

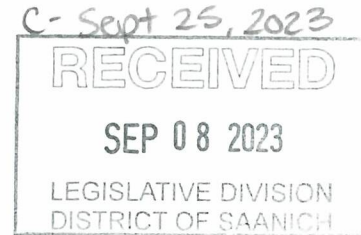
2140-50 Rapid Deployment of  
Non-Market Housing



## The Corporation of the District of Saanich

# Report

**To:** Mayor and Council  
**From:** Lindsay Chase, Director of Planning  
**Date:** September 5, 2023  
**Subject:** Rapid Deployment of Non-Market Housing  
File: 2140-50 • Affordable Housing - Non-Market Housing



### RECOMMENDATION

That Council receive the Report "Rapid Deployment of Non-Market Housing" dated August 3, 2023 for information;

And that Council direct staff to undertake the following for Council's consideration:

- Prepare proposed regulatory and policy changes to permit non-market housing providers to build to the upper limit in the Official Community Plan within the Urban Containment Boundary without a rezoning; and,
- Draft necessary bylaw changes to delegate Development Permit approval with or without variances for non-market housing projects to staff.

### PURPOSE

The purpose of this Report is to:

- Provide information to Council on staff's review of the City of Victoria's Rapid Deployment Program for non-market and co-op housing;
- Identify how the District of Saanich could align with the City of Victoria's approach;
- Provide Council with alternatives for action; and,
- Seek Council's direction for next steps.

### DISCUSSION

#### Background

At the April 25, 2022 Council meeting, Council passed the motion:

"That Council direct staff to examine the Rapid Deployment of Affordable Housing plan in the City of Victoria and bring recommendations that would see Saanich make the necessary amendments to achieve the expedited application timeline for not-for-profit, government and co-op housing agencies with the same requirements as established in Victoria."

## DISCUSSION

Non-market housing is an important part of the affordable housing supply in the District of Saanich and becoming more so as housing costs and rental rates continue to rise. The affordability of non-market housing is particularly notable over the long term – non-market rental rates tend to stay relatively unchanged after initially coming to market, whereas market rental rates rapidly increase over time. Given the increasing gap between housing costs and incomes, low- and moderate-income households will increasingly look to non-market rental housing providers to meet their housing needs.

The District of Saanich currently provides support to non-market housing and providers through Official Community Plan (OCP) policy, prioritization of development applications, allocations from the Saanich Affordable Housing Fund and reduced municipal fees (see Table 1). The Housing Strategy includes other supports for consideration. Non-market housing projects are often complicated, involve multiple partners, and require additional staff time and support. Non-market housing providers and funders have noted that the length of the development review process and municipal fees/costs make working in the District of Saanich challenging when it comes to financing and securing government funding.

**Table 1: District of Saanich Support to Non-Market Housing Providers**

<b>Current Supports</b>	<b>Potential Additional Supports</b>
OCP and Strategic Plan support	
Staff development review prioritization and support	Other process time savings
50% Development Cost Charges (DCC) reduction	Further reduction of District fees and costs (trees, off-site works, bonding)
Community Amenity Contribution (CAC) exemption	
Parking variances	Changes to parking standards to reduce requirements for non-market housing
PTE (Permissive Tax Exemptions) for supportive and affordable housing	
Affordable Housing Fund grants	Increased Affordable Housing Fund grant opportunities
CRD Housing Trust Fund grants (Saanich contributes)	

Based on the Housing Needs Report (2021) analysis of incomes, and the current cost of housing, a significant portion of the housing needed in the District of Saanich within the next ten years is at an income level where it will need to be provided by the non-profit sector. Secure, affordable, and stable housing will be key to the District of Saanich's ability to retain and attract a broad range of families and workers, and will impact economic development opportunities. As such, it is a high priority of the Housing Strategy to attract and retain non-market housing to the District of Saanich and create the environment where non-profit investment is supported.

### **City of Victoria's Rapid Deployment of Non-Market Housing.**

The City of Victoria has developed a Rapid Deployment program to expedite the development review process for non-market housing developments. The program includes two elements that can work to shorten the development review timeline:

1. Eliminate the need for a rezoning by allowing non-market housing providers to build to the maximum density permitted in the Official Community Plan (OCP).
2. Eliminate the need for a Council approval of the Development Permit by delegating Development Permits with or without variances, including Development Variance Permits to staff.

Each of these elements is described below. The District of Saanich's ability to align with the City of Victoria's approach is evaluated in each section.

### 1. Eliminating the Rezoning Process for Non-Market Housing

The City of Victoria provides an option for non-market housing developers to redevelop non-market housing sites without a rezoning due to recent changes to their Zoning Bylaw. The bylaw change allows increased density up to the maximum for residential uses identified in the OCP and functions as a density bonus. Qualifying housing projects must:

- Meet the definition for an "affordable housing development" (non-profit)
- Be consistent with design guidelines
- Have the proposed (future) use included as a permitted use under the existing zoning

The City of Victoria's approach has one key limitation for non-market housing developers. In order to qualify, the intended use must be included as a permitted use in the existing zoning. Several non-market housing operators have told us that they own sites that are ready for redevelopment that would need a change in use from "townhouse" to "apartment" that is not included in the current zoning which disqualifies them from the expedited zoning approach.

Like the City of Victoria, many existing non-market housing sites in the District of Saanich are currently zoned "townhouse." In the District of Saanich, RT Attached Housing zoning does not include "apartment" as a permitted use. The non-market housing providers we talked to indicated that many of the legacy sites will be exploring apartment use when they reach end of life. As a result, an approach to eliminating the rezoning process that does not take into consideration permitted uses and existing zoning would be limited in its impact.

In terms of the District of Saanich aligning with the City of Victoria's approach, there are several additional concerns. First, the District of Saanich's OCP policy framework is different from the City of Victoria's and does not identify maximum densities, but rather maximum heights and a range of building forms. Maximum densities would need to be added to the District of Saanich's OCP for this approach to work.

Secondly, unlike the City of Victoria which has an updated OCP (including completion of neighbourhood plans, updates to Urban Place Designations, and annual OCP reviews), the District of Saanich's planning policy framework is currently not fully up to date. While some areas have detailed, up-to date land use designations (i.e. Uptown Douglas), the OCP (General Plan) is currently undergoing a focused update and there are several Centre, Corridor and Village plans which have yet to be completed.

### 2. Delegating Development Permit Approval

The City of Victoria allows delegation of Development Permit approval (with or without variances) for non-market housing projects that meet the affordable housing definition if they are consistent with relevant design guidelines.

In the District of Saanich, delegating approval for Development Permits with or without variances can be accomplished relatively easily through amendments to the Delegation Authority Bylaw and Land Use and Development Procedures Bylaw. Delegation can help reduce approval timelines, although there would also be a loss of Council oversight or input on the design (form and character) of these buildings.

Delegating Development Permit approval, as was done as part of the District of Saanich's Garden Suite program, can be effective when design guidelines are clear and up to date. The District of Saanich's Development Permit Area Design Guidelines are currently being revised. Once this project is complete and the District of Saanich has new design guidelines, delegation of Development Permit approval to staff would be supportable.

### **Consultation**

Externally, staff had a number of informal discussions with many of the non-profit housing providers and developers operating in the District of Saanich over the past year to understand their future development plans and priorities, including: Capital Region Housing Corporation, Greater Victoria Housing Society, Anglican Diocese, M'akola Development Services, Habitat for Humanity, Victoria Native Friendship Centre, Union Gospel Mission, and Wiser Projects. The conversations were useful in understanding challenges experienced by the non-profit housing sector and how the District of Saanich can support non-profits in providing affordable housing in the District of Saanich. Generally, the rezoning process is seen as one of the most challenging, risky, expensive, and time-intensive processes to developing non-market housing in the District of Saanich.

In advance of bringing this Report to Council, staff presented to the Housing Affordability Standing Committee (HSAC) on May 12, 2023. The HASC provided the following motion:

“That the Housing Affordability Standing Committee recommend that Council provide direction to staff to Draft Zoning Bylaw changes to permit non-market housing providers to build to the upper limit in OCP (pre-zone) within the urban containment boundary and draft necessary bylaw changes to delegate development permit approval for non-market housing projects to staff with pre-zoning.”

### **RAPID DEPLOYMENT FOR THE DISTRICT OF SAANICH**

Rapid deployment of non-market housing in the District of Saanich would not be a direct “copy” of the process that the City of Victoria has adopted given the different policy frameworks (lack of maximum densities in the OCP), the District of Saanich's older OCP (update in progress), and the District of Saanich's older design guidelines (update in progress). In addition, the City of Victoria has seen limited uptake on “rapid deployment” due to the requirement that future land use be permitted within current zoning, an approach that would make most redevelopment projects non-viable in the District of Saanich context.

Should Council wish to support the development of non-market housing by eliminating the rezoning process and improving approval timelines, the following actions are recommended by staff:

1. Draft amendments to the Zoning Bylaw and Official Community Plan that will permit non-market housing providers to build up to the upper limit of the Official Community Plan on parcels owned or leased by non-market housing providers within the Urban Containment Boundary regardless of current zoning. As noted above, implementation of this would not be

a direct copy of the City of Victoria approach. More significant amendments to the Official Community Plan and/or Zoning Bylaw would be needed to create the appropriate density/zoning parameters to implement this direction. A legal/technical review would also be needed to ensure effectiveness of the proposed changes.

2. Draft necessary bylaw changes to delegate approval for Development Permits with or without variances for non-market housing projects to staff.

This work would include a legal review, additional engagement with internal and external stakeholders, and the drafting of bylaw and policy amendments.

## **ALTERNATIVES**

Should Council wish to explore other options, the following alternatives are presented for consideration:

1. That Council reject the recommendations as outlined in the staff Report.
2. That Council direct staff to develop bylaw and policy changes that will permit non-market housing providers to build up to the upper limit of the Official Community Plan on parcels owned or leased by non-market housing providers within the Urban Containment Boundary regardless of current zoning without delegating approval of development permits to staff.
3. That Council direct staff to expedite development approvals for non-market housing providers in a more limited way such as limiting pre-zonings to primary growth areas only or limiting pre-zoning to existing non-market housing sites only.
4. That Council provide alternate direction to staff.

## **CONCLUSION**


The City of Victoria's Rapid Deployment program to expedite non-market housing includes two components: allowing qualifying eligible affordable housing projects to build to the maximum density in the Official Community Plan without a rezoning; and delegating development permit approval to staff.


The District of Saanich cannot directly replicate the City of Victoria's Rapid Deployment program because of differences in the policy framework. The District of Saanich's Official Community Plan does not include maximum densities. Secondly, key parts of the District of Saanich's Official Community Plan policy are currently being updated. Parts of the District of Saanich have undergone recent detailed planning, but the District of Saanich is currently undertaking major community planning updates and the update of the Official Community Plan is in progress.


There are also limitations to the City of Victoria's approach which the District of Saanich may wish to avoid. In order for the Rapid Deployment program to successfully avoid a rezoning process in the City of Victoria, the current zoning for the parcel must include the intended/future residential use as a permitted use (e.g. apartment). As such, a number of non-market housing developers indicated that they will not benefit from the City of Victoria's program because they would be required to go through a rezoning to achieve the necessary land use (from townhouse to apartment).

The District of Saanich can replicate the City of Victoria's delegation of Development Permit approval to staff and has used this approach for Garden Suite Development Permits. The District of Saanich is currently updating its Development Permit Area Design Guidelines with completion expected in late 2023.

Should Council wish to expedite non-market housing in the District of Saanich, Council can direct staff to bring forward bylaw and policy amendments to eliminate the rezoning process and delegate approval for Development Permits with or without variances for non-market housing providers to staff.

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PH/es

Attachments: April 25 2022 Council Meeting Minutes  
Motion Councillor Brice April 18 2022

**ADMINISTRATOR'S COMMENTS:**

I endorse the recommendation from the Director of Planning.

  
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Brent Reems, Chief Administrative Officer