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MAY 0 9 2012

Planning & Development Department Development Services Division









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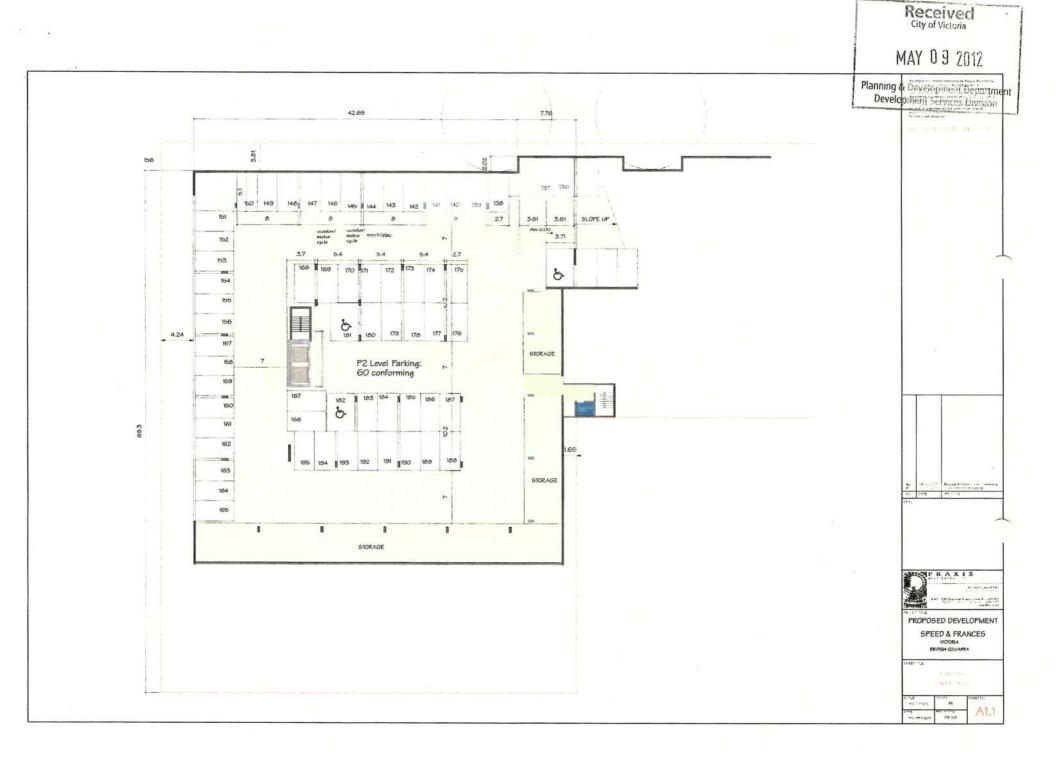


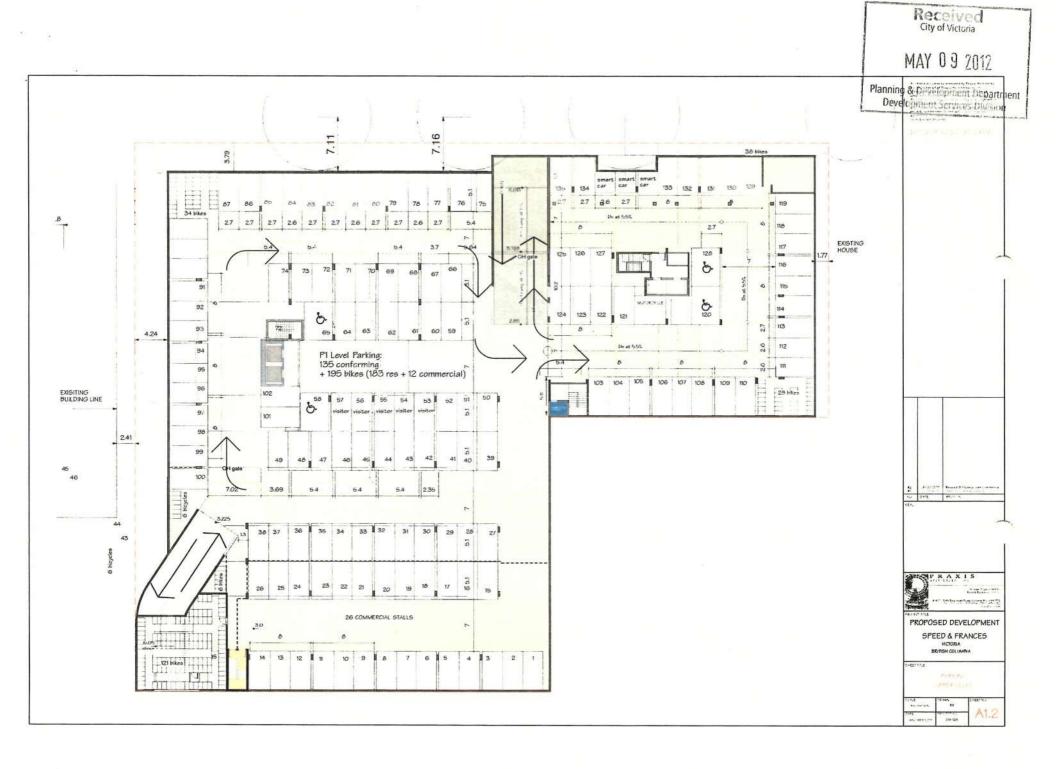


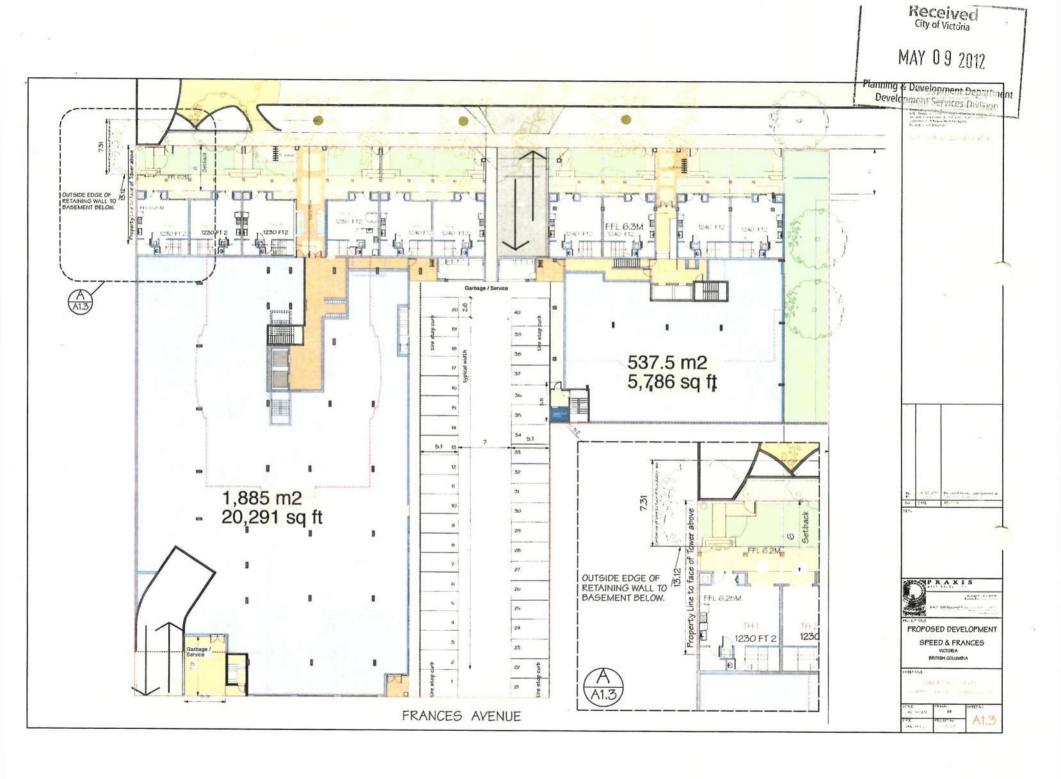


MAY 0 9 2012 Planning & Development Department Development Services Division 9 SPEED STREET 537.5 m2 5,786 sq ft CONVERCIAL ENTH-ED FLOOR LEVEL 6 3M 1,756.9 m2 18,911 sq ft 36,584 X LDEL 63V n2 0 sq ft PROPOSED DEVELOPMENT SPEED & FRANCES VICTORIA BRITISH COLIMBIA

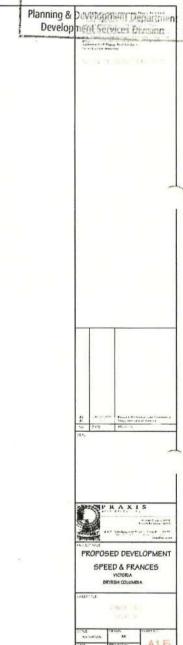
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#### PROPOSED DEVELOPMENT SPEED & FRANCES

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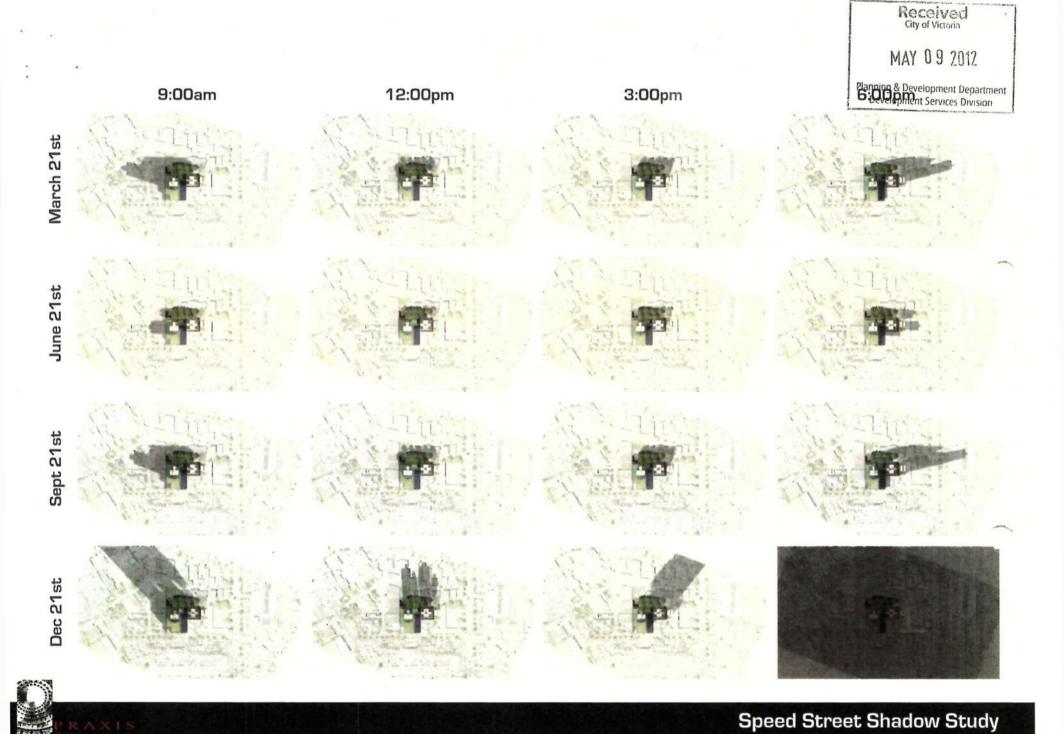
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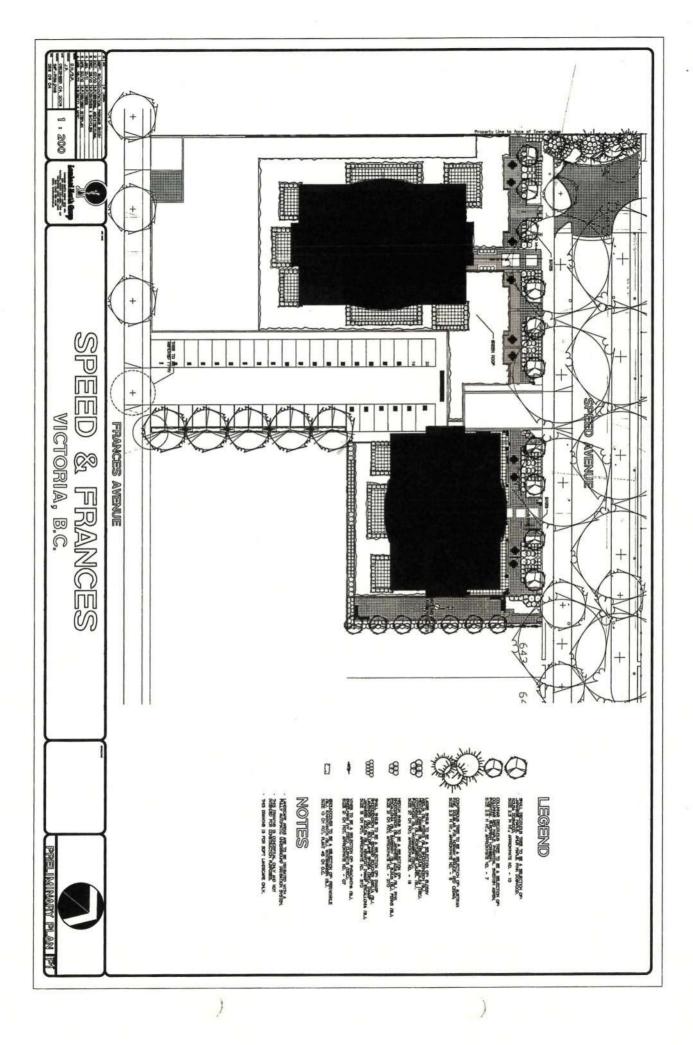
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#### REPORTS OF THE COMMITTEE

# 1. Governance and Priorities Committee - April 07, 2011

# 7. Rezoning Application # 00301 for 605 – 629 Speed Avenue and 606 – 618 Frances Avenue

Councillor Alto said that after the lengthy discussion at Governance and Priories
Committee, the applicant has heard the concerns expressed by Council with respect to
land use, density, massing height and lack of greenspace, and she feels that they should
be granted an opportunity to submit updated plans with respect to the noted issues of
concern.

It was moved by Councillor Alto, seconded by Councillor Lucas, that Council refer Rezoning Application No. 00301 for the property known as 605 – 609 Speed Avenue and 606 – 618 Frances Avenue to Governance Priorities Committee subsequent to the applicant's re-submission of the application with particular attention to the proposal's height, density, massing and greenspace.

Councillor Lucas said that he is pleased that the applicant is willing to address the issues raised at Committee.

Mayor Fortin said that he will support the motion, not as a way for the applicant to try to justify their current proposal, but for them to do some work to see if the proposal would be more acceptable in relation to the concerns raised at Committee.

Carried

Council Meeting April 14, 2011

#### DECISION REQUEST

# 10.1 Rezoning Application # 00301 for 605 – 629 Speed Avenue and 606 – 618 Frances Avenue

Committee received a report dated March 24, 2011, from Development Services regarding Rezoning Application # 00301 for 605 – 629 Speed Avenue and 606 – 618 Frances Avenue. This report provides further information and analysis regarding this rezoning application as requested by the Governance and Priorities Committee at its meeting of February 3, 2011. Both the applicant and staff provided further information as detailed in the report, however, staff's recommendation that the application be declined has not changed.

A Committee member noted the significant improvements in the application and it would be supportable to send it to a Public Hearing with the fulfillment of the nine recommendations.

### Action:

- Councillor Alto moved that the Committee recommends that Council forward Rezoning Application # 00301 for 605 629 Speed Avenue and 606 618 Frances Avenue to a Public Hearing with the following conditions:
- 1. Concurrent with consideration of the rezoning, amending the *Official Community Plan* to include the site in a new Development Permit Area to regulate the details of building design and landscaping standards.
- Amending the Official Community Plan to change the land-use designation covering the site to "Primary Centres-Mayfair" from "Industrial" and "General Residential".
- 3. Amending the *Burnside Neighbourhood Plan* to include the properties in the Mayfair Major Commercial area.
- 4. Advisory Design Panel review with attention to building design as well as the streetscape and landscaping treatments proposed on the Frances Avenue frontage.
- Registration of a Housing Agreement on title, secured by bylaw, to ensure non-profit and rental housing, as well as the provision of preferred rent and space for a daycare centre, as proposed by the applicant in the letter dated March 17, 2011.
- Proposed streetscape improvements to the City's right-of-way to be secured and constructed to the satisfaction of the Director of Engineering & Public Works.
- The provision of transportation and parking demand management strategies to the satisfaction of the Director of Engineering & Public Works.
- 8. The provision of a sanitary sewer impact assessment study to the satisfaction of the Director of Engineering & Public Works.
- 9. The applicant paying for a third-party economic analysis to be conducted by a consultant of the City's choosing to confirm the feasibility of the proposal and ensure that the affordable rental housing and provision for daycare space (rented at a preferred rate) are commensurate in value to the potential land lift associated with the

rezoning.

10. Note: Council considers consultation under Section 879 (2) of the Local Government Act and determines that no referrals are necessary 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 federal government and its agencies because the amendment affects local properties.

# Committee discussed with staff the following:

- Landscaping on the terraces and an overall increase of greenery on the site.
- The complexity of the affordable housing component of the application and the percentage that is truly affordable;
  - They are using BC Housing definitions; on average 10% below market rates.
- Support in the community for mixed housing.
- Concerns related to the lack of amenities for families.
- The housing agreement raising many questions, such as the need for operational funding.
  - Working with the applicant to provide more certainty around the agreement.
- The development of village centre plans and Douglas Street as a proposed transit corridor; the appropriate FSR around transit stations.
  - Transit system planning working with land use planning; the challenge of 'one off' plans.
- Concerns related to the land use and the updated OCP identifying this area as needing a focused planning study; this land for light industrial use; the expectation of residential.
- Social goals at the expense of desirable community planning.
- The height of this proposal, is it too much for the community?

Action: Councillor Lucas moved that the Committee recommends that Council postpone consideration of Rezoning Application # 00301 for 605 – 629 Speed Avenue and 606 – 618 Frances Avenue pending further information from the applicant to address the concerns expressed by Committee.

DEFEATED 11/GPC111

Mayor Fortin; Councillors Alto, Coleman, Hunter, Luton, Madoff and Young voted against this motion

#### On the Main Motion:

DEFEATED 11/GPC112

Mayor Fortin; Councillors Hunter, Lucas, Luton, Madoff and Young voted against the motion

Action:

Councillor Hunter moved that the Committee recommends that Council decline Rezoning Application # 00301 for 605 – 629 Speed Avenue and 606 – 618 Frances Avenue.

CARRIED 11/GPC113

Councillors Alto, Coleman and Thornton-Joe voted against this motion

# 4.1 Rezoning Application # 00301 for 605 – 629 Speed Avenue and 606 – 618 Frances Avenue

Committee received a report from Development Services dated January 27, 2011, regarding Rezoning Application # 00301 for 605 – 629 Speed Avenue and 606 – 618 Frances Avenue. A rezoning is required to allow multi-family residential and commercial uses as well as increased density on the site. The proposal is to construct a commercial/residential complex consisting of two residential towers of eight and fourteen storeys.

Staff is recommending that this application be declined as this primarily residential proposal is premature in this location due to its size, density and height. While the proposal is near Douglas Street and adjacent to the Mayfair Mall area, more comprehensive transit-oriented land use planning should b undertaken before any new mixed-use developments are approved to optimize the potential benefits of such a major public investment.

Committee made the following comments for staff's response:

- The benefit of all Council considering this application.
- A planning analysis to compare this proposal with similar building in the downtown core.
- Landscaping and the opportunity for increased recreational or greenspace areas for families; are the parks in the area sufficient for family use.
- · The commercial component on the main floor and if it meets the spirit of the zoning.
- Rental of condos being secured through a housing agreement.
- Concerns related to the absence of schools in the area for this proposed residential development.
- Concerns related to parking and if there will a charge to park on site.
- The transportation report as it relates to parking on Speed and Frances Streets and the impact on the houses there.
- The height of the trees and preserving the trees on Speed Street.
- · An overall understanding of the visual impact of the proposal.
- The potential for a daycare and the possibility of that being a part of a housing agreement.
- The shading impact of this proposal and options for mitigating this impact.
- Concerns related to use of this property and agreements to ensure its use as proposed.
- Land use and the impact on the two small houses on the street.

Staff advised that some time may be required to respond to these requests, particularly those issues tied to a housing agreement.

Action:

Councillor Madoff moved that the Committee recommends that Rezoning Application # 00301 for 605 – 629 Speed Avenue and 606 – 618 Frances Avenue be forwarded to Governance and Priorities Committee for its consideration.

CARRIED 11/PLUSC013



# Governance and Priorities Standing Committee Report

Date:

March 24, 2011

From:

Brian Sikstrom, Senior Planner

Subject:

Rezoning Application # 00301 for 605-629 Speed Avenue and 606-618

Frances Avenue - Referral from the Planning and Land Use Standing

Committee with additional information - Application of M.H. Johnston &

Associates to rezone eight lots from the R1-B Zone, Single Family Dwelling

District and R1-SLVH Zone, Single Family Storage Lot/Vehicle Sales District to a new zone. The rezoning will permit a commercial/residential development

including 224 units in two multi-storey buildings of fourteen and eight storeys.

# **Executive Summary**

The purpose of this report is to provide further information and analysis regarding a Rezoning Application for the properties located at 605-629 Speed Avenue and 606-618 Frances Avenue. Below is a summary of the additional information requested by the Governance and Priorities Standing Committee (GPSC) at its meeting on February 3, 2011 (PLUSC February 2, 2011 minute attached).

# Information provided by the applicant:

- The additional information provided by the applicant generally responds to the questions raised at PLUSC and in letters from neighbouring property owners. It provides more information on various components of the proposed Housing Agreement as well as financial aspects of the development, including subsidies proposed by the applicant and future funding requests from M'Akola to the City and the Capital Regional District.
- The affordable nature of the project focuses on families who are not in "core need" but who cannot afford market rental units. On average, rents are proposed to be 10% below market rates.
- The applicant would be willing to consider membership in the Victoria Car Share Co-op and make any surplus parking available at a preferred rate to nearby residents.
- The applicant is also willing to prepare a plan for managing construction traffic but does not support limiting residents' vehicle access to Frances Avenue.

# Information provided by staff:

- The additional information provided by staff summarizes and reviews the applicant's information and gives responses to questions directed to staff. These responses include:
  - confirmation that the proposal's characteristics are similar to Downtown buildings on smaller sites
  - expansion of the residential community in the Cecelia-Sumas sub-area of the neighbourhood is still supportable despite the closure of Burnside Elementary School and
  - should the rezoning be approved then a site-specific zone, a Housing Agreement and Development Permit requirements would provide controls over future development, but these would not ensure the applicant's project is built as proposed.

- Staff would encourage the applicant to implement transportation demand management strategies such as car share, transit incentives and so on. Requiring the implementation of such measures may not be possible.
- Staff have no objection to limiting vehicle access to Frances Avenue but this would necessitate an update of the traffic impact assessment study.
- The methodology and conclusions of the traffic impact assessment study submitted by the applicant have been reviewed by staff and found to be sound.
- Because the proposal involves subsidies by the applicant as well as the public, further
  analysis should be provided by a third party to confirm the proposal's economic
  feasibility as well as the value of the affordable housing in relation to the potential land
  lift resulting from rezoning.

The provision of additional information has not resulted in any significant modifications to the proposal by the applicant. Nor has it changed the view of staff that this proposal is premature at this location, the desirability of affordable rental housing notwithstanding. The January 27, 2011, staff report to PLUSC on the application is also attached for information.

#### Recommendations

The staff recommendation that the application be declined has not changed.

Alternate Recommendation: If Council wishes to forward this application to a Public Hearing, the appropriate recommendation informed by the additional information in this report is the following:

That the application be considered for approval following a Public Hearing with the following conditions:

- 1) Concurrent with consideration of the rezoning, amending the *Official Community Plan* to include the site in a new Development Permit Area to regulate the details of building design and landscaping standards.
- 2) Amending the Official Community Plan to change the land-use designation covering the site to "Primary Centres-Mayfair" from "Industrial" and "General Residential".
- 3) Amending the *Burnside Neighbourhood Plan* to include the properties in the Mayfair Major Commercial area.
- 4) Advisory Design Panel review with attention to building design as well as the streetscape and landscaping treatments proposed on the Frances Avenue frontage.
- 5) Registration of a Housing Agreement on title, secured by bylaw, to ensure non-profit and rental housing, as well as the provision of preferred rent and space for a daycare centre, as proposed by the applicant in the letter dated March 17, 2011.
- 6) Proposed streetscape improvements to the City's right-of-way to be secured and constructed to the satisfaction of the Director of Engineering & Public Works.
- 7) The provision of transportation and parking demand management strategies to the satisfaction of the Director of Engineering & Public Works.
- 8) The provision of a sanitary sewer impact assessment study to the satisfaction of the Director of Engineering & Public Works.
- 9) The applicant paying for a third-party economic analysis to be conducted by a consultant of the City's choosing to confirm the feasibility of the proposal and ensure that the affordable rental housing and provision for daycare space (rented at a preferred rate) are commensurate in value to the potential land lift associated with the rezoning.

Note: Council considers consultation under Section 879 (2) of the *Local Government Act* and determines that no referrals are necessary 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 federal government and its agencies because the amendment affects local properties.

Respectfully submitted,

Brian Sikstrom Senior Planner

**Development Services** 

Director

Planning & Development

Peter Sparanese General Manager

Gail Stephens

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Report accepted and recommended by the City Manager:

# 1. Purpose

The purpose of this report is to provide further information and analysis regarding a Rezoning Application for the properties located at 605-629 Speed Avenue and 606-618 Frances Avenue.

# 2. Background

At its meeting on February 3, 2011, the Planning and Land Use Standing Committee (PLUSC) referred this application to the Governance and Priorities Standing Committee of Council with the provision of further information from staff and the applicant.

# 3. Information and Analysis

The following section provides further information and analysis in response to PLUSC's directive of February 3, 2011. The previous staff report to PLUSC on the application is also attached to this report.

# 3.1 Project Comparisons with Downtown Buildings

A comparison of the proposal's site development characteristics is provided using available data for four primarily residential buildings in the Downtown core: "The Aria" at 737 Humboldt; "The Juliet" at 760 Johnson; "The 834" at 834 Johnson (currently under construction); and "The Falls" at 813 Douglas (a comparison table is appended to this report). The analysis indicates the following:

- The most comparable building with similar site area, floor area, density and height is The Aria. The Aria's major differences are significantly less site coverage, significantly greater landscaping and fewer parking stalls with no surface parking stalls. In addition, amenities provided by The Aria include: improvements to Cridge Park, public art and a Victoria Housing Trust Fund contribution of \$200,000.
- Both The Juliet and The 834 are on much smaller sites resulting in greater densities and site coverage but with each having less than half the units of the Speed and Frances project. The major similarities are the building heights at 14 storeys and the small to nil building setbacks.
- The Falls is similar in total floor area but its smaller site area results in a greater density and site coverage. The amenities provided by The Falls include: public art and a Victoria Housing Trust Fund contribution of \$150,000.
- All the units in these four Downtown buildings are strata-titled with a variety of suite sizes. The Juliet and The 834 suites are mainly designed for singles and couples. There are, as well, twelve accessible suites in The 834.

In summary, the proposal's height, setback, site coverage and landscaping characteristics are similar to those of Downtown buildings built on smaller sites. However, the density, building setbacks, site coverage and landscaping of The Aria may indicate what is possible on larger sites Downtown and elsewhere when no surface parking is provided.

# 3.2 Proposed Commercial Uses

Under the existing zoning for the site, commercial uses are limited to vehicle sales and rentals on Frances Avenue and home occupations on Speed Avenue. This fits with the Official

Community Plan (OCP) designation of the area as industrial on Frances Avenue and residential on Speed Avenue. Automotive retail, servicing, storage and repair and other limited retail associated with industrial uses are generally permitted under the industrial designation in the Official Community Plan. The Burnside Neighbourhood Plan policies in this area focus on a light industrial and residential mix of uses with an expanded range of home business uses on Speed Avenue.

In the attached letter, the applicant indicates the proposed uses will continue the light industrial, mixed-service commercial uses that exist in the area and that support the Downtown but which do not negatively impact on the residential development. All uses would be enclosed to lessen the impacts on residents.

The applicant has not provided a specific list of proposed uses. More detail would be required to determine the fit with existing zoning as well as draft OCP policies for the Mayfair Town Centre area.

# 3.3 Housing Agreement Components

The structure of the Housing Agreement, as proposed by the applicant, is outlined in the attached letters from the applicant and Kevin Albers of M'Akola Group of Societies. A letter dated March 21, 2011, from Erika Bell of BC Housing is also attached advising that the proposal would qualify to apply for funding.

In summary, the Agreement would include the following elements and conditions:

- the Housing Agreement would be between the City and Oakwood Park Estates
- there would be no restrictions on rental of strata units
- M'Akola would purchase 75 units and guarantee rental for a minimum of 35 years (the units would be sold approximately 25% below market value as a turn key sale)
- an additional 30 units would be secured by M'Akola and guaranteed for rental for a minimum of five years (these units would be secured to meet the debt coverage ratio dictated by BC Housing)
- 64 additional market rental units would be secured for five years
- 55 units would be sold at market rates
- the BC Housing definition of "affordable" rental housing would be used with income limits established by BC Housing on January 1<sup>st</sup> each year
- the target market is families who are not in "core need" but who cannot afford market rental rates. The proposed rents would on average be 10% below market rates
- all the affordable units, 105 in total, are to be in the 14-storey tower with 55 strata units for sale on the top four floors
- all the market rental units are to be townhouses or units in the eight-storey tower.

Through a separate process, funding assistance will be sought by M'Akola from the City of Victoria and the CRD Housing Trust Funds. With respect to ensuring affordable rental housing, the applicant notes a covenant would be registered by M'Akola in favour of BC Housing.

Staff have advised the applicant that the covenant with BC Housing notwithstanding, the Victoria Housing Trust Fund requirements are for the provision of rental housing in perpetuity. Staff also note that an average rent 10% less than market rates addresses housing needs at the upper rather than the middle or lower income levels on the affordability continuum. Council would need to consider this request separately, with further analysis by the responsible staff.

## 3.4 Proposed Daycare

The applicant's proposal is that space will be made available at a preferred rate for 20 to 25 children in the daycare centre located in the project. The applicant is willing to have this included in a Housing Agreement.

Staff note that the provision of a daycare centre for a project oriented towards families would be appropriate and of benefit.

# 3.5 Proposed Landscaping

The applicant has advised staff that residents will be able to use the landscaped area proposed for daycare use when the daycare centre is closed. The applicant has also identified a park and open space within walking distance of the proposal, e.g. Sumas Street Play Lot, the former Burnside Elementary School grounds, Cecelia Ravine Park, Topaz Park and the Galloping Goose Trail.

Staff have discussed the lack of on-site landscaping with the applicant and options for increasing it, including further improvements to the street end, the acquisition of the lot to the west, a roof top park and shared parking between businesses and residents (which would lessen the area devoted to surface parking). The applicant has identified using the public street end as a park area with a maintenance contribution.

A proposal for a small park and street-end improvements was approved as part of the Rezoning Application for the 19-suite apartment at 616-612 Speed Avenue. The proposal by the applicant would need to be reviewed by staff with respect to the already approved improvements and with the owner of the proposed apartment building across the street. Contributions to maintenance by the applicant would also need to be reviewed.

Park and open space within walking distance notwithstanding, increasing the proposed landscaping on-site or nearby is particularly important as this project is oriented towards families.

#### 3.6 Residential Expansion Envisaged in the Neighbourhood Plan

The long-term transition to residential from light industrial uses in the Cecelia-Sumas area of Burnside, as recommended in the Neighbourhood Plan, remains a supportable land use policy despite the closure of Burnside Elementary School. Residential uses in this location would strengthen and expand the existing residential community and serve to knit the Cecelia-Sumas area with the residential community to the west of the Cecelia Ravine. In addition, an expanded residential community in this location would support the new community centre. While the retention of the Burnside Elementary School would be preferable, its closure does not significantly lessen the desirability of implementing this neighbourhood plan policy.

# 3.7 Traffic and Parking

The applicant has responded to the questions raised by PLUSC and concerns raised in letters from neighbours in the attached letter dated March 17, 2011. The staff response to the questions and concerns is as follows:

Vehicle access from Frances Avenue only, not Speed Avenue:

Staff have no objection to allowing vehicle access to the site from Frances Avenue only, although the argument could be made that this is contrary to the *Highway Access Bylaw* requirement that properties with multiple frontages locate their vehicle access on the more minor street (both local streets, but Speed Avenue has lower daily volumes than Frances Avenue). Requiring this change would necessitate an update to the traffic impact assessment report previously submitted.

Retaining parking on both sides of Speed Avenue:

Staff's original comment was that the consultant's recommendation to remove on-street parking would be taken under advisement. Should the majority of Speed Avenue residents wish to retain the on-street parking, staff have no objection, however, it would be advisable to review street parking/traffic flow post-construction to ensure no safety issues have arisen. Maintaining on-street parking for single family/low density properties would be a higher priority than maintaining on-street parking directly in front of the development site.

 Using traffic demand management strategies in the development to lessen traffic and parking impacts:

Staff would encourage the applicant to implement effective transportation demand management strategies for the residential and commercial components of the development. Transit incentives, car-share and car-pool programs, expanded/enhanced bike parking and end-of-trip facilities can contribute to an additional reduction in parking demand and site-generated traffic. It should be noted that the City does not have the authority to compel the implementation of these strategies.

Limiting all construction traffic, parking, loading, etc. to Frances Avenue:

Site access from Frances Avenue would impact commercial activities in the area, while access from Speed Avenue would have an impact on the remaining residential properties. Access to the site from Speed Avenue for larger commercial vehicles may be somewhat restricted due to boulevard tree canopies; boulevard tree conflicts are not an issue on Frances Avenue.

 Questioning the scope and conclusions of the traffic impact assessment study prepared by Boulevard particularly with respect to traffic impacts on Douglas, Burnside and the Douglas/Finlayson intersection. Concerns were also raised with respect to an increase in on-street parking on Speed Avenue and increased traffic on Delta, Beta and Gamma Streets. In addition, the size of the study area and the timing of traffic counts was questioned, i.e. the Synchro software.

The Douglas/Finlayson and Burnside/Finlayson intersections were not included in the analysis by the consultant, as the volume of anticipated traffic generated by the proposed development was minimal, when compared to the existing volumes on Douglas Street and Burnside Road,

and did not warrant review. Should the development access points be amended, the intersections could be included in the analysis by the consultant.

Volume increases on Frances Avenue associated with the development are unlikely to result in intersection delays at Burnside Road significant enough to encourage drivers to use Delta, Beta, or Gamma Streets.

The time periods when traffic count data was collected by the consultant for peak hour review were determined by examining existing 24-hour volume data on Douglas Street. As this information is broken into 15-minute periods, the consultant was able to pre-determine the most appropriate time to conduct their counts.

The impact of removing street parking on the remaining houses on Speed Avenue:

Removing street parking on Speed Avenue would limit parking opportunities for residents. As previously noted, staff have no objection to retaining on-street parking on Speed Avenue; however, a post-construction review of possible safety issues would be advisable.

# 3.8 Trees, Building Height and Shadowing

The applicant has provided additional information in the attached letter on tree locations, heights and building locations with respect to front setbacks. The applicant notes that the existing trees create shadows for the majority of the year. The shadow impact study of the proposed buildings shows minimal impact on Mayfair Walk except for the winter solstice (December). With the towers set back from Speed Avenue as well as the existing trees, privacy impacts of the proposed buildings on Mayfair Walk are also minimal.

#### 3.9 Development Controls to Ensure Development as Proposed

The proposed density, uses, setbacks and heights would be established by a new site-specific zone. The proposed design details, including landscaping, would be subject to Council's approval of a Development Permit with the designation of the site as a new Development Permit Area. The proposed Housing Agreement would run with the land. Should the property be sold following Rezoning and Development Permit approval, any new owner would be required to fulfil the terms of the Housing Agreement or seek Council approval for its removal. Increased density or the addition of uses not permitted in the site-specific zone would require Council approval. A new Development Permit for a different design could be pursued by the applicant or a new owner. None of these controls can ensure the applicant's project is built as proposed.

# 3.10 Value and Land Lift Analysis

The applicant has provided information from an appraiser on the value of the 75 units to be sold to M'Akola at 25% below the market value as well as the 30 units to be rented to M'Akola for a nominal rate to show the amount of value the applicant is willing to forgo. The suggested amount is in the order of \$4 million. Similarly, the value of the proposed market rental units is over \$3 million less than if the units were sold as condominiums. These figures indicate the applicant is willing to provide a significant "subsidy" for the affordable as well as market rental units proposed. The applicant advises that this is possible by a willingness to build and hold 94 of the units. The applicant has also provided an appraisal that indicates a doubling of the value of the land should the rezoning be approved, i.e. from \$3 to \$6 million.

The appraisals provide useful information but a more comprehensive analysis of the feasibility of the proposal, the value of the affordable and rental units as well as daycare in relation to the land lift should be undertaken. This is particularly important given it appears considerable subsidies are required and a concomitant risk that the proposal may not be financially feasible. It would also be useful to confirm that the value of the proposed affordable units is commensurate with the potential land lift resulting from rezoning. For other projects outside the Downtown where a significant increase in density has been proposed, Council has asked that this third-party economic analysis be conducted by a consultant of the City's choosing and paid for by the applicant.

#### Conclusions

The additional information provided by the applicant generally responds to the questions raised at PLUSC and in letters from neighbouring property owners. It provides more information on various components of the proposed Housing Agreement as well as the financial aspects of the development, including subsidies proposed by the applicant and future funding requests from M'Akola to the City and the CRD. The affordable nature of the project focuses on families who are not in "core need" but who cannot afford market rental units. On average, rents are proposed to be 10% below market rates.

The applicant would be willing to consider membership in the Victoria Car Share Co-op and make any surplus parking available at a preferred rate to nearby residents. The applicant is also willing to prepare a plan for managing construction traffic. However, limiting residents' vehicle access to Frances Avenue is not supported by the applicant.

The additional information provided by staff summarizes and reviews the applicant's information and gives responses to questions directed to staff. These responses include:

- confirmation that the proposal's characteristics are similar to Downtown buildings on smaller sites
- expansion of the residential community in the Cecelia-Sumas sub-area of the neighbourhood is still supportable despite the closure of Burnside Elementary School
- should the rezoning be approved for a site-specific zone, Housing Agreement and Development Permit requirements would provide controls over future development but these would not ensure the applicant's project is built as proposed.

Staff would encourage the applicant to implement transportation demand management strategies such as car share, transit incentives and so on. Requiring the implementation of such measures may not be possible. Staff have no objection to limiting vehicle access to Frances Avenue but this would necessitate an update of the traffic impact assessment study. The methodology and conclusions of the study as submitted by the applicant have been reviewed by staff and found to be sound.

Because the proposal involves subsidies by the applicant as well as the public through Housing Trust Fund grants, further analysis should be provided by a third-party to confirm the proposal's economic feasibility as well as the value of the affordable rental housing in relation to the potential land lift resulting from rezoning.

#### 5. Recommendations

The staff recommendation that the application be declined has not changed

Alternate Recommendation: If Council wishes to forward this application to a Public Hearing, the appropriate recommendation informed by the additional information in this report is the following:

- Concurrent with consideration of the rezoning, amending the Official Community Plan
  to include the site in a new Development Permit Area to regulate the details of
  building design and landscaping standards.
- 2) Amending the Official Community Plan to change the land-use designation covering the site to "Primary Centres-Mayfair" from "Industrial" and "General Residential".
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- 6) Proposed streetscape improvements to the City's right-of-way to be secured and constructed to the satisfaction of the Director of Engineering & Public Works.
- 7) The provision of transportation and parking demand management strategies to the satisfaction of the Director of Engineering & Public Works.
- 8) The provision of a sanitary sewer impact assessment study to the satisfaction of the Director of Engineering & Public Works.
- 9) The applicant paying for a third-party economic analysis to be conducted by a consultant of the City's choosing to confirm the feasibility of the proposal and ensure that the affordable rental housing and provision for daycare space (rented at a preferred rate) are commensurate in value to the potential land lift associated with the rezoning.

Note: Council considers consultation under Section 879 (2) of the *Local Government Act* and determines that no referrals are necessary 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 federal government and its agencies because the amendment affects local properties.

#### 5. List of Attachments

- February 3, 2011 minute of the Planning and Land Use Standing Committee
- Comparisons of Speed and Frances Proposal with The Aria, 834 Johnson, The Falls, The Juliet and Ross Place
- Letter from the applicant dated March 17, 2011 including Appendices.



# Planning and Land Use Standing Committee Report

Date:

January 27, 2011

From:

Brian Sikstrom, Senior Planner

Subject:

Rezoning Application # 00301 for 605-629 Speed Avenue and 606-618

Frances Avenue - Application of M.H. Johnston & Associates to rezone eight lots from the R1-B Zone, Single Family Dwelling District and R1-SLVH Zone, Single Family Storage Lot/Vehicle Sales District to a new zone. The rezoning will permit a commercial/residential development including 224 units in two multi-storey

buildings of fourteen and eight storeys

# **Executive Summary**

The purpose of this report is to provide information, analysis and recommendations regarding a Rezoning Application for the properties located at 605-629 Speed Avenue and 606-618 Frances Avenue. A rezoning is required to allow multi-family residential and commercial uses as well as increased density on the site.

The proposal is to construct a commercial/residential complex consisting of two residential towers of eight and fourteen storeys. The proposed mix of residential units includes ten market rental townhouses, 105 non-profit/affordable rental apartments, 54 market rental apartments and 55 strata apartments. Ground-floor commercial of 2178 m² is proposed with potential space for a daycare. Surface parking for 40 vehicles and 235 spaces of underground vehicle parking are proposed.

The following points were taken into consideration in reviewing this proposal:

- Under the Official Community Plan, 1995 (OCP), the Speed Avenue and Frances Avenue area is designated as Industrial Services.
- The Official Community Plan Update, which is targeted for completion in August 2011, has indicated the Douglas Street rapid transit corridor as a key potential growth area. A comprehensive transit-oriented land use planning exercise to optimize land use, design and amenity conditions in proximity to key transit nodes, including Mayfair Mall, would be a key initial priority emerging from the updated OCP.
- The Burnside Neighbourhood Plan, 1992 (revised April 2007) identifies Speed Avenue as an area for future small-scale industrial/home-based businesses mixed with residential. On Frances Avenue, the land use designation is for light industry.
- Further expansion of the residential community in the neighbourhood is supported in the Sumas/Cecelia area as well as on Douglas Street in the Mayfair area.
- While there are a number of residential Official Community Plan policies that could be
  cited to support additional rental as well as affordable housing, the applicability of these
  policies in areas designated for industrial and service/commercial uses must be carefully
  weighed. This is particularly the case when other areas of the city and neighbourhood
  are identified for residential strengthening and expansion.
- While the proposal's parking and traffic impacts are manageable, the area is lacking in services that would support a large-scale residential development such as a school or nearby park.

- The project's site planning (height, density, site coverage and setbacks) does not conform to a number of zoning standards typical of apartment buildings outside the Downtown core area.
- There are other suitable locations for this type of development in the Downtown core area.

A largely residential proposal of this size, density and height is premature in this location. While the proposal is near Douglas Street and adjacent to the Mayfair Mall area, more comprehensive transit-oriented land use planning should be undertaken before any new mixed-use developments are approved to optimize the potential benefits of such a major public investment.

#### Recommendation

Respectfully submitted,

That the application be declined.

Should Council wish to consider approval of this application, an alternate recommendation is provided in Section 5 of this report. Note: As the site is not within a Development Permit Area, its inclusion in a new development permit area would be appropriate to permit Council to review the details of building design and landscaping standards. As well, an amendment is required to change the OCP land use designation of the site from Industrial to Primary Centres-Mayfair.

Brian Sikstrom	Deb Day	Peter Sparanese
Senior Planner	Director	General Manager
Development Services	Planning & Development	
Report accepted and recomm	ended by the City Manager:	
BMS:aw		Gail Stephens

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# Purpose

The purpose of this report is to provide information, analysis and recommendations regarding a Rezoning Application for the properties located at 605-629 Speed Avenue and 606-618 Frances Avenue. A rezoning is required to allow multi-family residential and commercial uses as well as increased density on the site.

### 2. Background

# 2.1 Description of Proposal

The proposal is to construct a commercial/residential complex consisting of two residential towers of eight and fourteen storeys at a density of 3.56:1 floor space ratio (FSR). The residential component is comprised of 224 units with 10 ground-oriented townhouses along Speed Avenue. The commercial component consists of 2178 m² of commercial space on the Frances Avenue side of the site with surface parking for 40 vehicles. In addition, 235 spaces of vehicle parking are proposed in two underground levels accessed from Speed Avenue.

With respect to the composition of residential units, the applicant is proposing the following:

- 75 units to be sold to a non-profit housing society at a preferred price for affordable, rental housing
- 30 units to be rented to a housing society at a preferred rate for additional affordable rental units
- 54 market rental units
- 10 ground-oriented market rental units suitable for families
- 55 condominiums at market price.

To secure the non-profit and rental units as proposed, a Housing Agreement is required with the provision of more detailed information from the applicant on the various categories of suites, rents and income levels of tenants, etc.

The applicant advises that an area of the ground floor could be made available for a daycare at a preferred rent.

# 2.2 Existing Site Development and Development Potential

The site is comprised of eight lots currently occupied by five single family detached dwellings on Speed Avenue and a vehicle sales building on Frances Avenue with associated vehicle parking. The houses at 605, 607 and 609 Speed were built in 1914 and those at 615 and 629 Speed were built in 1944. The houses range in condition from fair to poor.

Under the existing R1-B Zone, Single Family Dwelling District on Speed Avenue, the lots could be developed for new single-family dwellings (with secondary suites) as well as other uses including public buildings such as a school or a church.

Under the existing R1-SLVH Zone, Single Family Storage Lot/Vehicle Sales District, the lots can be used for vehicle sales and rentals, storage for undamaged vehicles, single family dwellings (with secondary suites) as well as other uses including public buildings such as a school or church.

The site is "L"-shaped and largely level with some landscaping on the Speed Avenue lots.

#### 2.3 Data Table

The following data table provides information on the proposal and suggest standards for a new draft zone that would permit the development as proposed.

Zoning Criteria	Proposal	Draft Zone Standard
Site area (m²)	5349.4	5345 (min)
Total floor area (m²)	19054	19055 (max)
Density (Floor Space Ratio)	3.56:1	3.56:1 (max)
Number of Buildings	2	2 (max)
Height (m)	38.1	38.5 (max)
Site coverage (%)	66	66 (max)
Open site space (%)	14.3	14 (min)
Storeys	14 and 8	14 and 8
Setbacks (m) North (Speed Ave.) South (Frances Ave.) East West	6 nil 6 nil	6 (min) nil (min) 6 (min) nil (min)
Parking (stalls)	275 235 parkade, 40 surface	275 (min)* 235 parkade (min) 40 surface (max)
Bicycle storage (stalls)	230 class 1 +18 class 2	230 class 1 + 18 class 2
Surface parking landscape strip width (m)	0.6 (min)	0.6 (min)

Notes: \*The existing Schedule C parking requirement is for 359 stalls based on the mix of rental and strata residential units and commercial floor area.

#### 2.4 Land Use Context

The existing land use on Speed Avenue consists of single family dwellings, a three-storey strata apartment building, two motels and commercial uses at the intersection with Douglas Street. The land use on Frances Avenue is vehicle storage and sales as well as warehouse and service commercial uses. Mayfair Mall is nearby across Douglas Street.

Immediately adjacent uses are:

North (across Speed Avenue): single family dwellings and a three-storey strata apartment building

South (across Frances Avenue): auto sales dealership

West: warehouse/service commercial uses East: single family dwellings and a motel.

The property is within a quiet noise district but is surrounded by an intermediate noise district due to the commercial and light industrial nature of much of this area.

Speed Avenue is a local cul-de-sac with access and egress from Douglas Street. Frances Avenue is also a local street. Douglas Street is an arterial street and the designated route for future rapid transit.

# 2.5 Legal Description

Lots 16, 17, 18, 19, 20, 21 and 23 Section 4 Victoria District, Plan 358; Lot 22, Section 4, Victoria District, Plan 358, except the westerly 10 feet; and The westerly 10 feet of Lot 22, Section 4, Victoria District, Plan 358.

# 2.6 Relevant History

Rezoning to permit the three-storey, 30-unit Mayfair Walk strata apartment building on the north side of Speed Avenue was approved in 2005. The building was completed in 2007. A rezoning to permit a five-storey, 19-unit strata apartment building adjacent to Mayfair Walk on the west side was approved in 2009. A Building Permit Application for this building has not been received.

# 2.7 Consistency with City Policies

# 2.7.1 Official Community Plan, 1995 (OCP)

The Speed Avenue and Frances Avenue area is designated as Industrial Services in the Official Community Plan, 1995. Industrial Services are described as follows:

- (i) Character: All such areas are long-established concentrations of industrial development but are best situated and with appropriate characteristics for revitalization for modern industry. There are many small establishments on small to medium-sized properties and a few large facilities. The character is utilitarian, but these areas are of great significance to the community. Improved standards of appearance are desirable in prominent locations, e.g. adjacent to major streets.
- (ii) Form: These areas are generally of low density and of low profile, but with provision for high density mid-rise specialized structures. There is generally considerable space around buildings but more intensive development is acceptable.
- (iii) Uses: While it is desirable to concentrate on industrial uses, others are acceptable provided they would not make redevelopment for industrial uses impractical. These would be in the wholesale and service commercial use categories.

Residential objectives and policies in the Official Community Plan relevant to this application include:

# Affordable Housing, Objectives (Pages 5.4-5.5)

- a) To ensure a diverse set of affordable housing options, including ownership, rental and special needs; all people in Victoria have a right to appropriate and affordable housing.
- b) To support public and private initiatives for provision of good quality housing for families in need of assistance, the elderly, disabled and disadvantaged, and facilitate and support community organizations and agencies working to improve housing resources, or working to provide housing services in Victoria.
- c) To provide renters in Victoria with affordable rental housing and a choice of type of rental accommodation.

# Diversity of Housing Options, Objectives (Pages 5.6-5.8)

- a) To provide a variety of good-quality housing to meet the needs of existing and future Victoria residents.
- d) To encourage the provision of an adequate supply of rental housing.
- f) To facilitate and support community organizations and agencies working to improve housing resources or working to provide housing services in Victoria.

# Diversity of Housing Options, Policies (Page 5.8)

- Amend the zoning regulations to encourage the provision of mixed-use building projects.
- iii) Promote universally accessible housing.

#### Design Guidelines and Controls, Objectives (Page 5.8)

- a) To encourage high standards of design and appearance in new residential development.
- d) To develop and implement universally accessible housing design guidelines.

The site is not within a Development Permit Area and its inclusion in a new development permit area would be appropriate to permit Council to review the details of building design and landscaping standards should Council wish to consider this rezoning.

# 2.7.2 Burnside Neighbourhood Plan, 1992 (Revised April 2007)

The Burnside Neighbourhood Plan, 1992, recommends that the Speed Avenue area be retained as mixed residential and light industrial area with an expanded range of home business uses/home industry. The residential policy states:

8. In the Speed Avenue sub-area residential and light industrial should not be considered mutually exclusive and a modified R1-B zoning to allow an expanded range of home business uses or a new zone should be considered.

The Neighbourhood Plan supports an expanded and strengthened residential community for the neighbourhood through a number of policies including:

- 5. The extension of residential use into the Cecelia-Sumas area is anticipated to be a long term transition. Some existing industries and other uses such as the SPCA may ultimately require relocation.
- Additional apartment development is considered appropriate on Douglas Street in the major commercial areas, particularly if developments incorporate ground floor commercial uses. The Humber Green and Mayfair areas are suitable for apartment housing.

The expansion of the residential community into the former Fletcher Challenge site was recommended in the Neighbourhood Plan. This occurred with the Selkirk Waterfront Project which is now nearly completed, with approximately 400 homes in the form of apartments, townhouses and a seniors' care facility.

The Long Term Land Use Plan Map in the Neighbourhood Plan, attached to this report, shows the areas where expansion and strengthening of the residential community is anticipated.

# 2.7.3. Emerging City Policy

The Official Community Plan Framework for Plan Development, approved in principle by Council on September 23, 2010, posits a significant amount of future population and housing growth in large scale village centres on frequent and rapid transit corridors. With the proposed development of rapid transit on the Douglas Street Corridor, village centres along this corridor, including one in the proximity to Mayfair Mall are of the highest priority for growth and change. However, a comprehensive planning study that builds on the land use framework established in the updated OCP is essential to ensure the area is cohesively developed with transit oriented land uses, appropriate design considerations, and the significant amenities to support an increased population. A Douglas Street Corridor Study will be a high planning priority emerging from an updated OCP, which is targeted for Council adoption by August 2011.

# 2.8 Community Consultation

The Burnside-Gorge Neighbourhood Association has been consulted. Community meetings were held on December 16, 2009 and December 13, 2010. The comments from these two meetings are attached in letters from the Association dated January 24, 2010 and January 15, 2011.

# 3. Issues

The main issues surrounding this proposal are:

- appropriateness of use and density
- adequacy of parking and traffic management
- site planning
- ensuring the preservation of boulevard trees.

#### 4. Analysis

# 4.1 Appropriateness of Use and Density

The proposal is in an area identified for continued industrial land use in the Official Community Plan. The Burnside Neighbourhood Plan identifies Speed Avenue as an area for future small-

scale industrial/home-based businesses mixed with residential. On Frances Avenue, the neighbourhood plan land use designation is for light industry. While there are a number of residential *Official Community Plan* policies that could be cited to support additional rental as well as affordable housing, the applicability of these policies in areas designated for industrial and service/commercial uses must be carefully weighed. This is particularly the case when other areas of the city and neighbourhood are identified for future residential expansion.

With respect to these other areas, the proposal is near the Mayfair Mall area. In this area the *Burnside Neighbourhood Plan* policy states apartments with ground floor commercial uses could be considered on Douglas Street. This policy on Douglas Street is in keeping with its recent designation as a rapid transit route as well as the emerging *Official Community Plan* concept of walkable village centres along rapid transit and frequent transit routes. Planning for lands within walking distance of transit stations should be undertaken before more intensive employment and residential growth is considered.

The proposed 3.56:1 floor space ratio (FSR) of this project is well above that currently permitted for residential developments outside the Downtown core area. The FSR of the existing apartment building across the street (630 Speed Avenue) is 1.3:1. The density of the apartment building approved, but not built, across the street (612 Speed Avenue) is 1.6:1.

# 4.2 Adequacy of Parking and Traffic Management

The applicant is proposing to provide approximately one parking space per dwelling unit. This is below the City's Schedule C parking standard of 1.3 spaces per rental unit and 1.4 spaces per strata unit. The provision of parking at a reduced standard can be considered in this location, which would be close to transit.

The applicant has provided a Traffic Impact Assessment as requested by City staff. The study indicates that the traffic generated by this development would be acceptable and not require any major traffic improvements. However, the removal of day-time parking on the south side of Speed Avenue is recommended by the consultant to enable two-way traffic. As well, the removal of parking on the north side of Frances Avenue is recommended by the consultant to improve sight lines. These recommendations will be given consideration, should the project proceed.

# 4.3. Site Planning Considerations

The proposal does not conform to a number of zoning standards typical of apartment buildings outside the Downtown core area. These include:

- building site coverage of 66%, where the typical maximum range is from 30% to 40%
- landscaping of 14%, where typical minimum percentage is 40% to 50% for apartments with enclosed/underground parking
- no building setbacks on the west and south sides, where the typical setback is one-half the building height (which would be 19 and 11 metres in this case)
- building heights of 38.1 m and 22 m, where the typical building heights range is 22 m to 12 m.

The proposal includes 10 street-friendly townhouses on Speed Avenue. However, the Frances Avenue frontage is largely devoted to the provision of surface parking for commercial uses.

This parking area is screened with fences and landscaped with low vegetation and trees. The latter may have an impact on the functionality of the parking spaces.

# 4.4. Ensuring the Preservation of the Boulevard Trees

A tree protection plan, acceptable to staff, has been submitted by the applicant to ensure the London Plane trees in front of the building on Speed Avenue are retained. These trees are integral to the character of the street. The proposal includes replacement of the existing boulevard trees on Frances Avenue.

# 5. Options

- 5.1. That the application be declined.
- 5.2. That the application be considered for approval following a Public Hearing with the following conditions:
  - 1) Concurrent with consideration of the rezoning, amending the *Official Community Plan* to include the site in a new development permit area to regulate the details of building design and landscaping standards.
  - 2) Amending the Official Community Plan to change the land-use designation covering the site to "Primary Centres-Mayfair" from "Industrial".
  - 3) Amending the *Burnside Neighbourhood Plan* to include the properties in the Mayfair Major Commercial area.
  - 4) Advisory Design Panel review with attention to building design as well as the streetscape and landscaping treatments proposed on the Frances Avenue frontage.
  - 5) Registration of a Housing Agreement on title, secured by bylaw, to ensure nonprofit and rental housing as proposed by the applicant in the letter dated October 6, 2010.
  - 6) Proposed streetscape improvements to the City's right-of-way to be secured and constructed to the satisfaction of the Director of Engineering & Public Works.
  - 7) Applicant providing a sanitary sewer impact assessment study to the satisfaction of the Director of Engineering & Public Works.

Note: Council considers consultation under 879 (2) of the *Local Government Act* and determines that no referrals are necessary 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 federal government and its agencies because the amendment affects local properties.

## 6. Conclusions

A proposal of this size, density and height is premature in this location. The existing *Burnside Neighbourhood Plan* policies support a mix of residential and small-scale industrial/home-based businesses on Speed Avenue and continued service commercial uses on Frances Avenue. The Plan recommends that the further expansion of the residential community occur in the Sumas-Cecelia area, as well as on Douglas Street in the Mayfair area.

While the proposal is near Douglas Street and the Mayfair Mall area, more comprehensive transit-oriented land use planning should be undertaken before any new mixed-use

developments are approved to optimize the potential benefits of such a major public investment. This transit-oriented planning is a high near term priority for the City, building on the Douglas Street Rapid Transit project and directions emerging in the OCP Update.

While the project's parking and traffic impacts are manageable, the area is lacking in services such as a school or a nearby park. The project's site planning (height, density, site coverage and setbacks) does not conform to a number of zoning standards typical of apartment buildings outside the Downtown core area. There are suitable locations for this size and scale of project in the Downtown core area.

# 7. Recommendation

That the application be declined.

#### 8. List of Attachments

- Aerial photo
- Subject map
- Letters from the applicant dated December 22, 2010 and October 6, 2010
- Letters from the Burnside Gorge Community Association dated January 24, 2010 and January 15, 2011.
- Proposal drawings.