

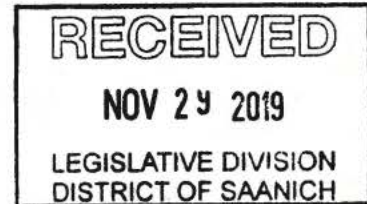


The Corporation of the District of Saanich

C/W 10 Dec 2019

Report

To: Mayor and Council
From: Sharon Hvozanski, Director of Planning
Date: November 27, 2019
Subject: Development Permit Amendment Application
File: DPA00942 • 801, 813, 833, 837 and 841 Darwin Avenue, 821, 843 and 846 Nigel Avenue, 828, 832 and 880 Vernon Avenue.



RECOMMENDATION

That Development Permit Amendment DPA00942 be approved.

PURPOSE

The purpose of this report is to seek direction from Council on the subject application. The application is for an amendment to the Nigel Valley Master Development Permit (DPR00665) to vary the requirements under Section 7 of the Subdivision Bylaw, Section 6.1(c) of the Zoning Bylaw, and Sections 33 and 36 of the Tree Protection Bylaw to provide a Letter of Guarantee rather than a Letter of Credit to ensure the works and services and landscaping through all phases of the development are completed. The applicant is BC Housing Management Commission (Jesse Tarbotton).

DISCUSSION

Neighbourhood Context

The subject properties, which have been informally referred to as Nigel Valley, are located along Nigel Avenue, between Vernon Avenue and Darwin Avenue in the Saanich Core Area, within the Uptown Major "Centre". The Lochside Regional Trail is adjacent to the northwest boundary with the municipal precinct across the trail. Vernon Avenue is to the southwest, and Darwin Avenue to the northeast. Single family homes back onto a portion of the site, and a multi-family development is to the southeast. Swan Lake Nature Sanctuary is northwest of the site.

On November 18, 2019 Council gave Final Reading to Zoning Amendment Bylaw No. 9516 to rezone the site to a new CD-6NV (Comprehensive Development Nigel Valley) Zone and ratified Development Permit DPR00665 to permit the development of approximately 800 non-market and market residential units across the site in addition to day programming, residential care services, and a small amount of retail/office space. Installation of works and services is pending and two Development Permit Amendment applications for development of individual sites within Nigel Valley are in the final stages of review. These applications include:

- 88 housing units comprising residential care, assisted living and affordable rental apartments for Broadmead Care Society at 880 Vernon Avenue (DPA00939); and

- 70 affordable housing apartments with ground floor commercial for Greater Victoria Housing Society at 801 Darwin Avenue (Alias: 856 Nigel Avenue) (DPA00945).

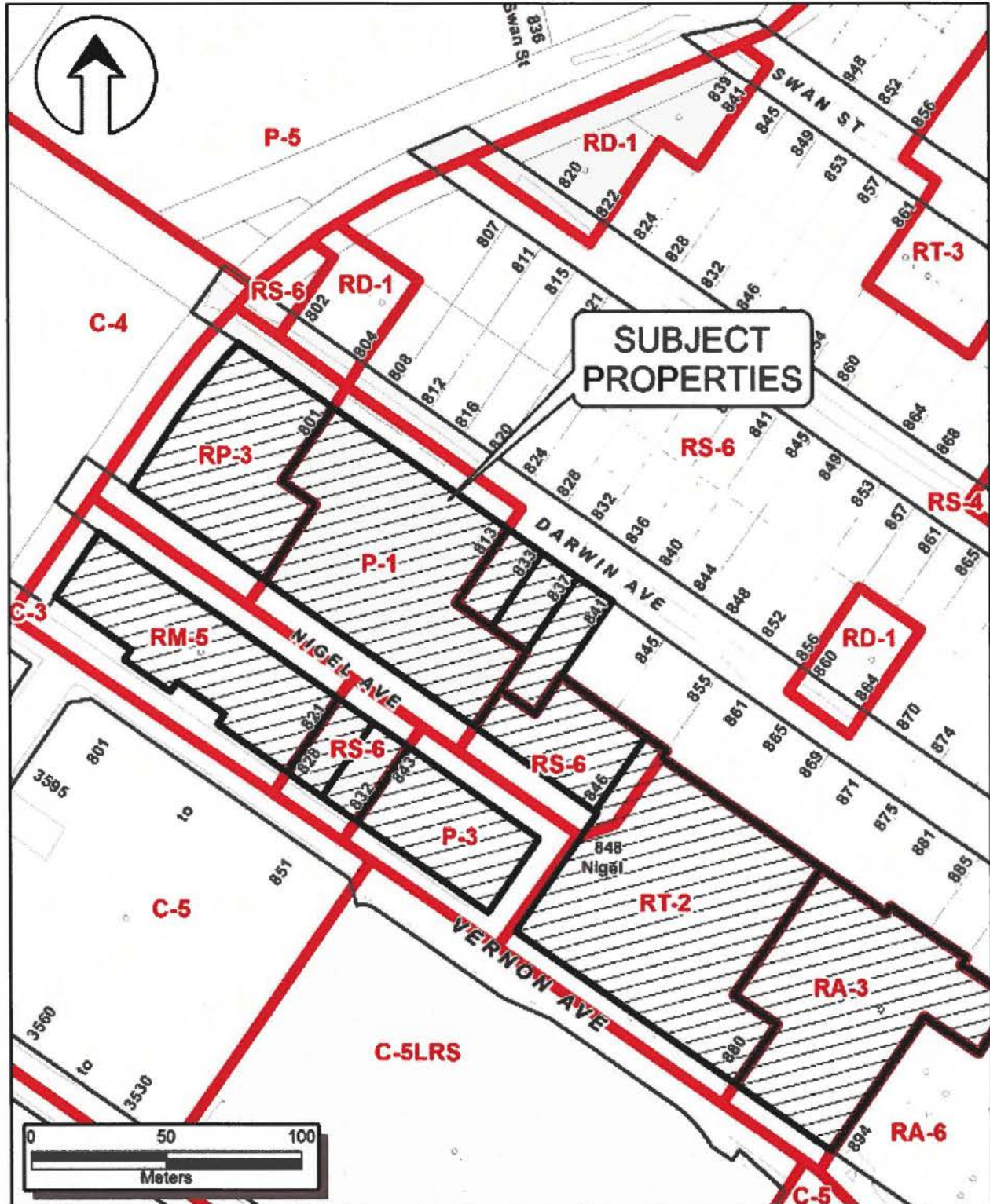


Figure 1: Context Map

Requested Variance

BC Housing Management Commission (BC Housing) on behalf of the participating owners/agencies requests an amendment to the approved Master Development Permit to vary the requirements under Section 7 of the Subdivision Bylaw, Section 6.1(c) of the Zoning Bylaw, and Sections 33 and 36 of the Tree Protection Bylaw to provide a Letter of Guarantee rather than a Letter of Credit to ensure the completion of required off-site works and services and landscaping through all phases of the development.

BC Housing has stated that many of the Nigel Valley projects will benefit from the Community Partnership Initiative (CPI). Through this initiative, qualified Non-Profits or Housing Providers are able to apply for construction financing directly from BC Housing. The program offers lower interest rates than chartered banks which in turn is used to provide lower rents/housing costs. In many cases the CPI program and other funding program(s) are layered into a single project. This leveraging enables the Province to deliver more units across the province. If BC Housing issues Letters of Credit, available credit is tied up that would otherwise be made available for project financing.

Consultation

BC Housing has stated that it has consulted with all of the participating agencies. Planning sent a referral to the Mount View Colquitz Community Association (MVCCA). A letter of non-support was received from MVCCA expressing concern that servicing money must be readily available through all phases of construction so that the entire project may proceed as quickly as possible. The Neighbourhood Association envisions a situation where BC Housing may wish to focus on other projects or where a newly elected provincial government could impact the availability of funds when needed. A copy of the detailed referral comments from the MVCCA is included in the agenda package.

ALTERNATIVES

1. That Council approve the recommendations as outlined in the staff report (Staff Recommendation).

The implications of this alternative are discussed in detail in the later sections of this report.

2. That Council reject the recommendations as outlined in the staff report.

Should Council decide to reject the recommendations contained in this report, the implications are that for the development to move forward, Letters of Credit / bonding will be used to secure works and services, and landscaping.

FINANCIAL IMPLICATIONS

While the proposal has no immediate implications related to the District of Saanich Financial Plan, it should be noted that the proposal presents a compromise on process for security. Saanich would still have a Works and Services Agreement and the approved Development Permit in place obligating the developer to provide the required works and services, and landscaping, however, a more complex process would be required to remedy a default, if it were to occur.

STRATEGIC PLAN IMPLICATIONS

BC Housing is a crown entity, the concern of default is obviously different. Council's recently adopted 2019 – 2023 Strategic Plan has a strong focus on the development of affordable housing. The proposed change of using a Letter of Guarantee as opposed to a Letter of Credit would free up working capital for other affordable housing projects.

PLANNING IMPLICATIONS

Policy

The following Saanich Planning Policies are most applicable to the subject proposal:

Official Community Plan (2008)

- 4.2.2.3 “Consider the use of variances to development control bylaws where they would achieve a more appropriate development in terms of streetscape, pedestrian environment, view protection, overall site design, and compatibility with neighbourhood character and adjoining properties.”
- 4.2.10.3 “Ensure that adequate services are provided to meet the needs of existing and new development.”
- 4.2.10.6 “Investigate financing options for upgrading infrastructure, with a focus on “Centres”.
- 4.2.10.7 “Encourage the use of sustainable servicing practices, green infrastructure, and energy and resource recovery.”
- 5.1.2.9 “Encourage the creation of affordable and special needs housing by reviewing regulatory bylaws and fee structures to remove development barriers and provide flexibility and incentives.”
- 7.1.6 Consider varying development control bylaws where the variance would contribute to a more appropriate site development having regard for the impact on adjoining lands.”

Policy Analysis

BC Housing has stated that the current estimate for off-site works for the Nigel Valley Neighbourhood project could exceed \$10 million, including contingencies. Landscape security for the individual site developments is anticipated to be in the order of \$220,000 for each site. BC Housing's low cost financing assists in maintaining and securing affordability in the creation of new not-for-profit-rental developments across the province. It is BC Housing's objective to maintain the availability of working capital for its core mandate, supporting the development of new affordable housing projects. Municipalities elsewhere in the province have accepted a Letter of Guarantee from BC Housing as a crown entity, ensuring the completion of works. These include the City of Coquitlam for works related to the similarly scaled Riverview project.

Saanich Engineering and Saanich Parks are supportive of the variance request. The proposed alternate security presents a compromise on process for security that would result in a more complex process being required to remedy a default, but given the nature of the applicant (BC Housing) this is deemed to be an acceptable alternative. Saanich will still have the Works and Services Agreement and the approved Development Permit in place obligating the developer to

provide the required works and services, and landscaping. In the event of a default, Saanich would have to post a "Stop Work Order", which BC Housing promises to comply with, and BC Housing would have to post 150% of the remaining value as a proper bond to lift the order. That said, the risk is that there is room for argument, which could provoke disputes/litigation.

CONCLUSION

The request by BC Housing Management Commission to vary the requirements under Section 7 of the Subdivision Bylaw, Section 6.1(c) of the Zoning Bylaw, and Sections 33 and 36 of the Tree Protection Bylaw to provide a Letter of Guarantee rather than a Letter of Credit to ensure the completion of required off-site works and services and landscaping for the Nigel Valley Neighbourhood project is consistent with Official Community Plan policies to encourage the creation of affordable and special needs housing by reviewing regulatory bylaws and fee structures to remove development barriers and provide flexibility and incentives. If BC Housing Management Commission issues Letters of Credit, available credit is tied up that would otherwise be made available for project financing.

The proposed alternate security presents a compromise on process but given the nature of the applicant (BC Housing Management Commission) this is deemed to be an acceptable alternative. Municipalities elsewhere in the Province have accepted a Letter of Guarantee from BC Housing Management Commission as a crown entity, ensuring the completion of works. These include the City of Coquitlam for works related to the similarly scaled Riverview project. Saanich will still have the Works and Services Agreement and the approved Development Permit in place obligating the developer to provide the required works and landscaping. For the above-noted reasons, staff recommend that the proposed Development Permit Amendment application be supported.

Prepared by: Neil D. Findlow
Neil Findlow
Senior Planner

Reviewed by: ShSaltzman
Shari Holmes-Saltzman
Manager of Current Planning

Approved by: Sharon Hvozdzanski
Sharon Hvozdzanski
Director of Planning

NDF/jsp

ADMINISTRATOR'S COMMENTS:

I endorse the recommendation from the Director of Planning.

Paul Thorkelsson
Paul Thorkelsson, Administrator

COPY

DISTRICT OF SAANICH

**DPA00942
Amends DPR00665**

DEVELOPMENT PERMIT AMENDMENT

**To: Provincial Rental Housing Corporation, Inc. No. BC0052129
1701- 4555 Kingsway
Burnaby BC V5H 4V8**

**Provincial Rental Housing Corporation, Inc. No. BC0052129
601- 4555 Kingsway
Burnaby BC V5H 4V8**

**Broadmead Care Society, Inc. No. S0024781
4579 Chatterton Way
Victoria BC V8X 4Y7**

**Island Community Mental Health Association, Inc. No. S0008341
125 Skinner Street
Victoria BC V8A 6X4**

**The Garth Homer Foundation, Inc. No. S-0038109
PO Box 24022
Victoria BC V8Z 7E7**

**The Corporation of the District of Saanich
770 Vernon Avenue
Victoria BC V8X 2WY**

(herein called "the Owner")

1. This Development Permit Amendment is issued subject to compliance with all of the Bylaws of the Municipality applicable thereto, except as specifically varied by this Permit.
2. This Development Permit Amendment applies to the lands known and described as:

**Lot 11, Block 2, Section 33, Victoria District, Plan 1375
828 Vernon Avenue**

and

**Lot 12, Block 2, Section 33, Victoria District, Plan 1375
832 Vernon Avenue**

and

**Lot 22, Block 1, Section 33, Victoria District, Plan 1375
837 Darwin Avenue**

and

**Lot 23, Block 1, Section 33, Victoria District, Plan 1375
833 Darwin Avenue**

and

**Lot B (DD 228678I), Block 1, Section 33, Victoria District, Plan 1375, Except Part in Plan
23288
841 Darwin Avenue**

and

**Lot 1, Sections 9 and 33, Victoria District, Plan 23288, Except those Parts in Plans 24291,
26904 and 27771
846 Nigel Avenue**

and

**Lot A, Section 9, Victoria District, Plan 24291
880 Vernon Avenue**

and

**Lot 1, Sections 9 and 33, Victoria District, Plan 25469
880 Vernon Avenue**

and

**Lot A, Section 33, Victoria District, Plan 26904
801 Darwin Avenue**

and

**Lot A, Section 33, Victoria District, Plan 27771
813 Darwin Avenue**

and

**Lot A, Sections 9 and 33, Victoria District, Plan 40348
843 Nigel Avenue**

and

**Lot 1, Section 33, Victoria District, Plan VIP52049
821 Nigel Avenue**

(herein called "the lands")

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3. This Development Permit Amendment further regulates the development of the lands as follows:
 - (a) By varying the provisions of the Subdivision Bylaw 7452, Section 7, Zoning Bylaw 8200, Section 6.1(c), and Tree Protection Bylaw 9272, Sections 33 and 36 to provide a Letter of Guarantee rather than a Letter of Credit to ensure the completion of required off-site works and services and landscaping through all phases of the development.
4. The lands shall be developed strictly in accordance with the terms and conditions and provisions of this Permit and shall comply with all Municipal bylaws except for those provisions specifically varied herein.
5. The terms and conditions contained in this Permit shall enure to the benefit of and be binding upon the Owner, their executors, heirs and administrators, successors, and assigns as the case may be or their successors in title to the land.
6. This Permit is not a Building Permit.

AUTHORIZING RESOLUTION PASSED BY THE MUNICIPAL COUNCIL ON THE

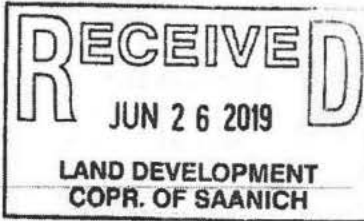
_____ DAY OF _____ 20 _____
ISSUED THIS _____ DAY OF _____ 20 _____

Municipal Clerk

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District of Saanich
 Current Planning
 770 Vernon Ave.
 Victoria BC V8X 2W7

t. 250-475-5471
 f. 250-475-5430
 saanich.ca



REFERRAL FORM

Return To ←

Application No.	Referral date: May 15, 2019
<input type="checkbox"/> DPR -	Comments due by: June 14, 2019
<input checked="" type="checkbox"/> DPA00942	File Manager: Neil Findlow
<input type="checkbox"/> DVP -	Applicant: BC Housing - Jesse Tarbotton
<input type="checkbox"/> REZ -	Owners: Provincial Rental Housing Corp Island Community Mental Health Greater Victoria Housing Society Broadmead Care Society Corporation of Saanich
<input type="checkbox"/> SIG -	Site address: 801, 813, 833, 837 and 841 Darwin Avenue, 821, 843 and 846 Nigel Avenue, 828, 832 and 880 Vernon Avenue. Legal: Nigel Valley - Multiple properties
External Referrals:	ISD file #:
<input type="checkbox"/> Ministry of Transportation	Present zone: CD-6NV (Pending)
<input type="checkbox"/> Observatory (5 km radius)	Proposed zone: No change
<input type="checkbox"/> BC Transit	Current OCP designation:
<input type="checkbox"/> School District # 61	Required OCP amendment: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> School District # 63	DP Area: Saanich Core
<input checked="" type="checkbox"/> Mount View Colquitz Community Association & Quadra Cedar Hill Community Association	
	Sign Posting Required: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Internal Referrals:	Project Description:
<input type="checkbox"/> Plan Check (LAP)	To amend DPR00665 to vary the requirements under Section 7 of the Subdivision Bylaw to provide for a Letter of Guarantee rather than a Letter of Credit to ensure completion of off-site works and services through all phases of the development.
<input type="checkbox"/> Environment	
<input type="checkbox"/> Parks	
<input checked="" type="checkbox"/> Development Services	
<input type="checkbox"/> Police	
<input type="checkbox"/> Committee	
<input type="checkbox"/> Neighbouring Jurisdictions	
	Project Description Reviewed/Updated <input checked="" type="checkbox"/> Planners Initials NF

Departments and Agencies:

Please complete. If no response is received by the above "Comments due by" date, it is understood that you have no objections. Send email responses to planning@saanich.ca.

Name: *Jayla Bains*

Title: _____ Phone: _____

Date: *June 26, 2019* E-mail: _____

Response: No objection *Sent via email June 26*

** See attached email, dated June 26, 2019*

District of Saanich
Current Planning
770 Vernon Ave.
Victoria BC V8X 2W7

t. 250-475-5471
f. 250-475-5430
saanich.ca



- No objection subject to comments below
- Approval NOT recommended (*please outline reasons and/or comments below*)

Comments: *Add additional page(s) if necessary*

[Empty comment box area]

Jagtar Bains - Referral Response DPA00942

From: Troy McKay
To: Neil Findlow; Planning
Date: 6/26/2019 12:08 PM
Subject: Referral Response DPA00942
CC: Ben Lubberts; Jagtar Bains

Our apologies for the delayed response.

Development services is supportive of the request to vary the requirements under Section 7 of the Subdivision Bylaw to provide a Letter of Guarantee rather than a Letter of Credit to ensure the works and services through all phases of the development.

The proposed alternate security presents a compromise on process for security that would result in a more complex process being required to remedy a default, but given the nature of the applicant (BC Housing) this is deemed to be an acceptable alternative. Saanich will still have a Works and Services Agreement in place obligating the developer to provide the required works.

Please contact the undersigned with any questions

Regards,

Troy McKay, Eng.L, ASCT

Manager
Transportation and Development Services Division
Engineering Department
District of Saanich
770 Vernon Ave.
Victoria BC V8X 2W7

250-475-5574
troy.mckay@saanich.ca
www.saanich.ca

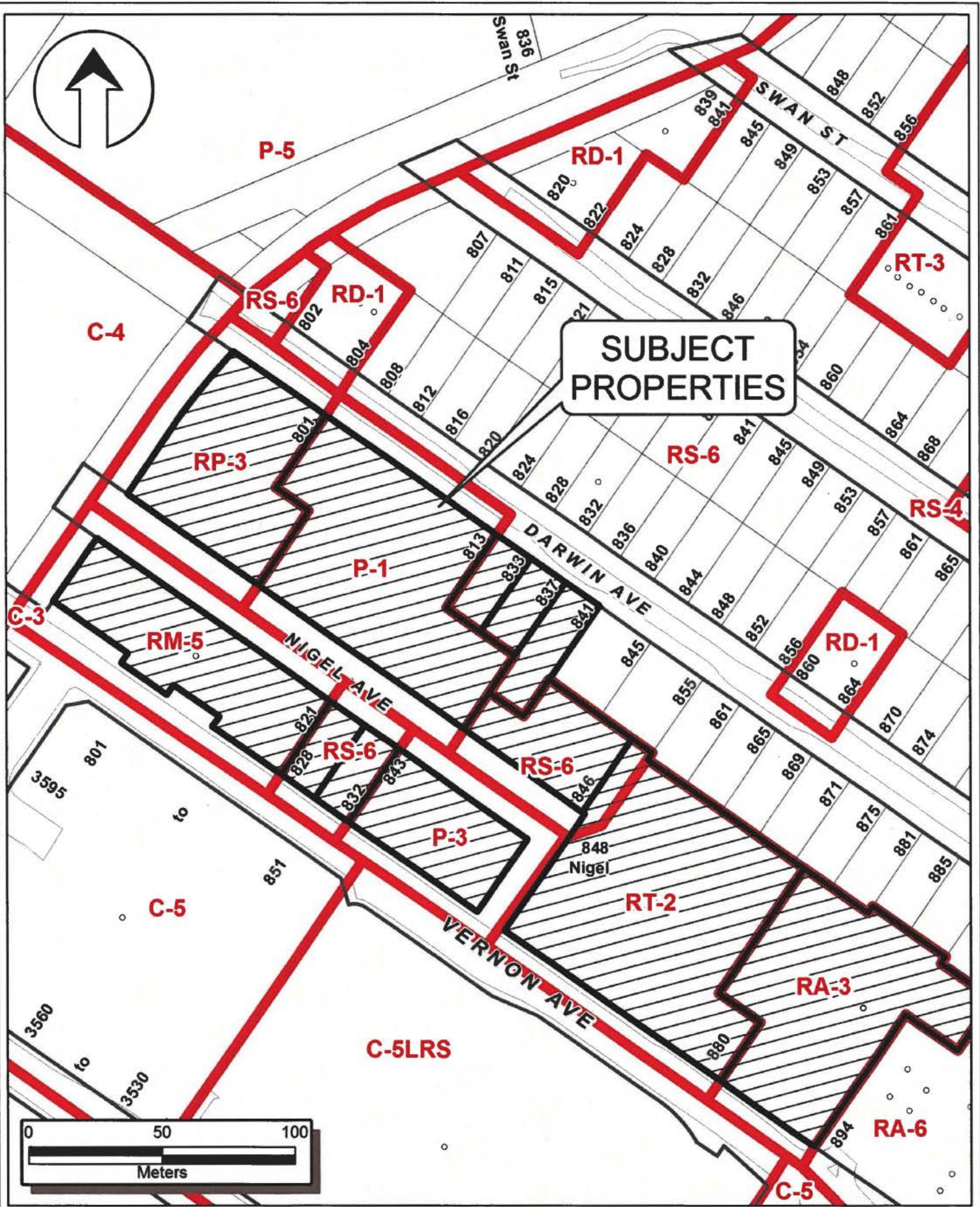
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Please consider the environment before printing this e-mail.

6/26/2019



**SUBJECT
PROPERTIES**





Carol Hamill
Homer Road
on behalf of Mt. View Colquitz Community Assoc.
5 June 2019

To:
Neil Findlow Saanich Planning Department
Mayor and Council

Re: Nigel Valley Development

To amend DPR00665 to vary the subdivision bylaw requirements to provide for a letter of guarantee rather than a letter of credit to ensure completion of off-site works and services through all phases of the development.

MVCCA does not support any changes to the agreement made by BC Housing in DPR00665. Our principle concern is that servicing money must be readily available through all phases of the construction, so that the entire project may proceed as quickly as possible. We can envision a situation where BC Housing may wish to focus on other projects or where a newly elected provincial government could impact the availability of funds when needed.

It is our understanding that Coquitlan has accepted a letter of credit in the case of the Riverview property. We do not believe the Riverview renewal is comparable to the Nigel Valley project. That large property contains over 70 buildings and the \$100 million hospital is only the first step in a very long process of re-developments.

In our comments from July 2018 we raised the following related concerns:

"BC Housing has done an excellent job of co-ordinating and communicating the design of this project. Their community consultation has been thorough and should stand as an example of how to integrate a large re-development into an area. However, BC Housing's interests are not the same as those of Saanich.

Issues that council may choose to raise with staff

- Can BC Housing be held to the promise that all the money from the sale of the market properties will be put back into the larger Nigel Valley project? How can this be done?
- What if a re-development does not happen within a reasonable amount of time or a major unforeseen change occurs?. What if the market buildings do not get built?"

Thank you for this opportunity to comment.

Carol Hamill