

REPORT

Climate Action, Planning and Development

To: Mayor Johnstone and Members of Council
Date: May 8, 2023

From: Jackie Teed, Acting Director of Climate Action, Planning and Development
File: REZ00328

Item #: 2023-315

Subject: **Rezoning Application for Conversion to Supportive Housing: 422 Sixth Street – Preliminary Application**

RECOMMENDATION

THAT Council direct staff to work with the applicant to prepare a rezoning bylaw for the subject property suitable for consideration of First, Second and Third Readings.

THAT Council direct staff to proceed with processing the proposed rezoning of the subject property as outlined in the “Application Review Process” section of this report.

THAT Council endorse in principle that no Public Hearing be held for this application in accordance with the Local Government Act.

PURPOSE

To provide preliminary information on a Rezoning Application to permit Supportive Housing on the second and third storeys of the existing building at 422 Sixth Street; to outline the application review process for endorsement; and to direct staff to work with the applicant towards preparation of the suitable rezoning bylaw.

BACKGROUND

Site Characteristics and Context

The subject site is located in the Uptown neighbourhood on the west side of Sixth Street, slightly south of Brantford Street. The site contains a four-storey commercial

building constructed in 1962 and which fronts Sixth Street. It also contains a large surface parking lot in the rear which fronts Brantford Street



To the north of the site, at the corner of Sixth Street and Brantford Street is a gas station; to the south and to the west, across Sixth Street are two-storey commercial buildings; to the east is a six-storey apartment building as well as single family dwellings.

The subject site is located on Sixth Street which is part of the Frequent Transit Network (FTN).

POLICY AND REGULATIONS

The application is consistent with the Official Community Plan (OCP) land use designation for the subject property, which is Mixed Use High Density and with other key City policies as detailed in Attachment 1.

The site’s existing C3-A Zoning permits *Housing Units* above the first storey. However, the *Supportive Housing* use is not permitted under the existing zoning. As such, in order to facilitate the change in use, a rezoning is required.

PROJECT PROPOSAL

Staff have been approached by the Lower Mainland Purpose Society who are seeking to convert the top two floors of the existing four-storey commercial building for supportive housing. This would include up to 30 beds intended for people who are experiencing or at risk of homelessness and incorporate 24/7 staff support and catering services.

The proposed layout of the upper two storeys consists of up to 15 individual units per floor (30 units total) with shared bathroom, kitchenette and common areas. The ground floor and basement would be utilized for office, program and catering uses which are permitted under the existing zoning. Although the existing zone permits *Housing Units* above the ground floor, given the shared facilities and supports, the use is considered as *Supportive Housing* as defined within the City’s Zoning Bylaw which is not permitted

under the site’s prevailing C-3A District Zoning. In order to permit this use, the creation of a Comprehensive District Zone is proposed which would be based on the C-3A District but also include *Supportive Housing* as a permitted use above the ground floor.

As the proposal does not propose any exterior changes to the building, no Development Permit is required and the project would be permitted to advance directly to the Building Permit stage.

DISCUSSION

Housing Needs Assessment

The City’s Housing Needs Report, completed in 2021 and updated in 2022, indicates the need for 358 new supportive housing beds between 2021 and 2031. Since the completion of this report, 52 new beds have been proposed for 68 Sixth Street. The subject proposal would result in up to 30 new supportive housing units which, along with the proposal at 68 Sixth Street, would make considerable progress towards the meeting the City’s supportive housing needs.

Senior Government Funding

The applicant has indicated that they have successfully applied to the Canada Mortgage and Housing Corporation (CMHC) Rapid Housing Initiative and the application package for this funding is included as Attachment 2. This would result in a \$5,350,000 federal investment in the building to convert the two upper stories for supportive housing. However, in order to receive this funding, a rezoning must be in place by July 1, 2023. To achieve this milestone, staff are proposing to expedite the rezoning timeline while still providing opportunities for public input and meeting the City’s obligations under the Local Government Act.

Social Benefits Zoning

Staff intend to commence work on Social Benefits Zoning in 2024. This future policy could permit a wider range of social amenities/benefits as of right, subject to certain conditions being met and could also encompass properties owned, leased or rented by non-profit organizations. The range of social amenities/benefits under consideration could include supportive housing. As such, and when complete, the subject application could be an outright permitted use if it met the specified conditions. However, given the timeline needed to achieve the federal government funding for the project, a rezoning application is needed.

Parking Considerations

The site has a 21-space surface parking area at the site’s rear, is located on the Frequent Transit Network, and is situated in close proximity to other transit routes.

Based on the site's proposed use, existing parking, and proximity to transit, Staff do not anticipate additional on-site parking will be warranted.

Economic Development Considerations

The basement and first storey use of the building will continue to be in alignment with the commercial role of Sixth Street. The building's second storey is currently leased to an Information Technology Company. The applicant has indicated that this company had decided to relocate out of the region more than a year ago and that employees of the company have been primarily working remotely since the pandemic.

Financial Considerations

The assessed value of the property is \$8,133,000 (\$7M land). Subject to Council approval and paperwork being received by BC Assessment, the top two stories would be deemed Supportive Housing status and the assessed value will drop to a nominal rate. This would result in a shift of municipal property tax revenue of approximately \$33,000 to other tax payers.

APPLICATION REVIEW PROCESS

Below is an overall outline of the development review process for this project.

1. Preliminary Report to Council (May 8, 2023) (**WE ARE HERE**)
2. City-led public consultation, including the creation of a Be Heard New West webpage and survey;
3. Council consideration of the rezoning application and issuance of notice that no Public Hearing held;
4. Council consideration of First, Second and Third Readings of the Zoning Amendment Bylaw;
5. Adoption of Zoning Amendment Bylaw

This report seeks a Council resolution to endorse the above process, including that no Public Hearing be held. Staff would undertake City-led public consultation prior to forwarding the application to Council for consideration. At that time, staff would evaluate whether the application is consistent with the City's principles for determining when a project does not require a Public Hearing:

- The application is largely consistent with City policy and/or Council Strategic Priorities, and/or exceeds City policy in support of Council Strategic Priorities;
- The application responds to public and staff feedback, even if significant, to the satisfaction of the Director of Climate Action, Planning and Development; and,
- The application is consistent with the Official Community Plan (OCP), per provincially legislated requirements.

Council continues to have the option, at the start of consideration of the bylaw, to refer the application to Public Hearing at Council’s discretion. However, it should be noted that should Council refer the item for a Public Hearing at a later date, this may make the July 1, 2023 deadline for CMHC funding more challenging.

INTERDEPARTMENTAL LIAISON

The City has a project-based team approach for reviewing development applications, which facilitates interdepartmental review, providing comments to the applicant throughout the rezoning process. This project-based team includes staff from Engineering; Climate Action, Planning and Development; Parks and Recreation, Electrical and Fire Departments. The application has been circulated to the project team for comment prior to advancing the application for further Council consideration.

OPTIONS

The following options are available for Council’s consideration:

- 1. That Council direct staff to work with the applicant to prepare a rezoning bylaw for the subject property suitable for consideration of First, Second and Third Readings.
- 2. That Council direct staff to proceed with processing the proposed rezoning of the subject property as outlined in the “Application Review Process” section of this report.
- 3. That Council endorse in principle that no Public Hearing be held for this application in accordance with the Local Government Act.
- 4. That Council provide staff with alternative direction.

Staff recommend Options 1, 2 and 3.

ATTACHMENTS

- Attachment 1 - Policy Context
- Attachment 2 - Applicant Preliminary Submission Materials

APPROVALS

This report was prepared by:
Demian Rueter, Acting Senior Manager of Climate Action, Planning and Development

This report was approved by:
Jackie Teed, Acting Director of Climate Action, Planning and Development
Lisa Spitale, Chief Administrative Officer