

REPORT

Planning and Development

To: Mayor Johnstone and Members of Council
Date: July 8, 2024

From: Jackie Teed, Director,
Planning and Development
File: EDMS #2496774
REZ00256

Item #: 2024-424

Subject: **Zoning Bylaw Amendment: 1923 & 1927 Marine Way – Bylaw for Three Readings**

RECOMMENDATION

THAT Council consider Zoning Amendment Bylaw (1923 & 1927 Marine Way) No. 8466, 2024 for First, Second, and Third Readings.

PURPOSE

To provide Council with information on the proposed rezoning for 1923 and 1927 Marine Way, a proposed affordable housing project, and request that Council consider the Zoning Amendment Bylaw for First, Second, and Third Readings.

EXECUTIVE SUMMARY

An application has been submitted by Aunt Leah's Properties to rezone 1923 and 1927 Marine Way to permit an affordable rental building. The project proposes to provide approximately 90 units of affordable housing to youth and young mothers transitioning from the foster care system to independent living. The project has been selected by BC Housing to receive funding through the Community Housing Fund. In order for BC Housing to release funds to allow Aunt Leah's Properties to advance with next steps, their rezoning application would need to receive third reading prior to July 12, 2024.

The proposal aligns with the intent of the City's new Affordable Housing Acceleration Program, which aims to pre-zone sites like this one, in order to clear the way for senior government partnership and funding to build affordable housing in New Westminster, toward addressing our community's need. That program would not be complete within

BC Housing's timeline for releasing the funds to Aunt Leah's. As such, staff considers it reasonable to advance the rezoning in advance of the Affordable Housing Acceleration Program being completed.

Given the site's location in the 22nd Street Station Transit Oriented Development Area, staff is proposing to rezone the site to the minimum allowable height and density envisioned by the Province (4.0 FSR and 12 storeys). This is higher than proposed by the applicant, but would align with the new legislation and provide opportunity, should additional funding be granted, to build additional affordable units on the site.

BACKGROUND

Housing Need

In 2021, Council endorsed the City's [Housing Needs Report 2021-2031](#) which estimates that 208 units of below- and non-market rental housing are required per year to meet demand. As identified in a June 12, 2023 report to Council, over 2021-2022 the City approved or issued building permits for a net average of 158 affordable rental units per year, well below this need. A key reason is the necessity of senior government funding.

Affordable Housing Acceleration Initiative

On June 3, 2024 Council endorsed an initiative aimed at accelerating the approvals of affordable housing projects by pre-zoning properties to allow up to six storeys, when this form of housing is already envisioned in the Official Community Plan (OCP). Currently, most properties in New Westminster require a rezoning to allow the land use and density envisioned in the OCP. Senior government funding for these projects generally require zoning to be in place, and the funding allocation has tight timelines, resulting in compressed rezoning processes that are challenging for non-profit housing providers and the City. In addition to being consistent with the OCP land use designation, projects would be required to meet other criteria (e.g. owned and operated by a registered non-profit housing provider, entering into a Housing Agreement), and would still be subject to other City approvals (e.g. Development Permit).

The subject site is an example of parcels that would be captured in the Affordable Housing Acceleration Initiative. The properties are zoned to allow a single detached dwelling, but are designated Residential – Multiple Unit Buildings (RM) in the OCP.

Community Housing Fund

This project was one of 17 new projects in Metro Vancouver that was selected through the third intake of the Community Housing Fund (CHF). This BC Housing program funds the construction of affordable rental homes for people with moderate- and low-income households. This fund requires:

- 50% of the units be rented at rent geared to income, where rent is generally based on 30% of household income;
- 20% of the units be rented at deep subsidy rent geared to income for residents with very low incomes, such as those receiving income or disability assistance;

- 30% of the units be available at or below market rents for households with moderate incomes.

Land Use and Policy Regulations

The OCP designates the subject site Residential – Multiple Unit Buildings (RM). This designation supports low-rise residential apartment buildings, with five- to six-storey buildings considered if sufficient community amenities are proposed. Given the provision of affordable housing, the proposed project is generally consistent with this designation. Since the proposal is not consistent with the existing Neighbourhood Single Detached Dwelling Districts (NR-2) zone, a rezoning is required (Attachment 1). A summary of these and other related City policies is included in Attachment 2.

Site Characteristics and Context

The subject site has an area of approximately 2,065 sq. m. (22,227 sq. ft.) and is located in the West End neighbourhood, roughly 250 m. (820 ft.) from the 22nd Street SkyTrain Station. It is bounded by Marine Way to the south and lanes to the west and the north. Both of the subject properties each have a single detached dwelling, one built in 1950 and the other in 1946. The properties to the east and west are largely low-density residential uses. The subject site and the neighbouring properties are designated for four- to six-storey residential uses. The SkyTrain guideway and Grimston Park are located across the lane to the north.



Figure 1: Site context map with 1923 and 1927 Marine Way outlined in red.

22nd Street SkyTrain Station Transit Oriented Development Area

In December 2023, the Province passed new legislation that prescribes minimum residential densities and heights within Transit Oriented Development (TOD) Areas, defined as areas within 800 metres of SkyTrain Stations. The legislation also prohibits

municipalities from requiring vehicle parking, save for accessible parking, for residential projects within TOD Areas. The City continues to be able to review and approve housing development for consistency with other City policies and regulations.

The subject site is within the 22nd Street SkyTrain Station TOD Area. As this site is between 201 and 400 m. from the station, the prescribed density allowance is 4.0 Floor Space Ratio (FSR) and the prescribed height allowance is 12 storeys.

PROJECT PROPOSAL

Preliminary concept designs in the rezoning application submission propose a six-storey affordable housing building. The currently proposed building would appear as four storeys from the lane on the north side due to the grade change of the site. The design includes approximately 90 rental units and a density of around 2.2 Floor Space Ratio (FSR). Vehicle and long-term bicycle parking would be provided in a single level parkade, with access proposed from the lane to the west. Preliminary project statistics are provided in Attachment 2, and preliminary concept drawings are included in Attachment 3. Detailed design drawings will be developed through the Development Permit process following the rezoning.

DISCUSSION

Overall Evaluation

The project has been selected by BC Housing to receive funding through the Community Housing Fund, which is a significant senior government investment in affordable housing in New Westminster. In order for BC Housing to release funds to allow Aunt Leah's Properties to advance with next steps, their rezoning application would need to receive third reading prior to July 12, 2024. To facilitate that timeline and, as the proposal is consistent with the new Affordable Housing Acceleration Program, staff is supportive of advancing with a rezoning at this time. The development would require a subsequent Development Permit which is delegated to staff.

Given the site's location in the 22nd Street Station Transit Oriented Development Area, staff is proposing to rezone the site to the minimum allowable height and density envisioned by the Province (4.0 FSR and 12 storeys). This is higher than proposed by the applicant, but would align with the new legislation and provide opportunity, should additional funding be granted, to build additional affordable units on the site.

Proposed Comprehensive Development Zoning District

A proposed bylaw amendment is included as Attachment 1 that would rezone the site to a new Comprehensive Development (CD) zoning district. The new CD zone would allow two development scenarios:

- Construct a single detached dwelling to the same standard as is permitted under the current (NR-2) zoning; or
- Construct an affordable multi-unit residential building once conditions are met.

This approach means that if the project proposed by Aunt Leah's does not proceed, the same zoning entitlements as today remain in place. If another applicant were to purchase the lands to develop a market building, a rezoning would be required.

The conditions to be met to allow an affordable multi-unit residential building are:

- The building must be rental tenure;
- A Housing Agreement is in place (to be approved by Council, and to ensure that the project is owned and operated by a non-profit housing provider, and that units are maintained as affordable over the long-term for 60 years or the life of the building);
- Provide the necessary dedications to allow full width lanes; and
- Provide the necessary dedications and statutory rights-of-way along the site frontage to allow a widened sidewalk, boulevard, and access for servicing.

All other City permits are still required. The applicant will be required to apply for a Development Permit, Tree Permit, and Building Permit, and enter into a Works and Services Agreement.

Family Friendly Housing Policy

In the preliminary design, 14% of the proposed units would include two bedrooms. This is lower than the requirements of the City's Family Friendly Housing Policy, which for a rental building, requires a minimum of 25% two- and three-bedroom dwelling units, and at least 5% of the total dwelling units are to include three bedrooms or more. The project is intended to house youth and young mothers aging out of the foster care system, helping them transition to independent living. Given the specific population to be served, staff is supportive of not requiring the application to comply with this regulation. The Comprehensive Development zone created for this project includes an exemption from this regulation.

CONSULTATION AND REVIEW PROCESS

Consultation

Through the streamlined application process required to achieve funding timelines, there is not an opportunity to undertake public engagement. A rezoning process would typically require applicant-led and/or City-led consultation. It is not envisioned that projects enabled through the Affordable Housing Acceleration Initiative would require community consultation. In this case, a project page has been created on the City's Be Heard engagement platform that provides information about the project, and provides opportunity for questions to be asked, and feedback to be submitted for Council consideration with this report.

Review Process

The development application review process for this application is as follows:

1. Public notification that no Public Hearing will be held (June 28 to July 8, 2024);
2. Council consideration of First, Second, and Third readings of the Zoning Amendment Bylaw **(WE ARE HERE)**;

Anticipated next steps:

3. Referral to Ministry of Transportation and Infrastructure;
4. Council consideration of adoption of the Zoning Amendment Bylaw;
5. Submission of Development Permit and Tree Permit applications;
6. Initiation of Works and Services Agreement; and
7. Submission of Building Permit application.

Per changes to the *Local Government Act* which took effect on November 30, 2023, under Section 464(3), municipalities are now prohibited from holding Public Hearings for projects that are consistent with the Official Community Plan, and in which the residential component of the project accounts for at least half of the proposed gross floor area. As this project satisfies these conditions, a Public Hearing must not be held.

FINANCIAL IMPLICATIONS

Should the project advance, the City may consider a cash contribution from the Affordable Housing Reserve Fund, up to \$500,000. Such a contribution would be subject to senior government funding, Council approval of a Housing Agreement, and review of the affordable housing financial model. Generally, BC Housing does not expect to fund off-site costs “over and above” the typical costs included in the Subdivision and Development Control Bylaw or other similar development charge bylaws. A contribution from the Affordable Housing Reserve Fund could be used to offset such project costs, or could be used to pay for City fees (e.g. Development Cost Charges).

INTERDEPARTMENTAL LIAISON

The City has a team-based approach for reviewing development proposals. Staff from relevant departments, including Planning and Development, Engineering Services, Electrical Services, Fire, and Parks and Recreation, have conducted an initial review.

OPTIONS

The following options are presented for Council's consideration:

1. That Council consider Zoning Amendment Bylaw (1923 & 1927 Marine Way) No. 8466, 2024 for First, Second, and Third Readings; and
2. That Council provide staff with alternative feedback.

Staff recommends Option 1.

ATTACHMENTS

Attachment 1: Zoning Amendment Bylaw No. 8466, 2024

Attachment 2: Background Information

Attachment 3: Preliminary Concept Drawings

APPROVALS

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