

COUNCIL REPORT

Date: 30 October 2018
File: 7.4.9
To: Warren Waycheshen, CAO - for Mayor and Council
From: Gwendolyn Sewell, Director of Community Planning & Development
Re: Density Benefit, OCP and Zoning Amendment Bylaw 1933-18



Council Motion: R18-194, 7 August 2018:

Housing Action Plan, 2018 Update
Moved and seconded,

c. THAT the Administration prepare an Official Community Plan Amendment Bylaw requiring 10% of new rental units to be offered at below market rate during any period of moderate to high population growth (maximum ten years) on any site that requires zoning amendment for purpose of increased density."

Recommendation

THAT First and Second reading be given for Density Benefit, OCP and Zoning Amendment, Bylaw No. 1933-18;
AND THAT a Public Hearing be scheduled for 17 December 2018, at 7:30pm in Council Chambers, 606 Mountainview Square;
AND THAT Density Benefit, OCP and Zoning Amendment, Bylaw No. 1933-18, is referred to Advisory Planning Commission and Housing Committee for comment;
AND FURTHER THAT Public Notice be issued.

Background

In 2014, Northern Development Initiatives engaged City Spaces to complete *Kitimat's Housing Action Plan* as part of series of studies for north-western communities facing major industrial development. *Kitimat Housing Action Plan* was received by Council on 20 October 2014, with minor edits completed in February 2015. In October 2015, Council directed staff to prepare a work plan to implement the eleven recommendations contained in the plan that fell within DOK's mandate.

Of the eleven recommendations which required DOK initiative or action, eight are complete or will be substantially complete by 2019, and one has been removed from consideration. One outstanding item is density bonuses for affordable rental units. Motion R18-194 provided direction that led to this report:

- Staff draft an Official Community Plan Amendment Bylaw requiring 10% of new rental units to be offered at below market rate during any period of moderate to high population growth (maximum ten years) on a site requiring zoning amendment for purpose of increased density

Staff Comment

Recent years have provided few opportunities to negotiate for affordable or accessible rental housing through development. Douglas Place, a 22-unit affordable rental building was needed during this period with only encouragement from DOK. Discussion has occurred at Council and the Advisory Planning Commission over the need for accessible housing to grow as an age-friendly community.

Staff views new development as an opportunity to add diversity to the housing stock. With a positive FID, new investment is coming and policies can increase long-term community value by leveraging this opportunity to create a legacy and meeting a wider range of housing needs. Many residents want to live in traditional suburban neighbourhoods; others want maintenance-free strata properties; or no-step homes. The next few years should provide opportunities to meet the needs of most by building market diversity and supporting social housing to meet needs of the community.

Local Government Act allows zoning to regulate land use, density, location, size and shape of developments. Pursuant to Section 482, zoning may establish density benefits for amenities, affordable housing and special needs housing that can be granted when conditions are met. Conditions can vary to suit needs of the local community.

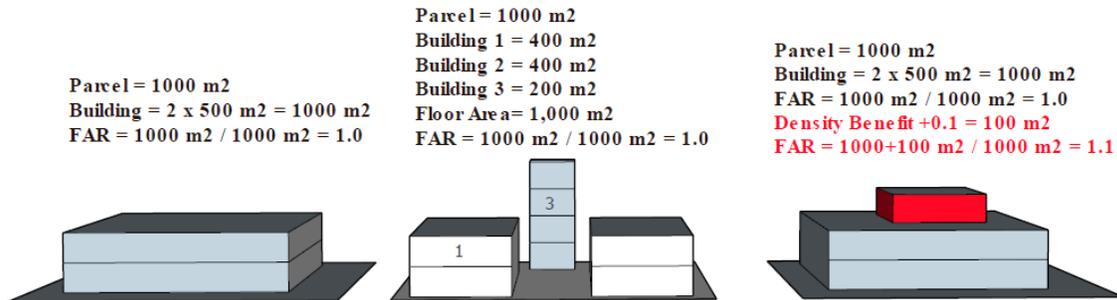
Housing Action Plan contains a series of recommendations in support of various policies. Recommendation #16 states the OCP should be amended to establish a general policy that the inclusion of affordable and accessible rental housing may be a condition of residential rezoning. Under Housing Diversity, OCP states the need to provide for affordable, rental, and special needs housing. Special formulas to add accessible, affordable and rental units can be included under a density benefit policy.

Staff have reviewed policies from across BC to identify and adapt best practices to Kitimat. Benefits are used as incentives for developers to build amenities that may lack in the community. Density benefits can be effective tools to achieve housing diversity.

Bylaw will address accessible, affordable, and affordable rental needs with established thresholds within definitions.

- Accessibility threshold is for 20% or more dwelling units to meet all accessibility requirements of BC Building Code.
- Affordable Rental will require Housing Agreement to establish that 20% or more rental dwelling units will be rented at least 20% less than the average rental price for private apartment as determined by the Canadian Mortgage and Housing Corporation (CMHC). Kitimat currently does not meet CMHC criteria to have its own data. Average rental price is calculated using latest median rental prices from Prince Rupert, Terrace, and Prince George.
- Affordable Strata will require Housing Agreement to ensure that a strata corporation does not prohibit rental of individual units for a period of ten years.

Kitimat Municipal Code regulates density using Floor Area Ratio (FAR) to limit floor area based on the area of a parcel. For example, FAR 1.0 means buildings on a 1000 square metre parcel can have 1000 square metres of floor area ($1000\text{m}^2 / 1000\text{m}^2 = 1.0$). See images for reference as to how FAR can be organized in space. Proposed bylaw increases the allowable FAR when specified amenities are provided.



Provisions will allow FAR to increase by 0.1 (Tier 1) and 0.25 (Tier 2) when requirements are met. If FAR is raised from 1.0 to 1.1, building(s) on the same 1,000 square metre parcel could have a floor area of 1,100 square metres. Note that maximum height in multi-family zones is 9m.

Public Notice

Notice which describes the proposed amendment bylaw and invites public comment will be posted on municipal website, bulletin boards, made available at municipal office. Notice will be advertised in required publications of the local newspaper.

Alternative Options

1. Different public hearing date, time or venue, as determined by Council debate.
2. Another option as determined by Council debate.

Budget Implications:

An increase in housing units has the potential for increased property tax revenue. Incremental density increases tend to decrease costs to maintain infrastructure and services.

 Dir. of Finance

Council Initiative/Other Relevant Plans

Strategic Plan:

3. We understand that community planning and asset management must be disciplined with a long-term approach

- Diversity in housing is important to our community

Housing Action Plan:

Recommendation #16 – The OCP should be amended to establish a general policy that the inclusion of affordable and accessible rental housing may be a condition of a residential rezoning (Community Amenity Charge).

 Submitted by:
 Gwendolyn Sewell, MCIP, RPP
 Director of Community Planning & Development

 Approved for Submission:
 Warren Waycheshen,
 Chief Administrative Officer

GJS, CB