AGENDA MAYOR'S STANDING COMMITTEE ON HOUSING AFFORDABILITY AND SUPPLY April 11, 2022 at 1 p.m. Via MS Teams

In light of the COVID-19 pandemic and to ensure social distancing, this meeting is closed to the public and can be viewed/heard via MS Teams. Please note that MS Teams callers are identified by their phone number which can be viewed on screen by all attendees at the meeting.

1. CALL TO ORDER

2. ADOPTION OF MINUTES (attachment)

February 28, 2022

3. RECEIPT OF CORRESPONDENCE FOR INFORMATION (attachments)

- Memo dated March 24, 2022 regarding Cadboro Bay Local Area Plan Update
- Memo dated March 24, 2022 regarding Review of RA Zones and Building Height

4. NEW BUSINESS

- Interim policy on increasing height and density on corridors (Planning Staff)
- Digitization Update (CAO)

5. ROUNDTABLE

6. ADJOURNMENT

'IN CAMERA' MEETING IMMEDIATELY FOLLOWS

MINUTES MAYOR'S STANDING COMMITTEE ON HOUSING AFFORDABILITY AND SUPPLY Via Microsoft Teams February 28, 2022

- Present: Councillor Zac de Vries (Chair); Mayor Fred Haynes; Councillor Karen Harper; Councillor Rebecca Mersereau.
- Staff: Sharon Hvozdanski, Director of Planning; Cameron Scott, Manager of Community Planning; Silvia Exposito, Planner (Community Planning); and Austin Winters, Committee Clerk.

CALL TO ORDER

Councillor de Vries called the meeting to order at 8:30 a.m.

MINUTES

MOVED by Councillor Mersereau and Councillor Harper: "That the minutes of the Mayor's Standing Committee on Housing Affordability and Supply meetings held January 10, 2022, and January 31, 2022 be adopted as circulated."

CARRIED

DRAFT CADBORO BAY LOCAL AREA PLAN (CONTINUATION)

The Manager of Community Planning presented to the committee (PowerPoint on file). In response to the presentation, the following was noted:

- Land use is opening up to townhouse development in Cadboro Bay.
- Townhouses have been allowed to have suites; however, there are some challenges with the building code.
- It will be key to explicitly state in the legislation that suites are permitted in townhouses.
- Staff will have zoning updates to the committee in the next couple of months.
- Engineering storm drain requirements do no permit for garden suites in Queenswood and Ten Mile Point; this conflicts with the plan which states ditches are acceptable.
- The economic analysis is currently drafted and will be distributed to the committee once it's complete.
- The range of potential incomes is \$850 \$1100 per square foot.
- Concerns were expressed regarding elitism and the exclusion of certain demographics in the draft plan.
- Rental tenure zoning could help reduce rental costs.
- Lower income groups would not realistically be able to afford a rental in the Cadboro Bay area without subsidization.
- The broader CAC (Community Amenity Contributions) program, which is currently being developed, looks at areas across Saanich for more inclusionary housing.
- Staff have explored land use options in different areas in an attempt to increase density and encourage purpose built rentals. The Village area was consistent throughout these discussions. The community expressed concerns regarding the impact of taller buildings on the overall "feel" of the village.

- Purpose built rentals can be encouraged but may not necessarily have an affordability component.
- In general, local area plans should be more outcome based rather than prescriptive.
- Three storey walk-up housing format should be seriously considered.
- Consideration should be given to reduced parking requirements for rentals in the Cadboro Bay village given the proximity to services and UVic.
- The plan should explore moving up Sinclair Road and Hobbs Street in order to increase opportunities.
- Up until around 2000, Cadboro Bay was a middle class area.
- It was suggested that staff overlay with the housing strategy to provide additional options and improve viability of certain housing formats.
- A Missing Middle Housing study will be conducted for the Cadboro Bay area. Staff may amend the local area plan to implement findings from the study.
- Concerns were expressed regarding Local Area Plans not appropriately reflecting density needs in communities, and implications involved in amending the plans.
- Revisions based on the feedback received from the committee are significant and will take multiple months to implement changes in the plan.

MOVED by Councillor Harper and Seconded by Mayor Haynes: "That the Mayor's Standing Committee on Housing Affordability and Supply request Staff to bring back proposals to Council for purpose built rentals in the Cadboro Bay Local Area Plan."

CARRIED

MOVED by Councillor Mersereau and Seconded by Mayor Haynes: "That the Mayor's Standing Committee on Housing Affordability and Supply request Staff to report back to Council with options and implications for expanding the geography of the core designation of the plan to Hobbs Street and along Sinclair Road to increase the range of incomes that will be accommodated by future rental and market strata housing."

CARRIED

ADJOURNMENT

MOVED by Councillor Harper and Seconded by Mayor Haynes: "That the meeting be adjourned at 10:00 a.m."

CARRIED

Councillor Zac de Vries, Chair

I hereby certify these Minutes are accurate.

Committee Secretary



Memo

File: 1420-30 MSCHAS

To:The Mayor's Standing Committee on Housing Affordability and SupplyFrom:Sharon Froud, Deputy Manager, Legislative ServicesDate:March 24, 2022

Subject: Local Area Plan Update – Process Check In

At a Council meeting held March 14, 2022, Council discussed the Cadboro Bay Local Area Plan, which included the memo of the Mayor's Standing Committee on Housing Affordability and Supply dated March 3, 2022. The following motion was made:

"That Council direct Staff to undertake additional work to assess an expanded/more intense Village Centre with the purpose of expanding purpose built rental housing and housing opportunities for a broader range of incomes."

The minutes and further information will be available on www.saanich.ca/agendas.

J. troud

Sharon Froud Deputy Manager, Legislative Services

/mm

cc: Nancy Chaggar, Senior Committee Clerk



Memo

File: 1420-30 MSCHAS

To: The Mayor's Standing Committee on Housing Affordability and Supply

From: Sharon Froud, Deputy Manager, Legislative Services

Date: March 24, 2022

Subject: Review of RA Zones and Building Height

At a Committee of the Whole meeting held March 21, 2022, Council discussed the report of the Director of Planning dated March 10, 2022. The following motion was ratified by Council:

"That Council refer the Report on the Review of RA Zones and Building Height to the Mayor's Standing Committee on Housing Affordability and Supply."

A copy of the report is attached for your information. The minutes and further information will be available on <u>www.saanich.ca/agendas</u>.

troug

Sharon Froud Deputy Manager, Legislative Services

/mm

cc: Nancy Chaggar, Senior Committee Clerk



The Corporation of the District of Saanich

Repo	rt	RECEIVED
То:	Mayor and Council	MAR 1 1 2022
From:	Sharon Hvozdanski, Director of Planning	LEGISLATIVE DIVISION
Date:	March 10, 2022	DISTRICT OF SAANICH
Subject:	Review of RA Zones and Building Height File: 2330-25 • Official Community Plan – Repor	ts to Council

RECOMMENDATION

That while the work to support a strategic update of the Official Community Plan is in progress, Council is open to considering proposals for targeted Official Community Plan amendments in support of residential/mixed-use residential buildings of up to six-storeys as an appropriate land use and building form along major corridors in locations noted in Map 2 of this Report, subject to an evaluation of project details, urban design elements and site context.

PURPOSE

The purpose of this Report is to: provide Council with background information and analysis on potential changes to increase height and density permitted in RA zones; provide Council with options for increasing support for six-storey buildings in appropriate areas in Saanich; and recommend an interim policy to support six-storey residential and mixed-use residential buildings in locations as shown on Map 2.

DISCUSSION

Background and Context

At a meeting of the Mayor's Standing Committee on Housing Affordability and Supply (MSCHAS), a recommendation was made/carried by the MSCHAS that Staff be directed to bring Council proposed changes to the Zoning Bylaw permitting greater height and density in RA-zoned properties. The minutes include the following comments:

- Where the OCP supports more height, zoning should be in place; .
- Redevelopment could then occur without the time/cost of a rezoning application;
- Need to determine where density is appropriate;
- Six storeys could be allowed where the current zoning permits four storeys;
- OCP policies are constraining redevelopment potential; and
- Put zoning changes in place where we know density is appropriate.

After review and consideration at a subsequent meeting, the following Council motion was made and carried:

"That staff be directed to bring Council proposed changes to the Zoning Bylaw 8200 permitting greater height and density in RA-zoned properties (Apartment) Zone."

Based on the MSCHAS direction, the Housing Strategy includes the following action:

ACTION 3.1 C - Consider changes to the RA (Apartment Zone) to increase height and density (in terms of floor area or floor space ratio) in order to increase supply, while considering impacts to the existing rental housing stock.

BC Building Code Changes

Advances in wood science and building technology have resulted in opportunities for safe mid-rise light-frame wood construction options for the building industry. British Columbia, through its provincial building code, became the first province in Canada to allow mid-rise buildings made from wood, by increasing the permissible height for light-frame wood residential buildings from four to six-storeys in 2009.

Mid-rise wood-frame construction can provide an affordable and sustainable housing option that can help meet the District of Saanich's housing goals. Most of the District of Saanich's RA zones were developed for four-storey or lower construction.

ANALYSIS

Inventory of RA Zoned Parcels and Buildings

The District of Saanich Zoning Bylaw contains **10 RA (residential apartment) zones**. Table 1 provides the permitted height and density of each RA Zone, and the likely buildable number of storeys by zone. The number of storeys may differ based on unit floor to ceiling heights, which are typically 2.44 m (8 ft) or 2.74 m (9 ft), but have been trending higher in recent years.

Zone	# of Parcels	# of Buildings	Permitted Height (m)	Maximum Permitted Storeys	Likely Storeys*	Permitted FSR	Density
RA-1	11	46	7.5 m		2	0.55	1 unit/185 m ²
RA-2	8	14	9.0 m	4**	3-4	0.85	1 unit/125 m ²
RA-3	117	135	11.5 m	5***	3-4	1.2	
RA-4	2	3	9.0 m	4**	3-4	1.0	1 unit/125 m ²
RA-6	4	7	11.5 m	5***	3-4	1.2 to 1.4	
RA-7	1	1	16.0 m		5	1.5	
RA-8	3	1	11.5 m	5***	4	1.5 to 1.7	
RA-9	4	1	13.0 m	5***	4	1.5 to 1.7	
RA-10	4	1	15.0 m		4	1.7 to 1.9	
RA-CA	2	1	12.5 m		4	1.45	

Table 1: Zoning Requirements of RA Zones
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*based on permitted height and ceiling heights of 2.44 m or 2.74 m (eight or nine feet) and in consideration of permitted FSR

**maximum 4 storeys of which only 3 are habitable

***maximum 5 storeys of which only 4 are habitable

There are **211 RA-zoned properties** in the District of Saanich. Most RA-zoned properties are zoned RA-3 (64%). Buildings on RA-zoned parcels range from one to six storeys, with the majority at two, three and four-storeys (see Table 2).

Zone	1 storey	2 storey	3 storey		4 storey	5 storey	6 storey	Total
RA-1	10	29			6	1		46
RA-2		3	11					14
RA-3	3	11	41	- 2	69	10	1	135
RA-4			3					3
RA-6					7			7
RA-7						1		1
RA-8					1			1
RA-9					1			1
RA-10		5.0			1			1
RA-CA					2			2
Totals	13	43	55		87	12	1 .	211

Table 2: Invento	ry of RA Zoned Parcels and Buildings
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In addition to RA zones, the District of Saanich has other zones that support multi-unit residential or mixed-use residential buildings (including six storeys). These include RM, C, and CD zones. Most recent proposals for six-storey buildings have used zones other than RA.

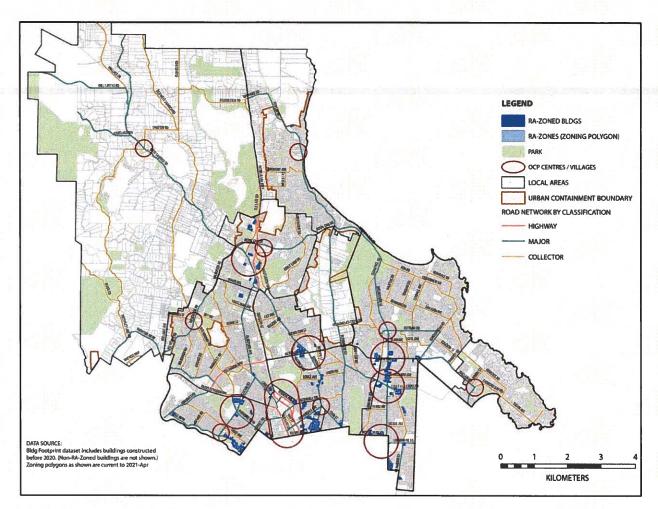
Locations of RA-Zoned Parcels and Buildings

The location of RA-zoned parcels and buildings are shown on Map 1. Most RA-zoned properties and apartment buildings in the District of Saanich are clustered within and near OCP designated "Centres" and "Villages", and along major road corridors including Quadra Street, Gorge Road, Shelbourne Street, Richmond Road, and McKenzie Avenue. There are clusters on Elk Lake Drive, in Saanich Core between Tattersall Drive and Quadra Street, and along West Saanich Road, as well as other sites in unique locations.

Policy Context

The Official Community Plan (General Plan) (OCP) provides broad policy support for focusing higher density development in Centres and Villages. There is OCP support for apartment/mixed-use buildings with heights that vary depending on location including:

- Up to eight storeys in Centres;
- Up to four storeys in Villages;
- Up to four storeys for Neighbourhoods; and
- Up to 24 storeys in the Uptown Major Centre.



Map 1: Location of RA-Zoned Parcels and Buildings in Saanich

Adopted area plans (including Local Area Plans, Corridor Plans, and Centre/Village plans) provide a finer level of policy direction, building on the OCP framework. Older Local Area Plans have a limited number of parcels designated for multi-family residential use. Through the Centre, Corridor, and Village planning process, the number of lots designated for apartment use will increase.

Where older plans apply, Staff evaluate potential apartment sites based on the OCP (General Plan), LAP, site context, quality of design, and other District of Saanich policies, such as the Housing Strategy. However, six-storey applications outside of a Centre would typically require an OCP amendment as part of the approval process.

Considerations for Up-zoning RA-Zoned Parcels

There are a number of factors to contemplate when evaluating potential broad-based changes to RA zones. While there are some benefits, there are also some potential downsides.

The benefit of a blanket rezoning is speed and certainty for redevelopment applications. A blanket rezoning could be achieved by either amending an existing zone(s) or rezoning selected properties with a new RA Zone. Once the zoning is in place, only a Development Permit for form and character would be required for redevelopment. This would reduce the time and risk for developers who wish to undertake a redevelopment of these sites.

A blanket rezoning, however, may have unintended or negative consequences. Key potential downsides include:

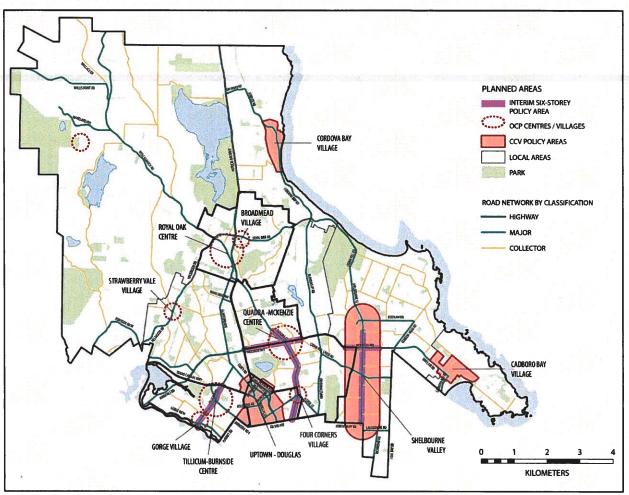
- Many of the more affordable purpose built rental units in the District of Saanich are located on RA parcels. Higher density provisions/land values could put upward pressure on operators to sell and/or re-develop. This could lead to a loss of affordable rental housing and displacement of tenants.
- A blanket approach may result in the inclusion of some sites that are not suitable for greater density and/or better suited for a different use or mix of uses. Spending the time to evaluate all RA parcels on an individual basis would be time intensive and would duplicate the Centres, Corridors and Villages (CCV) planning process. Pulling staff resources away from CCV planning would be detrimental to the CCV work plan.
- Changes to RA zones would remove the ability to negotiate for community amenities during a rezoning process. Rezoning applications provide the opportunity to seek a range of community benefits such as affordable housing units, funds for the Saanich Housing Fund, park/public space, and protection of environmental assets. Currently a permanent Community Amenity Contribution and Inclusionary Housing Program is under development. A pre-emptive rezoning of RA properties would greatly constrain potential outcomes and risk the loss of affordable housing units or other community amenities.
- A blanket rezoning would likely result in an increase in land values. This could lead to higher property taxes and higher operating costs for rental property owners, potentially placing upward pressure on rental costs.
- A blanket rezoning could also result in "push back" from community members if it is felt that there has not been adequate public engagement for changes in land use. A change of two or three-storeys to six-storeys is a significant change. There is a greater chance of community support with adequate consultation that is undertaken in the context of each planning area through the CCV planning process.

RECOMMENDED APPROACH – INTERIM POLICY

As noted above, there are multiple drawbacks to a blanket rezoning approach for RA zones at this time. The completion of the Community Amenity Contribution and Inclusionary Housing Program, Strategic OCP Update, and Centres, Corridors and Villages Plans will provide greater clarity on future land uses, desired amenities, housing tenure mix and suitable sites. By undertaking the planning work to provide clarity on these variables, pre-zoning could be a much more targeted and effective pre-zoning implementation tool in the future.

However, in order to acknowledge the current develop conditions and recent precedents, Staff propose an interim policy that would provide support for consideration of six-storey buildings on portions of major corridors. This policy would provide a bridge to the Strategic OCP Update, which will undertake the analysis and engagement work needed to add Corridors as a land use typology in the OCP within a 12 month process. Further, the CCV planning process would further expand and provide greater clarity on areas where multi-unit housing opportunities would be supported.

In the interim and in order to acknowledge the viability of six-storey construction and recent precedents, Staff recommend that Council adopt an interim policy to support six-storey buildings on portions of major corridors (see Map 2).



Map 2: Interim Six-Storey Policy Area

An interim policy would be in place until the Strategic OCP Update has been completed and would be further refined through CCV planning work. The interim policy would support consideration of mid-rise residential and mixed-use buildings up to six storeys, subject to site analysis, on parcels fronting:

- Shelbourne Street, from North Dairy Road to Blair Avenue;
- Tillicum Road, from Gorge Road to Trans Canada Highway;
- McKenzie Avenue, from Hwy17 to Cedar Hill X Road;
- McKenzie Avenue, within 500 m of University Centre; and
- Quadra Street, from Tolmie Avenue to Saanich Road.

The interim policy would not give blanket support to all six-storey applications, but would support consideration of six-storey forms in multi-unit and mixed use buildings. Each application would be evaluated on its merits including for its site context, design, and community amenity contributions. The interim policy would supplement existing OCP policy, including for Centres, where buildings up to eight storeys are supported. Note that the extent of sites identified in the interim policy is relatively conservative and it is intended that through the Strategic OCP Update there would be an examination of an expanded area for potential six-storey buildings.

ALTERNATIVES

1. Consider a Blanket Rezoning of Existing RA Properties

Council could direct Staff to create a new RA Zone for six-storey buildings and undertake a blanket rezoning of some or all existing RA zoned properties.

While this approach may result in a faster process for redevelopment sites there may be negative consequences. These consequences could include displacement of existing tenants, higher density development in unsuitable locations, and the loss of community amenity contributions.

2. Do not adopt the Interim Policy and Allow the Strategic OCP Update and Centre, Corridor and Village Plans to Update Policy Direction of Apartment Sites

Council could choose not to make a motion in response to this Report. The companion Reports presented at this Council meeting (Strategic OCP Update and Centres, Corridors and Villages Work Plan) would provide the basis to update the policy framework to permit higher density apartment buildings. Longer term, changes to RA zones could be considered based on the outcomes of this policy work.

CONCLUSION

Currently 211 properties are contained within 1 of 10 different RA apartment zones in the District of Saanich. These properties include the majority of the purpose built rental stock in the District of Saanich and are predominately three to four-storeys in height. A blanket rezoning permitting more height and density in RA zones could have unintended negative consequences with respect to land values, a loss of affordable rental stock, neighbourhood fit, and community support.

Staff recommend that an interim policy supporting consideration of six-storey buildings in select locations on Corridors be adopted in the short term. In the longer term, planning for the remaining Centres, Corridors, and Villages and the Strategic OCP Update will provide a methodical approach to identifying appropriate locations for future apartment buildings and six-storey forms.

Prepared by:

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Pam Hartling Housing Planning and Policy Manager

Reviewed by:

Cameron Scott Manager, Community Planning

Approved by:

Sharon Hvozdanski Director of Planning

PH/jsp

ADMINISTRATOR'S COMMENTS:

I endorse the recommendation from the Director of Planning.

Brent Reems, Chief Administrative Officer