

# COUNCIL REPORT

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Date: 31 January 2019

File: 7.4.9

To: Warren Waycheshen, CAO - for Mayor and Council

From: Gwendolyn Sewell, Director of Community Planning & Development

Re: Density Benefit OCP Amendment Bylaw 1933, 2018

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## 1. Recommendation

Action: Public Hearing for Bylaw 1933 closed on 17 December 2018. No comment was received. OCP Amendment 1933, 2018, has since been amended at Council's direction to consider the OCP Amendment only and delete specific zoning changes. This report details bylaw amendments. For convenience deleted sections are shown in red on Attachment 1. Revised bylaw appears as Attachment 2.

This report also outlines the most efficient way to proceed with consideration; including referral of the bylaw—as amended—to various agencies. The proposed policy, as noted in Section 2, is in alignment with Recommendation 16 of the *Kitimat Housing Action Plan*. A brief analysis of the implications of adopting this bylaw in relation to the Financial Plan and Waste Management Plan is included in Sections 7 and 8 of this report.

- a. **THAT Second Reading of Density Benefit Policy OCP and Zoning Amendment bylaw 1933, 2018 be rescinded,**
- b. **THAT Bylaw 1933, 2018, be amended as follows:**
  - i. **Rename to Density Benefit OCP Policy Amendment Bylaw No. 1933, 2018.**
  - ii. **Delete paragraph #3:  
AND WHEREAS THE BC Local Government Act allows a local government to enact zoning for density benefits for amenities, affordable housing, and special needs housing;**
  - iii. **Amend paragraph #4 to read:  
AND WHEREAS Kitimat Council deems it is in the public interest to amend the OCP;**
  - iv. **Amend Section 1 to read:  
This bylaw may be cited as "DENSITY BENEFIT OCP POLICY AMENDMENT BYLAW NO. 1933, 2018".**
  - v. **Delete Sections (4) to (7), and re-number as necessary,**
- c. **THAT Density Benefit OCP Policy Amendment Bylaw No. 1933, 2018 be referred to the Advisory Planning Commission; Housing Committee; School District No. 82 Coast Mountains; and BC Housing;**

- d. **THAT Density Benefit OCP Policy Amendment Bylaw No. 1933, 2018 not be referred to: Kitimat-Stikine Regional District; Government of Canada and federal agencies; Province of BC and other provincial agencies; Haisla First Nation or Gitga’at First Nation;**
- e. **THAT public notice be issued (i) inviting comment regarding an Official Community Plan Policy amendment to encourage private sector construction of affordable and universally-accessible housing on multi-family zone properties; (ii) advising that a bylaw is under consideration; and (iii) Public Hearing will be held 01 April 2019;**
- f. **THAT, in consideration of additional OCP consultation opportunities further to LGA s.475, Notice be mailed to all (fee simple) owners of properties in any multi-family zone;**
- g. **AND FURTHER a Public Hearing be scheduled for 01 April 2019 at 7:30 pm in Council Chambers at 606 Mountainview Square.**

## 2. OCP Amendment

The amended Bylaw 1933 is limited to OCP policy. Original Bylaw Sections (5), (6), and (7), which outlined related zoning amendments have been deleted. Amended bylaw is attached.

Recommendation 16 of the *Kitimat Housing Action Plan* states the OCP should be amended to establish a general policy that inclusion of affordable and accessible rental housing may be a condition of residential rezoning. Current OCP policies encourage diversity, and monitoring the need for affordable, rental, and special needs housing. Proposed OCP additions encourage developments to include accessible and affordable units, and ensure that units remain in the rental market. OCP context and new policies appears in Schedule A of the attached bylaw.

Density benefit policy would stand alone in the OCP, giving direction for inclusionary amenities and density bonuses to be negotiated during any residential development process. New policies confirm a willingness to consider adding density with number of units to be determined at time of rezoning. Negotiated commitments would be secured through s.219 covenant or s.483 Housing Agreement. No property owner or developer would be guaranteed additional density and Council would retain some discretion.

## 3. Research Approach and Findings

Smart Growth BC provides an affordable housing continuum that outlines levels of affordability and assistance from government (and non-profit) subsidies, to non-market housing, to home ownership.



Figure 1 Housing Continuum

Funding for affordable housing projects is often a challenge. Density benefits are designed to encourage the development industry to contribute to non-market housing stock, with little cost to government or non-profit organizations. Fundamental to this approach is allowing more market (for profit) units in exchange for building non-market or accessible units that benefit the broader community.

Attached bylaw gives direction to allow a system to be established based on *Housing Action Plan* recommendation for a density benefit for affordable and special needs housing. Council may wish to add – in the future -- density benefits for social space, energy-efficiency, and other amenities that are Kitimat-appropriate.

Achieving affordable housing is a complex process; with moving targets and multiple tools used in different parts of BC. It is important to note that each community is different with different values, goals and objectives; therefore, what has been implemented in one place may not fit other communities.

Policies vary across the province to suit each community. In all cases, success is largely based on significant community engagement and input into a housing action plan and affordable housing strategy. Kitimat has incentives for secondary suites and an affordable housing fund. Several local organizations (Kitimat Housing Resource Project, Tamitik Status of Women, Kiwanis Village and Delta King Place, plus BC Housing) and facilities (Douglas Place) offer subsidized and non-market housing. Given the housing crunch that accompanies major projects an updated housing action plan and affordable housing strategy may be appropriate.

#### 4. Zoning

A zoning amendment sets parameters for property owners and developers; additional density is guaranteed when specified amenities are provided. This approach has the benefit of establishing a level playing field: opportunities to add density are transparent and equally available to all projects. At Committee of the Whole on 28 January 2019, Council requested options for a zoning amendment be brought forward for discussion at a later date.

#### 5. Commissions, Committees and Public Comment

OCP and Zoning Bylaw 1933 was referred to Advisory Planning Commission and Housing Committee for comment. Matter was discussed regarding both OCP and zoning amendments as presented. Discussion notes and comments are below.

##### a. Advisory Planning Commission

Advisory Planning Commission met on 4 December 2018 to discuss previous bylaw which included zoning provisions. Members were supportive of a policy that will encourage developers to construct housing with amenities that are needed in Kitimat.

**THAT Advisory Planning Commission supports OCP and Zoning Amendment Bylaw 1933, 2018.**

**THAT density benefit framework includes incentives for developers to construct housing units beyond current requirements in BC Energy Step Code.**

b. Housing Committee

Housing Committee met on 11 December 2018 to discuss previous bylaw which included zoning provisions. Members discussed the affordable housing definition, enforcement of rental rate regulations (provincial jurisdiction), and application of policy to existing buildings. Staff noted a housing agreement is a legal mechanism to ensure affordable pricing is maintained. It was noted that this policy is intended for new construction and there are provincial and federal programs to assist existing buildings improve accessibility and install mobility aids. The following motion was adopted

**THAT Housing Committee supports the Density Benefit policy as presented.**

c. Public Comment

No comment was received in response to previous public notice. It remains uncertain how this policy will be received by the development community. Level of uptake will be monitored. Reporting to Council and the community via the *Housing Fact Sheet* and OCP Report Card is suggested.

6. Staff Comment

For much of the last three decades, housing prices and rental rates in Kitimat have been among the lowest in BC. Until recently there have been few opportunities to negotiate for affordable and accessible housing through development. Douglas Place, a 22-unit affordable rental building was established by BC Housing with DOK encouragement but no direct municipal involvement. Staff regularly shares information about demographic trends, an aging population, and the need for housing which is universally accessible. Despite encouragement, decision to include accessible or non-market affordable units is at the discretion of the developer.

There is now much discussion at Council, Advisory Planning Commission, and Interagency tables regarding the need to provide affordable and accessible housing in Kitimat. Given the current level of interest and pending real estate investment there is an opportunity today to encourage private investment in affordable and accessible housing. Density bonuses may be an attractive carrot and supplement to market opportunities.

Many residents want to live in traditional suburban neighbourhoods; others want maintenance-free strata properties; or no-step homes. With a positive FID, new investment is coming and policy changes can increase long-term community value by leveraging market conditions to create a legacy and meet a wider range of housing need.

The proposed OCP amendment would give staff a mandate to seek accessible and affordable units in new projects. This would however remain a policy option and Council would be approving individual housing agreements. Some flexibility is gained to negotiate with developers on what might be included in a housing agreement; however, risk of uncertainty for the developers may reduce participation.

## **7. Budget Implications on Financial Plan**

Amendment procedures under *S.477 of BC Local Government Act* require consideration of proposed OCP amendment in conjunction with a local government Financial Plan. This report includes discussion of the Five-Year Financial Plan.

Kitimat Council approves a Five-Year Financial Plan each May. The annual financial plan is a one-page forecast of anticipated major expenses and revenue changes over each of the next five years. The OCP amendment proposed by Bylaw 1933, does not apply to specific properties, but provides direction to negotiate density benefits in a rezoning process. An increase in housing units per site may or may not increase property tax revenue in the future but represents an unknown. Incremental density increases tend to lower costs to maintain infrastructure and services in the long term and beyond the 5-year plan.

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Dir. of Finance

## **8. Waste Management Plan**

Amendment procedures under *S.477 of BC Local Government Act* require consideration of proposed OCP amendment in conjunction with a local government Waste Management Plan. Neither DOK nor the *Regional District of Kitimat-Stikine* has an applicable Waste Management Plan. DOK has completed a waste management study and a budget request is under consideration to complete a plan in 2019.

Staff have reviewed the OCP and *Kitimat Municipal Code* regulations in regards to waste management. OCP Policies, shown below, support recycling and directs management practices at the municipal landfill.

- 4.6.38 Support education and promotion related to recycling
- 4.6.39 Consider continuing financial support to KUTE to support the local Recycling Depot
- 4.6.40 Examine the feasibility of providing recycling pick-up service to residents, with as a District program or in cooperation with other groups.
- 4.6.41 Continue to follow appropriate management practices at the landfill site and look toward expanding recycling and diverting from the waste stream.

There will be no measureable waste management impacts from the OCP Amendment, adding policies for density benefits. New policies are not site specific, with true impact to be determined at the time of application for site-specific developments.

## **9. Alternative Motions**

- a. Direct staff to draft zoning amendment to establish system of density benefits within *Kitimat Municipal Code*.
- b. Motion as determined through Council debate.

**10. Council Initiative/Other Relevant Plans**

*Strategic Plan*  
(Expired 12/2018)      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).

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

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Approved for Submission:  
Warren Waycheshen,  
Chief Administrative Officer

GJS, CB

Encl:      Attachment 1 OCP and Zoning Amendment Density Benefit Policy, Bylaw 1933-18 (with amendments)  
            Attachment 2 OCP Amendment Density Benefit Policy, Bylaw 1933-18

**Attachment 2**

DISTRICT OF KITIMAT  
BYLAW NO. 1933, 2018

A BYLAW TO AMEND KITIMAT OFFICIAL COMMUNITY PLAN AND KITIMAT MUNICIPAL CODE WITH RESPECT TO CREATION OF DENSITY BENEFIT POLICY FOR MULTI-FAMILY RESIDENTIAL PROPERTIES.

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WHEREAS THE *BC Local Government Act* specifies an *Official Community Plan* (OCP) is a statement of objectives and policies to guide decisions on planning and land use management which must include statements and map designations respecting (a) the approximate location, amount, type and density of residential development required to meet anticipated housing needs over a period of at least five years;

AND WHEREAS THE *BC Local Government Act* allows a local government to divide portions of the municipality into zones and regulate the use of land within zones;

AND WHEREAS Kitimat Council deems it is in the public interest to amend the OCP;

NOW THEREFORE the Council of the District of Kitimat, in open meeting assembled, ENACTS AS FOLLOWS:

1. This bylaw may be cited as “DENSITY BENEFIT OCP POLICY AMENDMENT BYLAW NO. 1933, 2018”.
2. Kitimat *Official Community Plan* (2008) is hereby amended by:
  - a. adding text further to provisions outlined in Schedule ‘A’ which is attached to and forms part of this bylaw;
3. Re-number and amend sections of the *Kitimat Official Community Plan* (2008) as necessary.
4. This bylaw shall come into force and be binding on all persons from the date of adoption.

READ a first time this 13<sup>th</sup> day of November , 2018.

READ a second time this 13<sup>th</sup> day of November , 2018.

A PUBLIC HEARING was held this 17<sup>th</sup> day of December, 2018.

AMENDED and

READ a third time this day of , 2019.

FINALLY ADOPTED this day of , 2019.

MAYOR \_\_\_\_\_

CORPORATE OFFICER \_\_\_\_\_

## Schedule "A"

### OFFICIAL COMMUNITY PLAN AMENDMENTS

#### *Housing*

#### **Housing Diversity**

- 4.3.3 Preserve the diversity of housing types (e.g. single houses and multi-unit housing such as duplexes, row houses, apartments, and condominiums), lot sizes and price ranges by ensuring that infill and new development supports housing choice. As Kitimat currently has a significant inventory of both vacant, rental and affordable housing, there is no requirement for municipal programs to increase the availability of housing in these categories in the next five years. Kitimat should monitor this over time and adopt policies should the need arise in the future for affordable, rental and special needs housing.
- 4.3.4. Support the redevelopment of existing commercial/residential developments into live/work developments at appropriate sites.

#### **Add and Amend Recommended OCP Text:**

#### **Affordable & Special Needs Housing**

- ~~4.3.10~~  
4.3.5 (change policy number) Encourage senior levels of government, other agencies including BC Housing, and private groups to increase the supply of affordable and special needs housing, giving consideration to options to renew vacant multi-unit housing.

#### **Accessible, Affordable, & Rental Housing**

- 4.3.5.1 (new) Support the development or redevelopment of residential properties to provide housing units. Explore opportunities to encourage construction of amenities including but not limited to accessible, affordable, and rental considerations.

#### **Density Benefits for Amenities, Accessible, Affordable and Rental Housing**

- 4.3.5.2 (new) Encourage the development of accessible, affordable, and rental housing through density benefits. Pursuant to Section 482 of the Local Government Act, density maximum can be raised for selected multi-family sites where amenities are provided.

#### **Housing Quality**

- ~~4.3.5~~  
4.3.6 (renumber policies that follow up to 4.3.11) Explore opportunities to encourage owners and renters to improve the quality (e.g., aesthetics, safety) of their housing.



# COUNCIL REPORT

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Date: 23 January 2019

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, 2018



Council is requested to consider two options for moving forward with a density benefits. Option 1 is approving OCP policy changes as presented at public hearing for bylaw 1933 on 17 December 2018. Option 2 is attached as Bylaw 1936; including both OCP policy as presented and revised zoning changes. A public consultation process and public hearing is required if Option 2 has Council support.

A motion is requested. Staff would then prepare a report for the next regular meeting.

## 1. **Draft Recommendations (two options)**

Action: Council will select one of the Options below or otherwise provide direction by resolution. Public hearing closed 17 December 2018. No comment was received.

**Option 1: THAT Density Benefits OCP Amendment Bylaw 1933, 2018, is amended as shown in Appendix 1**

**Option 2: THAT Density Benefits OCP and Zoning Amendment Bylaw 1936, 2019 is brought forward to the next regular meeting**

## 2. **Background**

For much of the last three decades, housing prices and rental rates in Kitimat have been among the lowest in BC. Until quite recently there have been few opportunities to negotiate for affordable and accessible housing through development. Douglas Place, a 22-unit affordable rental building was established by BC Housing with DOK encouragement but no direct municipal involvement. Staff do, however, routinely share information about demographic trends which document an aging population and the need for housing which is universally accessible.

There is now much discussion at Council, Advisory Planning Commission, and Interagency tables regarding the need to provide affordable and accessible housing in Kitimat. Given the current level of interest and pending real estate investment there is an opportunity today to encourage private investment in affordable and accessible housing. Density bonuses may be an attractive carrot and supplement to market opportunities.

Many residents want to live in traditional suburban neighbourhoods; others want maintenance-free strata properties; or no-step homes. With a positive FID, new investment is coming and policy changes can increase long-term community value by leveraging market conditions to create a legacy and meet a wider range of housing need. The current level of interest may be a golden opportunity to add diversity to the local housing market.

The proposed OCP amendment would give staff a mandate to seek accessible and affordable units in new projects. This would however remain a policy option and Council would be approving individual housing agreements.

Subsequent and related zoning amendments provide additional tools to encourage the development of a more diverse housing stock. Staff believe the current and expected market is an opportunity to be aggressive with density policy, suggesting a ratio of 20% accessible and affordable units to trigger a bonus benefit. This target is used in some other communities, particularly in high-demand situations. Zoning locks-in the benefit formulas. Only projects “outside the lines” set by zoning would require Council approval or “spot zoning”.

### 3. Options in Detail

#### A. Option 1: Density Benefits OCP Amendment Bylaw 1933, 2018, amended as shown in Appendix 1

The amended Bylaw 1933 is limited to OCP policy. Original Bylaw Sections (5) and (6) which outlined related zoning amendments have been deleted. See Appendix 1 for revised bylaw content.

Recommendation 16 of the *Kitimat Housing Action Plan* states the OCP should be amended to establish a general policy that inclusion of affordable and accessible rental housing may be a condition of residential rezoning. Current OCP policies encourage diversity, and monitoring the need for affordable, rental, and special needs housing. Proposed OCP additions encourage developments to include accessible and affordable units, and ensure that units remain in the rental market. See Appendix 1, page 2 for OCP context and new policies.

Density benefit policy would stand alone in the OCP, giving direction for future inclusionary zoning and density bonuses to be negotiated during any residential zoning amendment process. New policies confirm a willingness to consider adding density with number of units to be determined at time of rezoning. Negotiated commitments would be secured through s.219 covenant or s.483 Housing Agreement. No property owner or developer would be guaranteed additional density and Council would retain some discretion.

#### B. Option 2: Replace Density Benefits OCP and Zoning Amendment Bylaw 1933, 2018 with Density Benefits OCP and Zoning Amendment Bylaw 1936, 2019

After further review of density benefits and how they may best be introduced to the *Kitimat Municipal Code*, staff identified the need to include both Floor Area Ratio formulas and amendments to Lot Area (Minimum). These changes are explained further below. Amenity provisions to create accessible, affordable, and affordable rental housing align with Bylaw 1933.

A general zoning amendment sets parameters for property owners and developers; additional density is guaranteed when specified amenities are provided. This approach has the benefit of establishing a level playing field: opportunities to add density are transparent and equally available to all projects.

Where developers wish to increase the number of units; they are able to do so by providing enough accessible or affordable units to meet thresholds established in bylaw definitions. See (a) to (c) below.

- a. Accessibility Threshold: 20% or more of dwelling units on site must meet or exceed accessibility requirements of *BC Building Code*.

- b. Affordable Rental: Housing Agreement to guarantee 20% or more of dwelling units on site will rent a minimum of 20% below average rate for a private apartment as determined by the Canada Mortgage and Housing Corporation (CMHC). Kitimat currently does not meet CMHC criteria for data collection. Average rental price for Kitimat will be calculated using latest median rental prices for Prince Rupert, Terrace, and Prince George.
- c. Affordable Strata: Housing Agreement to guarantee applicable strata corporation allows rental of individual units, and this rental opportunity will be available to unit owners for a minimum of ten years.

*Kitimat Municipal Code* (KMC) regulates density two ways. Floor Area Ratio or FAR regulates size of building(s) on a parcel, Lot Area (minimum) regulates how building(s) may be divided into units. Put another way, FAR establishes how much floor area space can be created based on parcel size; number of units is determined by lot area. For the purpose of density benefits, Lot Area (Minimum) will be used as the basis for calculating benefits in exchange for amenities.

For clarity, it is proposed that a zoning amendment establish Maximum Units per Hectare for each multi-family zone, using existing figures in KMC. Number of units are limited to 1 unit for every 375 square metres (m<sup>2</sup>) of lot area, with terrace dwellings at 1 unit per 220 m<sup>2</sup> and apartment units at 1 unit per 185 m<sup>2</sup>. Sample calculations are available in Table 1.

<b>Table 1</b>	
Max Units per Hectare (10,000 m <sup>2</sup> ) - R3-A Zone	
Base: 10,000 / 375 m <sup>2</sup> =	27
Apartment Unit: 10,000 / 185 m <sup>2</sup> =	54
Terrace Dwelling: 10,000 / 220 m <sup>2</sup> =	45

Density benefits are calculated using the same ratios as presented previously. Tier 1, when 20% of units are accessible or affordable, the developer is eligible for 10% additional units. For Tier 2, developer is eligible for up to 25% additional units. Amenity details are provided in Bylaw 1936, see Appendix 2. Note that R3-A1 Zone which is specific to property at 1851 Kingfisher Ave remains unchanged (maximum 40 units).

Vacant multi-family property at 1015 Nalabila (at Alexander) is used here as an example. (no application is pending). Property is zoned R3-A with Lot Area (Minimum) as follows. Table 2 outlines calculation of units and potential increase if density benefits are applied.

<b>Table 2: Nalabila at Alexander</b>	
Lots Area (m <sup>2</sup> )	14,900
Max Units (Lot Area/375)	40
Tier 1 (8 accessible/affordable units)	44
Tier 2	50
Max Units Apartment (Lot Area/185)	81
Tier 1 (16 units accessible/affordable)	89
Tier 2	101
Max Units Terrace Dwellings (Lot Area/220)	68
Tier 1 (14 units accessible/affordable)	75
Tier 2	85

When adopted into a zoning bylaw, density benefits raise the maximum density with the provision of amenities. A property owner knows the base density and what is possible if accessible and affordable housing units are provided. To address concerns about over-supply, starting point or existing base density may be reduced so that number of units on a parcel is net zero following addition of density benefits (see Alternate Motions below).

#### 4. **Research Approach and Findings**

Smart Growth BC provides an affordable housing continuum that outlines levels of affordability and assistance from government (and non-profit) subsidies, to non-market housing, to home ownership. See Figure 1.

**Figure 1 Housing Continuum**



Funding for affordable housing projects is often a challenge. Density benefits are designed to encourage the development industry to contribute to non-market housing stock, with little cost to government or non-profit organizations. Fundamental to this approach is allowing more market (for profit) units in exchange for building non-market or accessible units that benefit the broader community.

Staff reviewed policies from across BC to identify an appropriate approach for Kitimat. Policies were quite diverse, addressing a number of needs with various requirements before awarding a bonus benefit. Many communities use density benefits as incentive for providing underground parking, green space, daycare spots, and social programming as well as housing. See Table 3 for sample policies. Nanaimo, for example, uses a point system, where points are awarded for amenities that translate to different levels or tiers of density.

The attached Kitimat bylaw establishes a framework which allows a system to be established based on *Housing Action Plan* recommendation for a density benefit for affordable and special needs housing, and expanded later if there is interest in encouraging something more. Council may wish to add density benefits for social space, energy-efficiency, and other amenities that are Kitimat-appropriate. As noted above, proposed framework allows additional amenities to be eligible for density benefits, using Tier 1 and Tier 2 to award benefits when appropriate levels of amenity are provided.

Table 3: Sample Density Bonus Policies				
Community	Zones	Amenity	Requirement	Density Bonus
Terrace	R4 - Medium Density MF Residential R5 - High Density Residential *C1 - Central Business Commercial *C1-A - Urban Commercial *C7 - Downtown Cultural *Mixed Use Zones	Accessible Dwelling Units	1 Unit	2 units/hectare
		Daycare Centre	10 persons	4 units/ha
			11-15 persons	6 units/ha
			16 or more persons	8 units/ha
		Below grade parking	50% required off street parking	10 units/ha
Affordable rental units	1 Unit	4 units/ha		
Nanaimo	R8 - Medium Density Residential R9 - High Density/High Rise Residential R10 - Steep Slope Residential	Nanaimo uses a point system with seven categories of amenities needed for Tier 1 and Tier 2. Categories: Site Selection Retention/Restoration of Natural Features Parking/Sustainable Transportation Building Materials Energy Management Water Management Social/Cultural Sustainability	Tier 1	+0.1 FAR
	R15 - Old City Medium Density Residential		Tier 2	+0.25 FAR
Langford	RM1 Low Density Attached Housing RM2 Attached Housing RM3 Apartment RM4 Apartment - Senior Citizens	Underground Parking	75%	+0.15 FAR
	RM2A Attached Housing	Monetary contribution	Schedule AD	+0.1 FAR
		Underground Parking	50%	+0.75 FAR
	RM7 Medium Density Apartment	Underground Parking	50%	+0.15 FAR
		Residential Amenity Space	5 m <sup>2</sup> /unit	+0.25 FAR
		Green space retained - shaded area	Schedule AE	+0.6 FAR

Achieving affordable housing is a complex process; with moving targets and multiple tools used in different parts of BC. It is important to note that each community is different with different values, goals and objectives; therefore, what has been implemented in one place may not fit other communities. Table 4 outlines tools available with example communities in brackets.

Table 4: Affordable Housing Tools	
Inclusionary Zoning (Ucluelet, Vancouver)	Housing Fund (Kitimat, Vancouver)
Secondary Suites (Kitimat, Revelstoke)	Land Banking (Squamish, Bowen Island)
Density Bonus (Nanaimo, Langford)	Housing Organization (Tofino, Capital Region)
Resale Price Restrictions (Burnaby, Whistler)	Partnerships (Victoria, Whistler)

Other policies are possible and used in other places to address different areas along the continuum. In all cases, success is largely based on significant community engagement and input into a housing action plan and affordable housing strategy. Kitimat has incentives for secondary suites and an affordable housing fund that to encourage more affordable housing. Several local organizations (Kitimat Housing Resource Project, TSW, Kiwanis Village and Delta King Place, plus BC Housing) and facilities (Douglas Place) offer subsidized and non-market housing. Given the housing crunch that accompanies major projects an updated housing action plan and affordable housing strategy may be appropriate.

## 6. **Budget Implications**

An increase in housing units per site has potential for increasing property tax revenue. Incremental density increases tend to lower costs to maintain infrastructure and services.

\_\_\_\_\_  
Dir. of Finance

## 7. **Alternative Motions**

- a. Direct staff to amend proposed bylaw to reduce base density to keep maximum units at current levels.
- b. Motion as determined through Council debate.

## 8. **Council Initiative/Other Relevant Plans**

*Strategic Plan*  
(Expired 12/2018)      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

Encl:    Appendix 1: OCP Amendment Density Benefit Policy, Bylaw 1933-18  
          Appendix 2: OCP and Zoning Amendment Density Benefit Policy, Bylaw No. 1936-19

**APPENDIX 1**

DISTRICT OF KITIMAT

BYLAW NO. 1933, 2018

A BYLAW TO AMEND KITIMAT OFFICIAL COMMUNITY PLAN AND KITIMAT MUNICIPAL CODE WITH RESPECT TO CREATION OF DENSITY BENEFIT POLICY FOR MULTI-FAMILY RESIDENTIAL PROPERTIES.

---

WHEREAS THE *BC Local Government Act* specifies an *Official Community Plan* (OCP) is a statement of objectives and policies to guide decisions on planning and land use management which must include statements and map designations respecting (a) the approximate location, amount, type and density of residential development required to meet anticipated housing needs over a period of at least five years;

AND WHEREAS THE *BC Local Government Act* allows a local government to divide portions of the municipality into zones and regulate the use of land within zones;

AND WHEREAS Kitimat Council deems it is in the public interest to amend the OCP;

NOW THEREFORE the Council of the District of Kitimat, in open meeting assembled, ENACTS AS FOLLOWS:

1. This bylaw may be cited as “DENSITY BENEFIT POLICY OCP AMENDMENT BYLAW NO. 1933, 2018”.
2. Kitimat *Official Community Plan* (2008) is hereby amended by:
  - a. adding text further to provisions outlined in Schedule ‘A’ which is attached to and forms part of this bylaw;
3. Re-number and amend sections of the *Kitimat Official Community Plan* (2008) as necessary.
4. This bylaw shall come into force and be binding on all persons from the date of adoption.

READ a first time this 13<sup>th</sup> day of November , 2018.

READ a second time this 13<sup>th</sup> day of November , 2018.

A PUBLIC HEARING was held this 17<sup>th</sup> day of December , 2018.

AMENDED and

READ a third time this day of , 2019.

FINALLY ADOPTED this day of , 2019.

MAYOR \_\_\_\_\_

CORPORATE OFFICER \_\_\_\_\_

## Schedule "A"

### OFFICIAL COMMUNITY PLAN AMENDMENTS

#### *Housing*

#### **Housing Diversity**

- 4.3.3 Preserve the diversity of housing types (e.g. single houses and multi-unit housing such as duplexes, row houses, apartments, and condominiums), lot sizes and price ranges by ensuring that infill and new development supports housing choice. As Kitimat currently has a significant inventory of both vacant, rental and affordable housing, there is no requirement for municipal programs to increase the availability of housing in these categories in the next five years. Kitimat should monitor this over time and adopt policies should the need arise in the future for affordable, rental and special needs housing.
- 4.3.4. Support the redevelopment of existing commercial/residential developments into live/work developments at appropriate sites.

#### **Add and Amend Recommended OCP Text:**

#### **Affordable & Special Needs Housing**

- ~~4.3.10~~  
4.3.5  
(change  
policy  
number)
- Encourage senior levels of government, other agencies including BC Housing, and private groups to increase the supply of affordable and special needs housing, giving consideration to options to renew vacant multi-unit housing.

#### **Accessible, Affordable, & Rental Housing**

- 4.3.5.1  
(new)
- Support the development or redevelopment of residential properties to provide housing units. Explore opportunities to encourage construction of amenities including but not limited to accessible, affordable, and rental considerations.

#### **Density Benefits for Amenities, Accessible, Affordable and Rental Housing**

- 4.3.5.2  
(new)
- Encourage the development of accessible, affordable, and rental housing through density benefits. Pursuant to Section 482 of the Local Government Act, density maximum can be raised for selected multi-family sites where amenities are provided.

#### **Housing Quality**

- ~~4.3.5~~  
4.3.6  
(renumber  
policies  
that follow  
up to  
4.3.11)
- Explore opportunities to encourage owners and renters to improve the quality (e.g., aesthetics, safety) of their housing.



## APPENDIX 2

## DISTRICT OF KITIMAT

### BYLAW NO. 1936, 2019

A BYLAW TO AMEND KITIMAT OFFICIAL COMMUNITY PLAN AND KITIMAT MUNICIPAL CODE WITH RESPECT TO CREATION OF DENSITY BENEFIT POLICY FOR MULTI-FAMILY RESIDENTIAL PROPERTIES.

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WHEREAS THE *BC Local Government Act* specifies an *Official Community Plan* (OCP) is a statement of objectives and policies to guide decisions on planning and land use management which must include statements and map designations respecting (a) the approximate location, amount, type and density of residential development required to meet anticipated housing needs over a period of at least five years;

AND WHEREAS THE *BC Local Government Act* allows a local government to divide portions of the municipality into zones and regulate the use of land within zones;

AND WHEREAS THE *BC Local Government Act* allows a local government to enact zoning for density benefits for amenities, affordable housing, and special needs housing;

AND WHEREAS Kitimat Council deems it is in the public interest to amend the OCP and *Kitimat Municipal Code*;

NOW THEREFORE the Council of the District of Kitimat, in open meeting assembled, ENACTS AS FOLLOWS:

5. This bylaw may be cited as “DENSITY BENEFIT POLICY OCP AND ZONING AMENDMENT BYLAW NO. 1936, 2019”.
6. Kitimat *Official Community Plan* (2008) is hereby amended by:
  - a. adding text further to provisions outlined in Schedule ‘A’ which is attached to and forms part of this bylaw;
7. Re-number and amend sections of the *Kitimat Official Community Plan* as necessary.
8. *Kitimat Municipal Code* is hereby amended by:
  - a. Adding text further to provisions outlined as follows:
9. Part 9 Division 1 – General, Subdivision 1 – Interpretation

#### 9.1.1.1

“Density Benefit (Accessible)” means at least 20% of the residential dwelling units on site meet all accessibility requirements of *British Columbia Building Code (BCBC) Section 3.8* or any replacement legislation.

“Density Benefit (Affordable, Rental)” means the developer enters into a Housing Agreement with the District of Kitimat, under s.482 of the *Local Government Act*, to ensure that at least 20% of rental residential units will be rented for at least 20% less than the average rental price for private apartment in British Columbia, as determined by the Canada Mortgage and Housing Corporation (CMHC) for the latest year, and cannot be withdrawn from the rental stock for a period of ten years. 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. If CMHC begins publishing data for Kitimat, median rental price will include data from Kitimat, Terrace, Prince Rupert, and Prince George.

“Density Benefit (Affordable, Strata)” mean the property owner or developer enters into a Housing Agreement with the District of Kitimat, under s.482 of the *Local Government Act*, that guarantees a strata corporation will not prohibit rental of individual units for a period of ten years and to ensure residential units are subdivided under the *Strata Property Act* or otherwise sold separately.

10. Part 9 Division 4 – Residential Zoning, Subdivision 1 – General

9.4.1.

4. Notwithstanding the provisions within Part 9 Division 4, Subdivision 1, Section 2 (f), (h), (i), and (j), maximum density of multi-family residential developments may be increased by the amount indicated in table below, when specified density benefit amenities are provided.

- a. Where development provides one amenity in 20% to 49% of units, the maximum allowable Units per Hectare may be increased by 10%.
- b. Where development provides one amenity in 50% or more units, the maximum allowable Units per Hectare may be increased by 25%.
- c. Where development provides two amenities in 20% or more units, the maximum allowable Units per Hectare may be increased by 25%.

5. Notwithstanding provisions within 9.4.1.4, where the buildable area of a lot is reduced through a geotechnical report or similar, District of Kitimat may request s219 covenant to determine appropriate area for to calculate Units per Hectare.

Amenity	Tier 1	Tier 2
Density Benefit (Accessible)	10% additional units	25% additional units
Density Benefit (Affordable, Rental)	10% additional units	
Density Benefit (Affordable, Strata)	10% additional units	

11. Part 9 Division 4 – Residential Zoning, Subdivision 8 – R3-A Multi-Family Residential

9.4.8.

3. Lot Area (Minimum):

- a. 375 m2 per dwelling unit, or 27 Units per Hectare;
- b. Notwithstanding 9.4.8.3(a), apartment buildings shall have a minimum lot area of 185 m2 per dwelling unit, subject to a minimum 930 m2, or 54 Units per Hectare;
- c. Notwithstanding 9.4.8.3(a), terrace buildings shall have a minimum lot area of 220 m2 per dwelling unit, subject to a minimum of 1000 m2, or 45 Units per Hectare.

Part 9 Division 4 – Residential Zoning, Subdivision 10 – R3-B Multi-Family and Interim Residential Dormitory Zone

9.4.10.

5. Lot Area (Minimum):

- a. 375 m2 per dwelling unit, or 27 Units per Hectare;



## Schedule "A"

### OFFICIAL COMMUNITY PLAN AMENDMENTS

#### *Housing*

#### **Housing Diversity**

- 4.3.3 Preserve the diversity of housing types (e.g. single houses and multi-unit housing such as duplexes, row houses, apartments, and condominiums), lot sizes and price ranges by ensuring that infill and new development supports housing choice. As Kitimat currently has a significant inventory of both vacant, rental and affordable housing, there is no requirement for municipal programs to increase the availability of housing in these categories in the next five years. Kitimat should monitor this over time and adopt policies should the need arise in the future for affordable, rental and special needs housing.
- 4.3.4. Support the redevelopment of existing commercial/residential developments into live/work developments at appropriate sites.

#### **Add and Amend Recommended OCP Text:**

#### **Affordable & Special Needs Housing**

- ~~4.3.10~~  
4.3.5 (change policy number) Encourage senior levels of government, other agencies including BC Housing, and private groups to increase the supply of affordable and special needs housing, giving consideration to options to renew vacant multi-unit housing.

#### **Accessible, Affordable, & Rental Housing**

- 4.3.5.1 (new) Support the development or redevelopment of residential properties to provide housing units. Explore opportunities to encourage construction of amenities including but not limited to accessible, affordable, and rental considerations.

#### **Density Benefits for Amenities, Accessible, Affordable and Rental Housing**

- 4.3.5.2 (new) Encourage the development of accessible, affordable, and rental housing through density benefits. Pursuant to Section 482 of the Local Government Act, density maximum can be raised for selected multi-family sites where amenities are provided.

#### **Housing Quality**

- ~~4.3.5~~  
4.3.6 (renumber policies that follow up to 4.3.11) Explore opportunities to encourage owners and renters to improve the quality (e.g., aesthetics, safety) of their housing.

# COUNCIL REPORT

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Date: 13 December 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

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## 1. Recommendation

Action: Council will consider comments received at the Public Hearing that will begin at 7:30pm on Monday, 17 December 2018. If comments warrant further consideration, Council may request a summary staff report prior to bylaw debate. If Council wishes to extend the hearing, date and time of the next session should be announced before the hearing is closed; Monday, 13 January is suggested date.

- a. **Third Reading and Adoption of Density Benefit, OCP and Zoning Amendment Bylaw No. 1933; and**
- b. **THAT number of affordable and accessible units appears in the annual Kitimat Housing Fact Sheet and Official Community Plan (OCP) Report Card.**

## 2. Background

Council Motion R18-194, of 7 August 2018, was adopted in response to a progress report on implementing recommendations of the 2015 Housing Action Plan. This motion provided the impetus to prepare the attached density bonus bylaw. An excerpt of Motion R18-194 appears below.

*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.*

In 2014, Northern Development Initiatives engaged City Spaces to complete housing plans for northwest communities experiencing intense interest from prospective industrial proponents. *Kitimat Housing Action Plan* was received by Council on 20 October 2014, with minor edits completed in February 2015. A work plan to implement eleven recommendations that fell within DOK's mandate was prepared in October 2015.

Of the eleven recommendations which required DOK initiative or action, eight are complete or will be substantially complete before 2019, and one (rent bank) has been removed from consideration. This report may be the last step in establishing density bonuses for affordable rental units.

## 3. Bylaw Definitions and Density Regulations

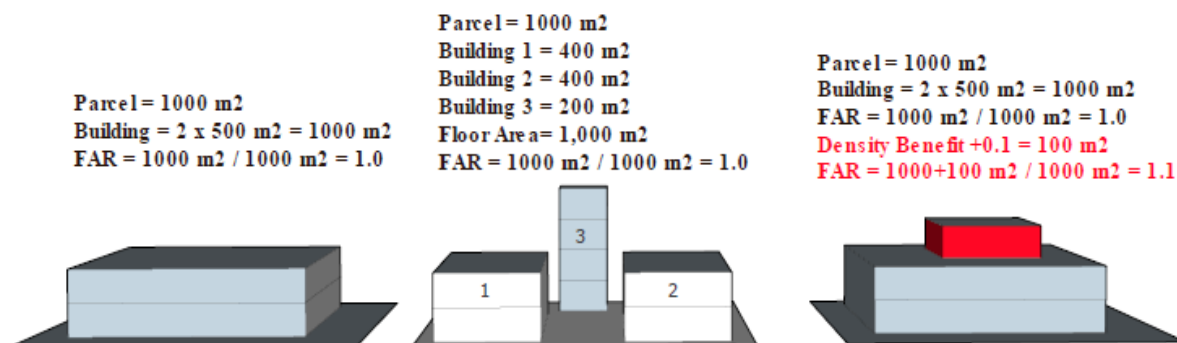
*The BC Local Government Act (LGA)* allows zoning to regulate land use, density, location, size and shape of developments. LGA Section 482, grants authority for zoning to establish density benefits for providing amenities, including affordable housing and special needs housing, under specific conditions. Conditions can vary to suit needs of any local community.

Recommendation 16 of the *Kitimat Housing Action Plan* states the OCP should be amended to establish a general policy that inclusion of affordable and accessible rental housing may be a condition of residential rezoning. Current OCP policies encourage diversity, and monitoring the need for affordable, rental, and special needs housing. See Schedule A of attached bylaw. Formulas to add accessible, affordable and rental units to a housing project can be included in an OCP density benefit policy that is adopted by bylaw.

The attached bylaw includes measures to create accessible, affordable, and affordable rental housing. Where developers wish to increase the number of units provided; they are able to do so by providing enough accessible or affordable units to meet thresholds established in bylaw definitions. See (a) to (c) below.

- a. Accessibility Threshold: 20% or more of dwelling units on site must meet accessibility requirements of *BC Building Code*.
- b. Affordable Rental: Housing Agreement to guarantee 20% or more of dwelling units on site will rent a minimum of 20% below the average rate for a private apartment as determined by the Canadian Mortgage and Housing Corporation (CMHC). Kitimat currently does not meet CMHC criteria for data collection. Average rental price for Kitimat will be calculated using latest median rental prices for Prince Rupert, Terrace, and Prince George.
- c. Affordable Strata: Housing Agreement to guarantee strata corporation will permit rental of individual units, and rental opportunity will be available to unit owners for a minimum of ten years.

*Kitimat Municipal Code* regulates density using Floor Area Ratio (FAR). FAR maximum establishes how much floor area space can be created based on parcel size. For example, FAR of 1.0 means a building 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 below to see how FAR can be organized in space. Proposed bylaw increases allowable FAR when specified amenities are provided.



Bylaw proposes FAR increase of 0.1 (Tier 1) and 0.25 (Tier 2) when amenity requirements are met. If FAR is raised from 1.0 to 1.1, building(s) on a 1000 square metre parcel could have a floor area of 1,100 square metres. Note that maximum height in multi-family zones is 9m.

#### **4. Staff Comment**

For much of the last three decades, rental housing rates in Kitimat have been among the lowest in BC. Recent years have provided a few opportunities to negotiate for affordable or accessible rental housing through development. Douglas Place, a 22-unit affordable rental building was established by BC Housing with DOK encouragement but no direct municipal involvement.

There is now much discussion at Council and Advisory Planning Commission tables regarding the need to provide accessible housing to facilitate Kitimat becoming more age-friendly. Given the current level of interest and pending real estate investment there is an opportunity today to encourage private investment in affordable and accessible housing. Density bonus may be an attractive carrot, and supplement to market opportunity

Many residents want to live in traditional suburban neighbourhoods; others want maintenance-free strata properties; or no-step homes. New development is a golden opportunity to add diversity to the local housing market. With a positive FID, new investment is coming and policy changes can increase long-term community value by leveraging this opportunity to create a legacy and meet a wider range of housing need.

Staff believes the current market allows an opportunity to be aggressive with density policy, requiring 20% of accessible and affordable units to trigger a bonus benefit. This target is not uncommon in other communities, particularly in high-demand situations.

Staff reviewed policies from across BC to identify an appropriate approach for Kitimat. Policies were quite diverse, addressing a number of needs with various requirements before awarding a bonus benefit. Many places have used density benefits as incentive for providing underground parking, green space, daycare space, and social programming as well as housing. See Table 1 for sample policies.

Nanaimo, for example, uses a point system, where developers earn points for amenities provided that translate to different levels or tiers of density. The attached Kitimat bylaw establishes a framework which allows for future expansion. Direction of the *Housing Action Plan* was affordable and special needs housing. Future direction from Council may expand density benefits to include social space, energy-efficiency, and other amenities that are Kitimat-appropriate. Framework is designed to allow additional amenities to become eligible for density benefits, using Tier 1 and Tier 2 to award benefits when appropriate levels of amenity are provided.

#### **5. Public, Commission and Committee Comment**

##### **a. Public Comment**

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

It remains uncertain how this policy will be received by the development community. No comment was received in response to public notice. Level of uptake will be monitored. Reporting to Council and the community via the *Housing Fact Sheet* and OCP Report Card is suggested.

Table 1: Sample Density Bonus Policies

Community	Zones	Amenity	Requirement	Density Bonus
Terrace	R4 - Medium Density MF Residential R5 - High Density Residential *C1 - Central Business Commercial *C1-A - Urban Commercial *C7 - Downtown Cultural *Mixed Use Zones	Accessible Dwelling Units	1 Unit	2 units/hectare
		Daycare Centre	10 persons 11-15 persons 16 or more persons	4 units/ha 6 units/ha 8 units/ha
		Below grade parking	50% required off street parking	10 units/ha
		Affordable rental units	1 Unit	4 units/ha
Nanaimo	R8 - Medium Density Residential R9 - High Density/High Rise Residential R10 - Steep Slope Residential	Nanaimo uses a point system with seven categories of amenities needed for Tier 1 and Tier 2. Categories: Site Selection Retention/Restoration of Natural Features	Tier 1	+0.1 FAR
	R15 - Old City Medium Density Residential	Parking/Sustainable Transportation Building Materials Energy Management Water Management Social/Cultural Sustainability	Tier 2	+0.25 FAR
Langford	RM1 Low Density Attached Housing RM2 Attached Housing RM3 Apartment RM4 Apartment - Senior Citizens	Underground Parking	75%	+0.15 FAR
	RM2A Attached Housing	Monetary contribution	Schedule AD	+0.1 FAR
		Underground Parking	50%	+0.75 FAR
	RM7 Medium Density Apartment	Underground Parking	50%	+0.15 FAR
		Residential Amenity Space Green space retained - shaded area	5 m <sup>2</sup> /unit Schedule AE	+0.25 FAR +0.6 FAR

**Public, Commission and Committee Comment, cont'd**

b. Advisory Planning Commission

Advisory Planning Commission met on 4 December 2018. Members were supportive of a policy that will encourage developers to construct housing with amenities that are needed in Kitimat.

Conversation noted proposals requiring 20% of new units to be accessible or affordable rather than 10% as specified in Housing Action Plan. It was agreed that with new investment stimulated by the LNG Canada project, Kitimat should have opportunity to maximize unit diversity.

Commissioners considered whether provisions regarding BC Energy Step Code may be added as an amenity eligible for a density bonus. Idea would be that 10% additional density may be available when building meets requirements of Step 3. Concern would be the availability of inspectors and resources to ensure energy efficiencies are met. The following two motions were adopted.

**THAT Advisory Planning Commission supports OCP and Zoning Amendment Bylaw 1933, 2018.**

**THAT density benefit framework includes incentives for developers to construct housing units beyond current requirements in BC Energy Step Code.**



c. Housing Committee

Housing Committee met on 11 December 2018. Members discussed the affordable housing definition, enforcement of rental rate regulations (provincial jurisdiction), and application of policy to existing buildings. Staff noted a housing agreement is a legal mechanism to ensure affordable pricing is maintained. It was noted that this policy is intended for new construction and there are provincial and federal programs to assist existing buildings improve accessibility and install mobility aids. The following motion was adopted

**THAT Housing Committee supports the Density Benefit policy as presented.**

6. Decision Options

- a. Table bylaw, pending a staff report summarizing comments and questions received at public hearing.
- b. Amend bylaw to set 10% as threshold to trigger density benefits for accessible and affordable rental housing.
- c. Third Reading of Density Benefit, OCP and Zoning Amendment, Bylaw No. 1933-18”.
- d. Another option as determined by Council debate.

7. 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

8. Council Initiative/Other Relevant Plans

*Strategic Plan* 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

Encl: Density Benefit Policy, Bylaw No. 1933-18, Current OCP Excerpt

# COUNCIL REPORT

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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

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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.

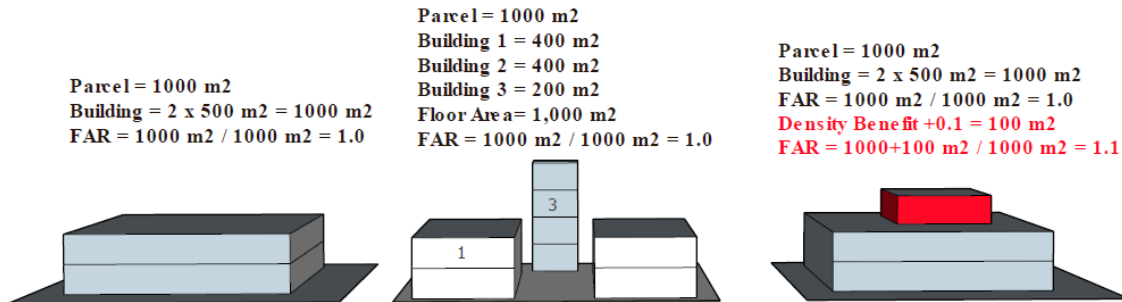
*Housing Action Plan* contains a series of recommendations in support of various policies. Recommendation #16 states the OCP should be amended to establish a general policy that the inclusion of affordable and accessible rental housing may be a condition of residential rezoning. Under Housing Diversity, 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