



Committee of the Whole Report For the Meeting of July 11, 2024

To: Committee of the Whole **Date:** June 27, 2024

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

Subject: **Update on Rezoning Application No. 00804 for 205 Quebec Street, 507 Montreal Street, and 210-224 Kingston Street and associated Official Community Plan Amendment and Development Permit with Variances Application No. 00191**

RECOMMENDATION

OCP Amendment Consultation

1. That Council instruct the Director of Sustainable Planning and Community Development to explore the possibility of amending the Official Community Plan to allow the proposed mixed-use development at this location.
2. That Council consider who is affected by proposed changes to the Official Community Plan, and determine that the following persons, organizations and authorities will be affected:
 - a. those within a 200 m radius of the subject property
 - b. Transport Canada
 - c. Harbour Air.
3. 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 200 m 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
 - c. write letters to Transport Canada and Harbour Air inviting written comments to Council for their consideration.
4. That Council consider that no consultation is necessary with the Capital Regional District Board; Councils of Oak Bay, Esquimalt and Saanich; the Songhees and Xwsepsum Nations; the School District Board; or the Provincial government or its agencies because the proposed OCP amendment does not affect them.

5. That the above Recommendations be adopted on the condition that they create no legal rights for the applicant or any other person, or obligation on the part of the City or its officials, and any expenditure of funds is at the risk of the person making the expenditure.

LEGISLATIVE AUTHORITY

This report discusses a Rezoning Application and concurrent Official Community Plan and Development Permit with Variances Applications. Relevant rezoning considerations include the proposal to increase the density and add multiple dwelling and commercial as new uses while the relevant Development Permit with Variances considerations relate to the application's consistency with the design guidelines and the impact of the 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 revitalization of an area in which a commercial use is permitted, 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 an update regarding Rezoning, Official Community Plan amendment and Development Permit with Variances applications for the property located at 205 Quebec Street, 507 Montreal Street, and 210, 214, 218, and 224 Kingston Street. The revised proposal is to rezone from the R-K Zone, Medium Density Attached Dwelling District, to increase the density, add multiple dwellings and commercial as permitted uses, and allow construction of a new mixed-use development consisting of a three-storey podium with a 14-storey tower located at the corner of Quebec Street and Montreal Street and three storey townhouses fronting Kingston Street. Commercial uses are proposed on the ground floor of the tower podium.

At the July 27, 2023 Committee of the Whole Meeting, this application was referred back to staff to work with the applicant to return directly to Committee of the Whole with a modified proposal that is more contextual to the surroundings, while retaining the approximate proposed number of homes and floor space ratio (FSR). The applicant has revised the proposal in response to this

direction by reducing the number of storeys of the tower from 17 to 14 (decrease in height of 6.90m) and increasing the tower floor plate length from 37.06m to 41.28m (increased floor plate area from 551m² to 614m²). Although the reduced height is closer to nearby buildings, it is still taller than the existing adjacent buildings and anticipated heights in the *Official Community Plan*.

The following additional design changes were made in conjunction with the reduced tower height:

- Reduced the number of dwelling units from 112 to 108 and the FSR from 2.94:1 to 2.88:1.
- Increased the number of storeys of the townhouse from two (plus roof top deck access) to three (without rooftop deck).
- Reduced the number of residential parking stalls from 122 to 121. The required number of residential stalls decreased from 145 to 138 which resulted in a decreased residential parking stall variance from 23 to 17 stalls.
- Increased the number of long-term bike parking spaces from 156 to 161 (the required number decreased from 141 to 135).

The applicant has also reduced their proposed contributions to the Housing Reserve Fund and is no longer offering meeting space for a non-profit organization.

As the applicant has generally fulfilled Council's direction, it is recommended that the application move forward with consultation on the proposed OCP amendment. An alternate motion has been provided to decline the application if Council determines that the proposal does not sufficiently meet the previous Council direction.

BACKGROUND

Description of Proposal

The revised proposal is to rezone the properties from the R-K Zone, Medium Density Attached Dwelling District, to a new site-specific zone to accommodate construction of a mixed-use development consisting of a three-storey podium with a tower above (14-storey height together) and two to three storey townhouses, including approximately 108 strata dwelling units (96 in the tower with podium and 12 townhouse units). Commercial uses are proposed on the ground floor of the tower podium.

This Update Report includes a summary of the changes to the plans, and the associated changes to the new site-specific zone and variances. The attached July 27, 2023, Committee of the Whole Report provides information related to the aspects of the proposal that have not changed.

Relevant History

At the July 27, 2023 Committee of the Whole Meeting Council passed the following motion:

Refer back to staff to work with the applicant to return directly to Committee of the Whole with a modified proposal that's more contextual, with approximate proposed number of homes and/or FSR.

The applicant has revised the proposal in response to this Council direction.

Data Table

The following data table compares the proposal with the previous proposal and with the existing R-K Zone, Medium Density Attached Dwelling District. An asterisk is used to identify where the aspects of the proposal that were changed do not meet the requirements of the existing Zone. Additionally, the key City policy that pertains to the area has been included in this table (see the attached July 27, 2023, Committee of the Whole Report for the aspects of the proposal that have not changed).

Zoning Criteria	Current Proposal	Previous Proposal	Current R-K Zone	OCP Policy: Urban Residential UPD
Density (Floor Space Ratio) – maximum	2.88:1*	2.94:1*	0.60:1	1.2:1 base 2.0:1 max.
Height (m) – maximum	48.90*	55.80*	8.50	
Storeys – maximum	14.00*	17.00*	2.60	3 to 6
Setbacks (m) – minimum Kingston St. (S)	2.00* (building) 0.00* (balcony)	0.18*	2.50 - blank wall 4.00 - habitable rooms 7.50 - living room	
Vehicle parking (Total) – minimum	141*	142*	162	
Vehicle parking (Resident) – minimum	121*	122*	138	
Bicycle parking stalls – minimum Long term	161	156	135	

ANALYSIS

Response to the Council Motion

Overall, the revised proposal fulfills the Council direction by generally maintaining the floor space ratio (decrease from 2.94:1 to 2.88:1) and number of dwelling units (decrease from 112 to 108, six removed from the tower and two added to the townhouses) while reducing the height of the tower by 6.90m to be more contextual with the surrounding buildings. It is therefore recommended that the application move forward with consultation on the proposed OCP amendment. An alternate motion has been provided to decline the application if Council does

not agree that the proposal sufficiently meets City policy or the previous Council direction.

The applicant considered various building massing and siting options in response to the Council motion (see Comparative Massing below) but decided to maintain a similar proposal with a reduced height. They provided a Height and Massing Rationale which is included with their letter to Mayor and Council attached to this report. Staff believe that it would likely be easier for the applicant to design a proposal to be more consistent with City policies by exploring different massing, such as an approximately six-storey building towards the north end of the site and lower scale buildings towards the south, however, it would likely be challenging to retain the density of the previous proposal with this approach, which is one of the goals of the previous Council motion.

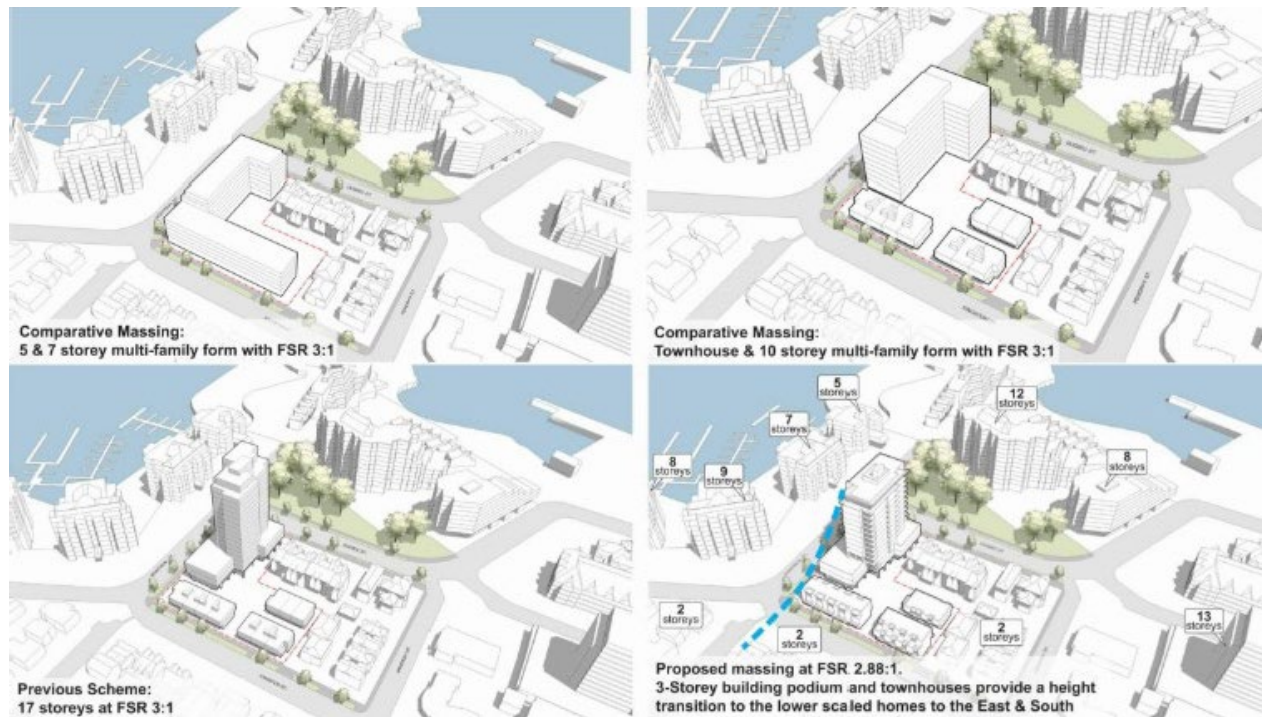


Figure 1. Comparative Massing

The revised proposal includes the following changes to the tower, townhouses, and parking.

Tower

The following changes were made to the tower:

- Reduced the number of storeys of the tower from 17 to 14 (decrease in height from 55.80m to 48.90m). The height only decreased by 6.9m because many of the storeys were also increased in height from 3.1m to 3.3m. The applicant has indicated that the height of these floors has been increased to accommodate the possibility of using steel and concrete construction which requires a deeper floor assembly span than concrete.
- Increased the tower floor plate length by 4.22m from 37.06m to 41.28m. The increase in floor plate size has helped keep the density at a similar amount despite the reduction in height of the tower, but it does create a wider shadow at certain times of day.

Townhouses

The two townhouse buildings on Kingston Street were increased from two storeys (with rooftop deck access) to three storeys (without rooftop deck). The third townhouse building has remained at two storeys. All of the townhouse units still have private outdoor space in the form of patios and balconies. The increased height of the townhouses is still generally in keeping with the lower-scale buildings located to the south of the site.

The increased townhouse floor area has helped keep the density at a similar amount despite the reduction in height to the tower.

Parking

In response to the revisions noted above, the following changes were made to the parking:

- Reduced the number of residential parking stalls from 122 to 121. The required number of residential stalls decreased from 145 to 138 which resulted in a decreased residential parking stall variance from 23 to 17 stalls.
- Increased the number of long-term bike parking spaces from 156 to 161 (the required number decreased from 141 to 135).

Official Community Plan (OCP) Amendment Application

As with the previous proposal, the revised proposal requires an amendment to the OCP to allow a form of development that is currently only envisioned downtown, specifically:

- an increased maximum density from 2:1 floor space ratio to 2.88:1 floor space ratio (the previous proposal was 2.94:1 floor space ratio)
- an increased maximum height from six-storeys to 14-storeys (the previous proposal was 17-storeys)
- the addition of commercial uses.

Although the proposal has been revised to reduce the height of the tower, the proposed development is still inconsistent with the overall intent of the Urban Place Designations and does not meet the broad objectives and policies of the OCP (see the attached July 27, 2023, Committee of the Whole Report for more detailed discussion on this topic).

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, it is recommended that owners and occupiers of land located within 200 metres of the subject site are notified, along with posting a notice on the City's website to provide adequate opportunities for consultation with those affected.

Transport Canada and Harbour Air would also be invited to provide written comments to Council because of the proposed building height and proximity to the Victoria Inner Harbour Airport.

No further consultation under Section 475 of the LGA is recommended given that notification was sent to all owners and occupiers within a 200m radius of the site and invitations to participate in a Community Meeting as part of the CALUC process has occurred.

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 Xwsepsum 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

This property is designated as Urban Residential in the *Official Community Plan* (OCP, 2012), which envisions multi-unit residential, including townhouses and row-houses, low and mid-rise apartments, with heights that may generally range from three to six storeys. Residential and commercial mixed-use buildings may be considered in areas that support the growth management concept and mobility objectives in this plan, such as along transit priority corridors, or as otherwise identified in City policy. Total floor space ratios may generally range up to 1.2:1. Additional density may be considered in locations that support the growth management concept in the OCP, such as in proximity to Urban Villages, Town Centres and Transit Priority Corridors, where public benefit is provided consistent with the objectives of the OCP and other City policies (max of approximately 2:1 FSR).

The revised proposal for a 14-storey mixed-use development, at 2.88:1 FSR, is inconsistent with the broad objectives and goals of the OCP and would be more appropriate in the downtown area as envisioned in the *Downtown Core Area Plan* (see the attached July 27, 2023, Committee of the Whole Report for more detailed discussion on this topic).

Inclusionary Housing and Community Amenity Contribution Policy

The applicant is proposing changes to their proposed community amenity contribution. In accordance with the *Inclusionary Housing and Community Amenity Contribution Policy (IHCAC Policy)*, the applicant had engaged Rollo and Associates, on behalf of the City, to prepare a land lift analysis. This consultant has indicated that the previous analysis to determine the estimated lift in land value is still adequate and does not need to be redone at this point.

The policy indicates that 75% of the increase in land value from the existing zoning to be a reasonable balance between the need for Community Amenity Contributions and a project's economic viability. The analysis for this proposal has resulted in an estimated lift of \$3,070,000, 75% of which would be a contribution of \$2,300,000. The policy indicates an allocation of 70% (\$1,610,000) towards the Local Amenities Fund to be used for community amenities, and 30% (\$690,000) towards the Housing Reserve Fund to be used for affordable housing.

In lieu of this, as shown in the table below, the applicant is proposing to provide the following to help mitigate the impacts of this proposed development.

Table 1. Revised Community Amenity Contribution

	Current Proposal	Previous Proposal	IHCAC Policy
Housing Reserve Fund	\$460,000	\$700,000	\$690,000
Local Amenities Fund	\$200,000	\$200,000	\$1,610,000
Daycare ¹	\$1,520,000 (valued at)	\$1,520,000 (valued at)	N/A
Meeting Space ²	No	Yes	N/A
TOTAL	2,180,000	2,420,000	2,300,000

1. Daycare of no less than 312.1m², with free rent dedicated to a non-profit for a period of ten years.
2. Meeting Space for a non-profit organization

In addition to this, the application continues to include the public realm improvements listed under the Public Realm section in the previous staff report (attached).

Housing

The revised application, if approved, would add approximately 105 new strata residential units (the existing three dwelling units would be replaced by 108 new dwelling units), which would increase the overall supply of housing in the area and contribute to the targets set out in the *Victoria Housing Strategy*. The previous proposal would have added approximately 109 new strata residential units.

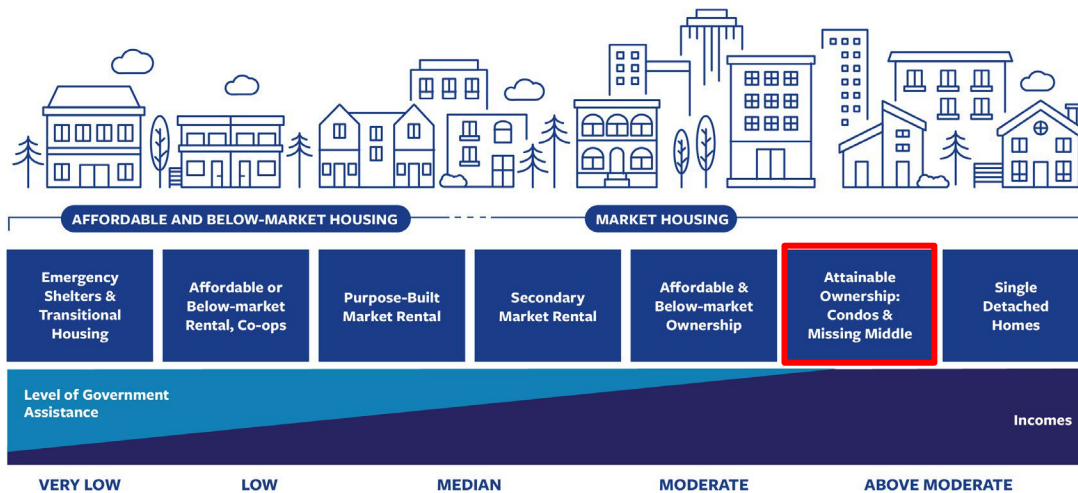


Figure 2. Housing Continuum

Housing Mix

Council approved the Family Housing Policy and Advisory Design Guidelines on June 27, 2024 but it will not come into effect until September 1, 2024. The policy states that all applications for new stratified ownership multi-unit residential developments consisting of four or more storeys should have a minimum of 30% of the total units containing two or more bedrooms, with a minimum of 10% of total units containing three or more bedrooms. The proposal exceeds these targets with 65.89% of the units containing two or three bedrooms and 27% of the units containing three-bedrooms.

As submitted, the revised application proposes 96 units in the tower and podium with a mix of studio, one-, two- and three-bedroom units, including two studio, 37 one-bedroom, 41 two-bedroom, and 16 three-bedroom units. There are 12 ground-oriented townhouses, including 11 three-bedroom and one two-bedroom units. The applicant has agreed to secure the total number of two- to three-bedroom homes in a housing agreement.

Table 2. Number of Units by Type

	Current Proposal		Previous Proposal	
	Number of Units	Percentage of Units	Number of Units	Percentage of Units
Studio	2	1.85%	2	1.79%
One-bedroom	37	34.26%	34	30.35%
Two-bedroom	42	38.89%	35	31.25%
Three-bedroom	27	27.00%	41	36.6%
TOTAL	108	100%	112	100%

Existing Tenants

The proposal is to demolish an existing building which would result in a loss of three existing residential rental units. Consistent with the *Tenant Assistance Policy*, the applicant has provided a Tenant Assistance Plan which is attached to this report.

Development Permit with Variances Application

Official Community Plan: Design Guidelines

Overall, staff do not anticipate the changes to the proposal having a large impact on alignment with the design guidelines. Although the reduced height of 6.9m of the tower (see table below) would reduce the length of the shadow, the width of the shadow would increase due to the increased floor plate size.

Table 3. Revised Height of Proposal:

Zoning Criteria	Current Proposal	Previous Proposal	Change	Current R-K Zone
Height (m) – maximum	48.90	55.80	12.4%	8.50
Storeys – maximum	14.00	17.00	17.6%	2.60

As the proposed building (tower) is still taller than the existing adjacent buildings and anticipated heights in the OCP, there continue to be concerns that the height has not been reduced enough to achieve a sensitive transition between the uses along the harbour and the adjacent lower-density residential area to the south (see the attached July 27, 2023, Committee of the Whole Report for more detailed discussion on this topic). The images below provide a side-by-side comparison of the current West Elevation proposed in relation to the previous proposal.



Figure 3. Current Proposal: West Elevation



Figure 4. Previous Proposal: West Elevation

VariANCES

The proposed parking variances have changed as a result of the revisions to the proposal and are summarized in the following table.

Zoning Criteria	Current Proposal		Previous Proposal	
	Proposed	Required	Proposed	Required
Vehicle parking (Total) – minimum	141	162	142	169
Vehicle parking (Resident) – minimum	121	138	122	145

The revised variances are now related to:

- reducing the number of residential parking spaces from 138 to 121 (the variance has decreased from 23 to 19 stalls)
- reducing the number of commercial parking spaces from 13 to 5.

The applicant has updated the previous Parking Study, which still recommends that two carshare vehicles are provided along with memberships for most of the residential units. To help mitigate potential impacts of these variances, the applicant is also still proposing to provide two EV car-share vehicles, two car-share on-street parking stalls with EV charging and car-share memberships for each dwelling unit.

The proposal also includes a bicycle maintenance facility, five spaces of cargo bike parking, and provision of additional bike parking beyond the amount required by the *Zoning Regulation Bylaw* (161 long-term spaces proposed instead of the required 135 spaces and 25 short-term spaces proposed instead of the required 15 spaces). This is an increase in long-term bicycle parking from the previously proposed 156 spaces (141 were previously required). The revised variances to the number of parking stalls are still supportable due to the mitigation proposed.

CONCLUSIONS

Overall, the revised proposal generally fulfills the July 27, 2023, Council motion by maintaining the approximate floor space ratio and number of dwelling units while reducing the height of the tower to be more contextual with the surrounding buildings. It is therefore recommended that the application move forward with consultation on the proposed OCP amendment. An alternate motion has been provided to decline the application if Council determines that the proposal does not sufficiently meet the previous direction.

ALTERNATE MOTION

Alternate Option 1

That Council decline Rezoning Application No. 00804 for 205 Quebec Street, 507 Montreal Street, and 210-224 Kingston Street and the associated Official Community Plan Amendment and Development Permit with Variances Application No. 00191.

Respectfully submitted,

Rob Bateman
Senior Planner
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 January 5, 2024
- Attachment C: Letter from applicant to Mayor and Council dated May 29, 2024
- Attachment D: July 27, 2023 Committee of the Whole Report
- Attachment E: July 27, 2023 Committee of the Whole Motion
- Attachment F: Tenant Assistance Plan
- Attachment G: Parking Study dated December 15, 2023
- Attachment H: Correspondence (Letters received from residents).