 00189 for 225 Russell Street, in accordance with:

1. Plans date stamped April 13, 2022.
2. Development meeting all *Zoning Regulation Bylaw* requirements, except for the following variances:
 - i. reduce the rear yard setback from 3.0m to 0.17m;
 - ii. reduce the north side yard setback from 3.0m to 0.1m;
 - iii. reduce the south side yard setback from 3.0m to 0.05m;
 - iv. increase the site coverage from 40% to 57.5%;
 - v. reduce the open site space from 50% to 11%;
 - vi. reduce the vehicle parking from 12 stalls to 6 stalls;
 - vii. increase the fence height from 1.2m to 1.5m.
3. That the Development Permit, if issued, lapses in two years from the date of this resolution."

LEGISLATIVE AUTHORITY

This report discusses a Rezoning Application, Official Community Plan Amendment and a concurrent Development Permit with Variances Application. Relevant rezoning considerations include the proposal to add supportive housing and supporting uses as new uses while the relevant Development Permit with Variances considerations relate to:

- the application's consistency with design guidelines
- the impact of variances.

Enabling Legislation

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

In accordance with Section 483 of the *Local Government Act*, Council may enter into a Housing Agreement which may include terms agreed to by the owner regarding the occupancy of the housing units and provided such agreement does not vary the use of the density of the land from that permitted under the zoning bylaw.

In accordance with Section 489 of the *Local Government Act*, Council may issue a Development Permit in accordance with the applicable guidelines specified in the *Community Plan*. A Development Permit may vary or supplement the Zoning Regulation Bylaw but may not vary the use or density of the land from that specified in the Bylaw.

Pursuant to Section 491 of the *Local Government Act*, where the purpose of the designation is the establishment of objectives for the form and character of commercial, industrial or multi-family residential development, a Development Permit may include requirements respecting the character of the development including landscaping, and the siting, form, exterior design and finish of buildings and other structures.

EXECUTIVE SUMMARY

The purpose of this report is to present Council with information, analysis and recommendations for a Rezoning Application, Official Community Plan Amendment and Development Permit with Variances Application for the property located at 225 Russell Street. The proposal is to rezone from the M-1 Zone, Limited Light Industrial District to a new zone in order to allow supportive housing and accessory uses at this location. There is a concurrent Development Permit with Variances Application pertaining to the proposed form, character, exterior design, finishes and landscaping and variances related to setbacks, site coverage, open space, vehicle parking, visitor vehicle parking and long-term bicycle parking.

The following points were considered in assessing the Official Community Plan (OCP) Amendment and Rezoning Applications:

- The proposal to add residential uses without a commercial or industrial component is inconsistent with the OCP and would require an Official Community Plan Amendment. However, this proposal is supportable as the supportive housing units are being secured in perpetuity and the neighbouring properties to the south, east and west also do not have a commercial or industrial component.
- The proposal is inconsistent with the General Employment with Limited Residential designation within the *Victoria West Neighbourhood Plan*. However, this Plan also identifies on-site non-market housing as a priority for neighbourhood improvement to support a diverse, sustainable and equitable neighbourhood.

The following points were considered in assessing the Development Permit with Variances:

- The proposal is generally consistent with the applicable design guidelines through its reuse of the existing warehouse structure and annex, which is a unique approach and

well-considered architectural approach that reflects the former industrial use of the property.

- The variances to the setbacks, open site space and site coverage requirements are considered supportable as the footprint of the building will remain unchanged due to the reuse of the exterior structures.
- The variance to the vehicle parking regulations is considered supportable as the use is not expected to generate a large parking demand and the additional long-term bicycle parking will help offset vehicle trips.

BACKGROUND

Description of Proposal

The proposal is to rezone from the M-1 Zone, Limited Light Industrial District, to a new zone to allow supportive housing and accessory uses at this location.

The proposed reuse of the existing building introduces site constraints that are best dealt with through variances. This is to ensure that, should the building be demolished in the future, any new proposals must meet the setbacks or request variances from the *Zoning Bylaw* while demonstrating that the impact on the public realm and neighbouring properties is minimal. Therefore, the proposed building would require variances to the setbacks, site coverage, open site space, vehicle parking requirements and long-term bicycle parking.

The request to amend the *Official Community Plan, 2012 (OCP)* is necessary to allow a residential use without a ground floor commercial or industrial component.

The associated Development Permit with Variances is to renovate and convert the existing warehouse building to a multi-unit residential building with approximately 40 self-contained supportive housing units. Specific details include:

- reuse and conversion of the existing warehouse walls and steel structure to create an open framework around the supportive units
- renovation of the existing annex building for offices, counselling rooms, a lounge, a staff room and three supportive units
- amenity space in the form of interior lounges and outdoor seating with garden beds to the south of the annex
- surface parking accessed off Russell Street.

Exterior materials include:

- stucco on the existing annex and warehouse walls
- reclaimed wood siding on the walls of the interior supportive units
- standing seam metal roof
- aluminum railing with glazing on the interior catwalk.

Landscaping elements include:

- extensive planting including new trees along the Russell Street frontage
- Ginkgo trees planted within the interior warehouse walls
- vertical fern garden on the south wall, with planters for ferns and perennials and space for Virginia creeper vines

- birdhouses and habitat on the north wall with space for climbing hydrangea vines
- wood perimeter fence
- amenity space with broken slab paving, raised garden beds, an accessible picnic table and various seating available.

The proposed variances are to:

- reduce the rear yard setback from 3.0m to 0.17m
- reduce the north side yard setback from 3.0m to 0.1m
- reduce the south side yard setback from 3.0m to 0.05m
- increase the site coverage from 40% to 57.5%
- reduce the open site space from 50% to 11%
- reduce the vehicle parking from 12 stalls to 6 stalls
- increase the fence height from 1.2m to 1.5m.

Land Use Context

The area is characterized by industrial uses to the north and east and residential uses to the south and across the street to the west. A current rezoning application to the north, proposes to slightly intensify the industrial uses at 235 Russell Street and 247 Russell Street.



Existing Site Development and Development Potential

The site and existing buildings are presently used for transitional housing under the provincial government's powers to exempt themselves from local zoning bylaws. Under the current M-1 Zone, Limited Light Industrial District, the properties could be developed for a variety of light industrial uses with a density of 3.0 floor space ratio and heights up to 15m.

Data Table

The following data table compares the proposal with the existing M-1 Zone and the URMD Zone, Urban Residential Multiple Dwelling District, which is the standard zone for multi-residential developments with the Urban Residential urban place designation. An asterisk is used to identify where the proposal does not meet the requirements of the URMD Zone.

Zoning Criteria	Proposal	Existing M-1 Zone	Zone Standard URMD Zone
Site area (m ²) – minimum	1337	N/A	1840
Unit size (m ²) – minimum	14	N/A	N/A
Density (Floor Space Ratio) – maximum	0.71	3.0	2.0
Total floor area (m ²) – maximum	943	4011	2674
Lot width (m) – minimum	36.57	N/A	N/A
Height (m) – maximum	9.5	15	18.5
Storeys – maximum	3	N/A	6
Site coverage (%) – maximum	57.5*	N/A	40
Open site space (%) – minimum	11*	N/A	50
Setbacks (m) – minimum			
Front (Russell Street)	6.4	0	4.0
Rear (east)	0.17*	3.0 or 0	10.0
Side (north)	0.1*	3.0 or 0	6.0
Side (south)	0.05*	3.0	6.0
Parking – minimum	6*	12	12
Short term bicycle parking stalls – minimum	6	5	5

Zoning Criteria	Proposal	Existing M-1 Zone	Zone Standard URMD Zone
Long term bicycle parking stalls – minimum	26	1	1

Active Transportation

The application proposes 26 long-term bicycle stalls and six short-term bicycle stalls which support active transportation.

Public Realm

No public realm improvements beyond City standard requirements are proposed in association with this application.

Relevant History

BC Housing has been using the site for a 50-bed shelter throughout the Covid-19 pandemic. This was achieved through the provincial powers, which allows the provincial government to exempt themselves from local zoning bylaws.

Community Consultation

Consistent with the *Community Association Land Use Committee (CALUC) Procedures for Processing Rezoning and Variance Applications*, the application was posted on the Development Tracker along with an invitation to complete a comment form on October 4, 2021. Mailed notification was sent to owners and occupiers of property within 200m of the subject property advising that a consultation process was taking place and that information could be obtained and feedback provided through the Development Tracker. A sign was also posted on site, to notify those passing by of this consultative phase. Additionally, the applicant participated in a meeting with the CALUC on August 19, 2021. At the time of writing this report, a letter from the CALUC had not been received.

The comment forms and additional correspondence have been attached to this report. In general, residents are concerned that the supportive housing will cause disturbances in the immediate area, and that Victoria West has a disproportionate amount of subsidized housing to the rest of Victoria.

The applicant has also participated in several meetings with immediate neighbours and has worked to address concerns, including improving the landscaping to address noise concerns.

The associated application proposes variances, therefore, in accordance with the City's *Land Use Procedures Bylaw*, it requires notice, sign posting and a meeting of Council to consider the variances. The OCP Amendment also requires consideration of further consultation, which is discussed below.

ANALYSIS

Official Community Plan (OCP) Amendment Application

The proposal includes a request to amend the OCP to allow for standalone residential uses without a ground-floor commercial or industrial component.

OCP Consultation

The *Local Government Act* (LGA) Section 475 requires a Council to provide one or more opportunities it considers appropriate for consultation with persons, organizations and authorities it considers will be affected by an amendment to the OCP. Consistent with Section 475 of the LGA, Council must further consider whether consultation should be early and ongoing. This statutory obligation is in addition to the public hearing requirements. In this instance, staff recommend for Council's consideration that notifying owners and occupiers of land located within 200 metres of the subject site along with posting a notice on the City's website will provide adequate opportunities for consultation with those affected.

The OCP Amendment Application to change the Urban Place Designation from Employment-Residential to Urban Residential will allow the residential uses without a ground-floor commercial or industrial component. Through the CALUC Meeting process all owners and occupiers within a 200m radius of the site were notified and invited to comment on the proposal, and the applicant has had ongoing consultation with immediate neighbours including hosting meetings with the CALUC. Therefore, the consultation proposed at this stage in the process is recommended as adequate and consultation with specific authorities, under Section 475 of the LGA, is not recommended as necessary.

Should Council support the OCP Amendment, Council is required to consider consultation with the Capital Regional District Board; Councils of Oak Bay, Esquimalt and Saanich; the Songhees and Esquimalt First Nations; the School District Board and the provincial government and its agencies. However, further consultation is not recommended as necessary for this amendment to the Urban Place Designation as this matter can be considered under policies in the OCP.

Council is also required to consider OCP amendments in relation to the City's *Financial Plan* and the *Capital Regional District Liquid Waste Management Plan* and the *Capital District Solid Waste Management Plan*. This proposal will have no impact on any of these plans.

Rezoning Application

Official Community Plan

The *Official Community Plan* (OCP) Urban Place Designation for the subject property is Employment-Residential, which envisions residential uses only when there is an employment component such as industrial or commercial. Therefore, an OCP amendment to the Urban Residential designation is required, which is considered supportable as the proposal provides valuable supportive housing and the general residential use would provide a transition to the Urban Residential designated properties to the west and the Traditional Residential properties to the south and east.

The proposed building meets the broad objectives of the OCP, particularly around housing and homelessness, as it provides new supportive housing for people experiencing homelessness, reuses an existing structure in an architecturally interesting way, promotes community well-being

through incorporating supportive services to its residents and has extensive landscaping that includes wildlife habitats. However, the proposal would also result in the loss of industrial land, which often provides valuable jobs for residents.

Victoria West Neighbourhood Plan

The *Victoria West Neighbourhood Plan* designates the subject property General Employment with Limited Residential. The *Plan* supports employment uses including light industrial and encourages flexibility in the design of buildings to accommodate a range of uses. The proposal is inconsistent with the General Employment with Limited Residential designation, as it lacks a commercial or industrial component. However, the *Plan* also notes on-site non-market housing as a priority to support a diverse, sustainable and equitable neighbourhood.

Inclusionary Housing and Community Amenity Contribution Policy

The proposal is for a supportive housing project with BC Housing, which will be secured through a legal agreement. However, due to the need for an OCP Amendment, this application is considered an “atypical rezoning” under the *Inclusionary Housing and Community Amenity Contribution Policy*. Therefore, a third-party economic analysis would normally be requested to determine if there is a land lift. In this instance, staff believe that no land lift would be generated and therefore an economic analysis was not requested.

Housing

The application, if approved, would add approximately 40 new supportive housing units, which would increase the overall supply of housing in the area and contribute to the targets set out in the *Victoria Housing Strategy*.

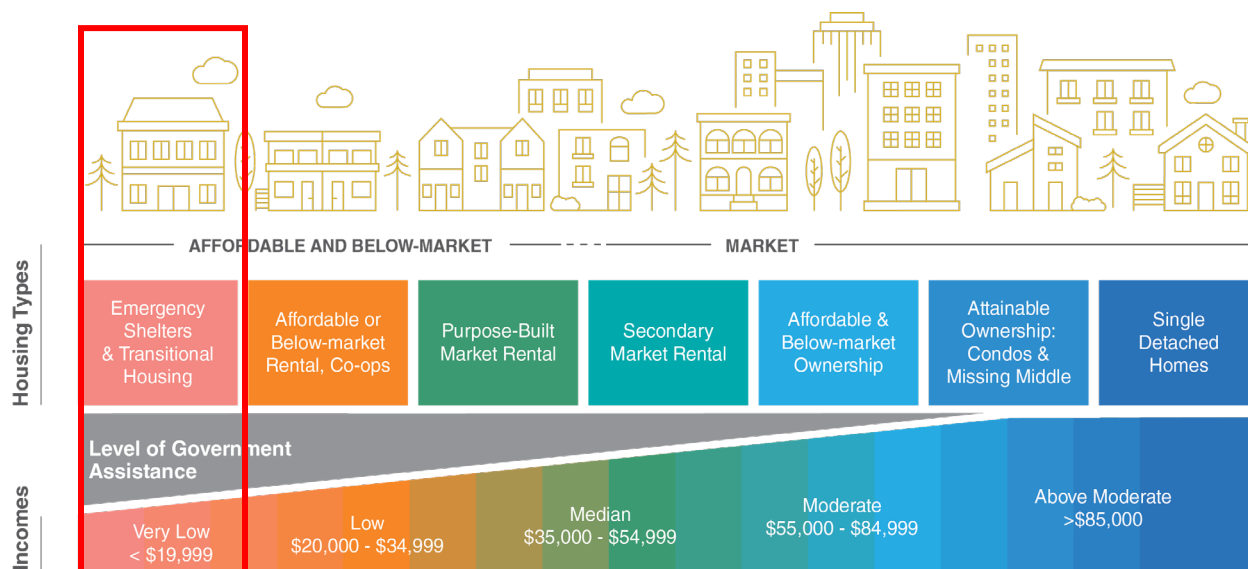


Figure 1. Housing Continuum

Affordability Targets

The 40 supportive housing units would be provided to residents at shelter rates, which helps the City achieve its housing target of 700 new affordable units for people with very low incomes by 2024.

Housing Mix

At present there is no policy that provides targets regarding housing mix and unit type is not regulated or secured. However, the OCP identifies a mix of units as an objective and identifies the need for a diverse range of housing units. As submitted, this application proposes 40 self-contained supportive housing units, which includes four accessible units.

Security of Tenure

A Housing Agreement is being proposed which would secure the supportive units and support services.

Existing Tenants

The proposal is to renovate an existing industrial building that is currently being used as an emergency shelter. Shelter beds are not considered rental units and would not fall under the *Tenant Assistance Policy*. However, the applicant has provided the following information to staff regarding the tenants:

The BC Housing Coordinated Access and Assessment (BCH CAA) team will ensure the operator has applications and Vulnerability Assessment Tool (VAT) assessments on file, and will work with individual tenants to find the best fit to transition to, prior to vacating the existing building. There are several supportive housing projects currently under construction and will provide a “stock” of supportive housing units to draw from to meet each resident’s needs. All costs associated with moving the residents and finding appropriate housing will be coordinated and paid for by BCH CAA.

Statutory Right-of-Way and Sidewalk Alignment

Staff requested a Statutory Right-of-Way (SRW) of 1.7m off Russell Street to help fulfill Council-approved *Official Community Plan* objectives such as accessible sidewalks and boulevards which support the long-term viability of street trees. However, the property owners have indicated that they are not willing to provide the SRW at this time but would consider it in the future should a full redevelopment of the property occur.

Russell Street does not meet the City’s standard right-of-way width for local roads and an alternate cross section was developed to ensure an accessible sidewalk can be installed on Russell Street. This approach will narrow the roadway to accommodate a wider curb-side sidewalk consistently along 225, 235 and 247 Russell Street. The City will complete the remaining section of sidewalk in front of the Ormond’s Biscuit Factory building as development takes place and City priorities allow. The accommodation of street trees on Russell Street without the SRW would result in the loss of street parking adjacent these industrial properties, which would further increase parking pressures in this mixed zoned area and is not recommended.

Development Permit with Variances Application

Official Community Plan: Design Guidelines

The *Official Community Plan, 2012* (OCP) identifies this property within Development Permit Area 13: Core Songhees. Applicable design guidelines include the *Advisory Design Guidelines for Buildings, Signs and Awnings* (1981), *Guidelines for Fences, Gates and Shutters* (2010) and *Policy Plan and Design Guidelines for the Songhees Area of Victoria West* (2008). The DPA seeks to:

- continue to revitalize former rail yards and heavy industrial sites into areas of commercial use to increase vibrancy and strengthen commercial viability
- achieve a high quality of architecture, landscape and urban design that is unique to the Songhees peninsula and its special places, reflecting its former industrial uses and geographic features
- acknowledge the geographic context of the Songhees peninsula through building forms that are generally lower near the shoreline and gradually rise in height to correspond with the rise in topography.

The proposal is inconsistent with strengthening the commercial viability of the area as it lacks an industrial or commercial component. However, reuse of the existing warehouse structure and annex is a unique approach of high architectural quality to reflect the former industrial use of the property.

The *Victoria West Neighbourhood Plan* supports employment uses including light industrial and encourages flexibility in design of buildings to accommodate a range of uses. At-grade space should be designed to accommodate a variety of uses. Relevant design guidelines include:

- design buildings to reduce residential overlook of loading, storage or working areas and minimize impacts on residential uses
- avoid blank walls adjacent to the street
- ensure sensitive transition to lower-density residential
- ensure the height is designed to frame the street and provide definition and enclosure.

The proposed landscaping is an improvement over existing conditions and would better transition the property to the residential uses to the south and across the street. In addition, the vertical fern garden would soften the south façade and avoid a blank wall adjacent to the residential uses.

Variances

Setbacks, Open Site Space and Site Coverage

The proposal would require variances to:

- reduce the rear yard setback from 3.0m to 0.17m
- reduce the north side yard setback from 3.0m to 0.1m
- reduce the south side yard setback from 3.0m to 0.05m
- increase the site coverage from 40% to 57.5%
- reduce the open site space from 50% to 11%.

The proposed reuse of the existing building introduces the above site constraints that are best dealt with through variances. This is to ensure that, should the building be demolished in the

future, any new proposals must meet the zoning or request variances from Council while demonstrating that the impact on the public realm and neighbouring properties is minimal. Therefore, these variances are considered supportable as they are essentially existing conditions, and any new structures would be required to comply with the zone.

Parking

A variance is requested to reduce the vehicle parking from 12 stalls to six stalls. There is minimal room for surface parking on the property due to the reuse of the existing structures and the extensive landscaping. As such, only six stalls can be accommodated while still complying with the spacing requirements in *Schedule C*. The applicant submitted a parking study that supports the number of stalls with the additional provision of long-term bicycle stalls and 12 bicycles provided to residents.

Fence Height

A variance is requested to increase the height of the fence in the front yard from 1.2m to 1.5m. The rationale from the applicant is the fence will act as a form of noise attenuation and is in response to residents' concerns. However, staff and Advisory Design Panel believe more can be done to soften the impact of the fence, and as such the recommended motion has wording that would allow the applicant and staff to work on the fence design prior to a public hearing.

Accessibility

The proposal features four fully accessible units to contribute to barrier free housing, which would be secured with a legal agreement. Furthermore, the main floor is fully accessible with wheelchair access is provided throughout. Finally, the applicant has indicated the laundry room will include side-by-side front loading washer and dryer for accessible use, with counters that comply to the accessibility standards in the BC Building Accessibility Handbook.

Sustainability

The applicant proposes to reuse much of the existing building, which would reduce construction waste.

Advisory Design Panel Review

The Advisory Design Panel (ADP) reviewed this application on June 8, 2022. As such, minutes from the meeting were not available at the time of writing this report. The ADP was asked to comment on the liveability of the units, fence design and approach to landscaping. The draft ADP motion was as follows:

That Development Permit with Variance Application No. 00189 for 225 Russell Street be approved with the following changes:

- *Further consideration to a lift for accessibility*
- *Further consideration to provide more secure bicycle parking*
- *Further consideration to stepping the fence back from the sidewalk to allow for additional landscaping in front.*

Staff will provide a verbal update at the Committee of the Whole meeting on how the applicant plans to address the comments from the ADP.

Tree Preservation Bylaw and Urban Forest Master Plan

The goals of the *Urban Forest Master Plan* include protecting, enhancing, and expanding Victoria's urban forest and optimizing community benefits from the urban forest in all neighbourhoods. This application falls under Tree Protection Bylaw No. 21-035.

There are no bylaw-protected trees on the subject lot. Two bylaw-protected trees and a bylaw-protected hedge composed of Western red cedar trees have been inventoried on the adjacent lot at 217-219 Russell Street and mitigation measures are proposed to retain all off-site trees.

Seven replacement trees are required to meet the tree minimum outlined in the *Tree Protection Bylaw*. Four replacement trees, including two small canopy trees at maturity, are proposed along Russell Street. Five new trees are proposed within the exterior frame of the building. These trees do not meet the siting requirements in the bylaw and may not be counted towards the tree minimum. Under the current proposal, the applicant would be required to pay \$8,000 cash-in-lieu towards the City's Tree Reserve Fund (\$2,000 X 4 trees not planted).

Tree Impact Summary Table

Tree Status	Total # of Trees	To be REMOVED	To be PLANTED	NET CHANGE
On-site trees, bylaw-protected	0	0	4	+4
On-site trees, not bylaw-protected	5	5	5	0
Municipal trees	0	0	0	0
Neighbouring trees and hedge, bylaw-protected	3	0	0	0
Neighbouring trees, not bylaw-protected	1	0	0	0
Total	9	5	9	+4

CONCLUSIONS

The proposal to amend the OCP from Employment-Residential to Urban Residential would help achieve numerous OCP objectives such as provision of affordable housing, community wellbeing and quality urban design. In addition, the proposed development is generally consistent with the relevant Design Guidelines, vastly improves the landscaping and positively contributes to the streetscape through an interesting form of adaptive reuse of the warehouse building. Therefore, staff recommend that Council consider supporting the OCP Amendment, Rezoning and Development Permit with Variances Applications.

ALTERNATE MOTION

That Council decline Rezoning Application No. 00801 for the property located at 225 Russell Street.

Respectfully submitted,

Mike Angrove
Senior Planner – Development Agreements
Development Services Division

Karen Hoese, Director
Sustainable Planning and Community
Development Department

Report accepted and recommended by the City Manager.

List of Attachments

- Attachment A: Subject Map
- Attachment B: Plans date stamped April 13, 2022
- Attachment C: Letter from applicant to Mayor and Council dated December 2, 2021
- Attachment D: Parking Study dated April 7, 2022
- Attachment E: Pre-Application Consultation Comments from Online Feedback Form
- Attachment F: Correspondence (Letters received from residents).