



Council Report

For the Meeting of August 4, 2022

To: Council **Date:** July 22, 2022
From: Karen Hoese, Director, Sustainable Planning and Community Development
Subject: **Missing Middle Housing Initiative Bylaw Amendments and Policy Updates**

RECOMMENDATION

That Council:

1. Give third reading to:
 - A. *Official Community Plan Bylaw, 2012, Amendment Bylaw (No. 42) No. 22-044, and*
 - B. *Zoning Regulation Bylaw, Amendment Bylaw (No. 1278) No. 22-045.*
2. Adopt:
 - A. *Official Community Plan Bylaw, 2012, Amendment Bylaw (No. 42) No. 22-044,*
 - B. *Zoning Regulation Bylaw, Amendment Bylaw (No. 1278) No. 22-045,*
 - C. *Land Use Procedures Amendment Bylaw (No. 17) 22-057, and*
 - D. *Affordable Housing Standards Bylaw 22-056.*
3. Approve:
 - A. *Missing Middle Design Guidelines (2022), and*
 - B. *Updated Tenant Assistance Policy (July 2022).*
4. Rescind the previous version of the *Tenant Assistance Policy (February 2022).*

BACKGROUND

At the July 14, 2022 daytime Council meeting, Council gave first and second readings to the *Zoning Regulation Amendment Bylaw 22-045* (the “Zoning Regulation Amendment Bylaw”), and the *Official Community Plan Amendment Bylaw 22-044* (the “OCP Amendment Bylaw”). At this meeting, Council also directed staff to bring amendments to the July 14, 2022 evening Council meeting to limit the option of the cash in lieu to houseplexes, such that this option for achieving bonus density is not available to the corner townhouse use.

At the July 14, 2022 evening Council meeting, Council amended Zoning Regulation Amendment Bylaw by:

- a. Deleting section 2.3.a.ii.A;

- b. Renumbering clauses B through F in section 2.3.a.ii as clauses A through E;
- c. Deleting the period at the end of section 2.3.a.iii and replacing it with “; or”;
- d. Inserting, immediately after section 2.3.a.iii, the following as the new clause iv:

“iv. For additional density pursuant to section 2.4.e, a monetary contribution equivalent to \$107.64 per square metre of bonus density utilized for the development adjusted pursuant to subsection b. with 70% of the contribution allocated to the Victoria Housing Reserve Fund and 30% of the contribution allocated to the Local Amenities Reserve Fund.”; and

- e. In section 2.3.b, deleting “a.ii.A” and replacing it with “a.iv”.

At the same July 14, 2022 evening Council meeting, Council also:

- Deemed the OCP Amendment Bylaw consistent with the City of Victoria 2018-2022 Financial Plan, the Capital Regional District Liquid Waste Management Plan, and the Capital Regional District Solid Waste Management Plan pursuant to Section 477(3)(a) of the Local Government Act
- Referred the Zoning Regulation Amendment Bylaw and OCP Amendment Bylaw for consideration at a public hearing
- Gave first, second, and third readings to the
 - *Land Use Procedures Bylaw, Amendment Bylaw (No. 17) No. 22-057* (the “Land Use Procedures Amendment Bylaw”), and the
 - *Affordable Housing Standards Bylaw No. 22-056*.
- Resolved that, at the same Council meeting at which the Zoning Regulation Amendment Bylaw and OCP Amendment Bylaw are considered for adoption, and after third reading but before fourth reading of the Bylaws, Council will:
 - Consider approval by resolution of:
 - the *Missing Middle Design Guidelines (2022)*, and
 - the *Missing Middle Housing Policy (2022)*, as well as the updated *Burnside Neighbourhood Plan (2022)*, *Fairfield Neighbourhood Plan (2022)*, *Gonzales Neighbourhood Plan (2022)*, *James Bay Neighbourhood Plan (2022)*, *Jubilee Neighbourhood Plan (2022)*, *Oaklands Neighbourhood Plan (2022)*, *Rockland Neighbourhood Plan (2022)*, and the *Victoria West Neighbourhood Plan (2022)*.
 - the updated *Tenant Assistance Policy (2022)*.
 - Rescind the previous versions of the above-mentioned neighbourhood plans following approval of the respective 2022 versions.
 - Rescind the previous version of the Tenant Assistance Policy following approval of the respective 2022 version.

ISSUES AND DISCUSSION

Updated Tenant Assistance Policy

This report introduces amendments to the Tenant Assistance Policy (Attachment A), which is updated to align with the proposed partial development permit fee refund where tenant assistance is provided.

Per Council direction, the Land Use Procedures Amendment Bylaw establishes a \$5,000 refund of development permit fees for missing middle housing, where applicants provide a tenant assistance

plan consistent with the Tenant Assistance Policy. Council also provided direction to amend the Tenant Assistance Policy to provide for appropriate measures to assist tenants displaced as a result of a missing middle project.

Responsive to this direction, the updated Tenant Assistance Policy includes a new section “6.0 Tenant Assistance Plan for Missing Middle Housing Development,” which outlines the compensation requirements needed for an applicant to qualify for the \$5,000 development permit fee refund. To ensure an incentive for compliance, a developer is required to provide combined total compensation up to a total value of \$4,000. This value is specified to ensure that the \$5,000 refund still provides an incentive for the applicant to complete a tenant assistance plan.

Later Consideration of Missing Middle Housing Policy and Neighbourhood Plan Updates

Should Council approve the bylaws listed in recommendation section above, it is proposed that the Missing Middle Housing Policy and Neighbourhood Plan updates are considered at a Council meeting prior to the Zoning Regulation Bylaw Amendment Bylaw (No. 1278) coming into force.

Some potential benefits have been identified if Council considers approval of the Missing Middle Housing Policy and Neighbourhood Plan updates at a meeting in early fall. Since these policy changes do not require a public hearing, this approach helps avoid any confusion about the main focus of the August 4, 2022 Public Hearing and Council meeting, which is for Council to hear from the public and consider adoption of bylaw changes to support the creation of missing middle housing. This sequencing also makes it easier to ensure the policy updates are aligned with the final form of bylaws Council may choose to adopt.

OCP Amendment Bylaw

For convenience, a blackline version of the affected pages of the *Official Community Plan, 2012* (OCP) are included with this report (Attachment B) to serve as a reference for how the amended OCP will differ from the current version, if Council adopts the OCP Amendment Bylaw.

CONCLUSION

The attached Tenant Assistance Plan is provided for Council to consider approving at the same Council meeting at which the above noted bylaws changes are considered for adoption, ensuring appropriate policies are in place to align with proposed regulatory changes to establish a partial development permit free refund where tenant assistance is provided.

Respectfully submitted,

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Karen Hoese, Director
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Report accepted and recommended by the City Manager.

List of Attachments

- Attachment A: Updated Tenant Assistance Policy
- Attachment B: Blackline Official Community Plan