DISTRICT OF OAK BAY

PREPARED FOR: Council
FROM: Carly Rimell, Senior Planner
MEETING DATE: July 22, 2024
SUBJECT: Housing Action Program (HAP) Update #1

RECOMMENDATION(S)

THAT the report titled “Housing Action Program (HAP) Update #1”, authored by Carly Rimell, Senior Planner, dated July 22, 2024 be received.

And that Council consider the following staff recommendation(s):

THAT Council endorse the project next steps, scope update and timelines presented for CPP#73 Update the Official Community Plan (OCP) for Small Scale Multi-Unit Housing and CPP#75 Complete Mandated Five-Year Review of the OCP in the report titled "Housing Action Program (HAP) Update #1" and dated July 22, 2024.

Alternatively, staff await another direction from Council.

EXECUTIVE SUMMARY OF REPORT

This report provides Council with an update on the District’s Housing Action Program (HAP) that combines Council Priority Projects (CPPs) and the Provincial Housing mandates. Staff are seeking confirmation from Council on recommended scope changes for CPP#73 Update the Official Community Plan (OCP) for Small Scale Multi-Unit Housing and CPP#75 Complete Mandated Five-Year Review of the OCP.

BACKGROUND/HISTORIC CONTEXT

On November 20, 2023 Council received the report titled Provincial Housing Directives. This report outlined the Provincial Housing initiatives and the responding framework to pivot, reprioritize and introduce new CPP which led to the creation of the District’s HAP. Furthermore, Council directed that CPP#73 Update the OCP for Small Scale Multi-Unit Housing Program, CPP#80 Prepare Amenity Cost Charge and Development Cost Charge Programs, and CPP#72 Update Zoning Bylaw for Small Scale Multi Unit Housing be prioritized over a period of ten months.

On December 14, 2023 Council received the report titled Provincial Housing Directives – Next Steps. This report provided a description of project elements, projected timing and key milestones. This report also outlined the challenges with the ten month timeframe directed by Council.

At the December 14, 2023 meeting Council resolved:

> *2023-660 THAT in consideration of the full scope of work required to meet legislated deadlines, the projected timelines approximated and presented in*

Attachment 2 be approved to supersede the previously directed timeline of 10 months as adopted in Resolution 2023-600;

AND THAT Council direct staff to report back on the timeline in attachment three of the staff report in Q1 of 2025, for review and possible revision.

This report provides an update to Council on work to date since the last report on December 14, 2023 on the District's HAP including a:

- High-level overview of progress on each CPP within the HAP
- Provides an interim update and recommended changes to the approach in relation to CPP#73 Update the OCP for Small Scale Multi-Unit Housing Program and CPP#75 Complete Mandated Five-Year Review of OCP
- Provides an update on financials of overall budget, spent to date, and committed to date.

ANALYSIS

The following provides a summary of ongoing work on the CPPs that form the District's HAP and is split in two parts: those underway (Part 1) and those still to be initiated (Part 2). These CPPs are also outlined in Attachment 1 Housing Action Program Timelines and Attachment 2 Housing Action Program Scope Elements.

PART 1 - Underway Council Priority Projects

CPP#72 - Update Zoning Bylaw for Small Scale Multi-Unit Housing (SSMUH)

The Province required municipalities to update their zoning bylaws to permit a minimum of three to six dwelling units in select areas zoned exclusively for single family dwelling units.

Q2 Update:

- Amendments to the Zoning Bylaw and Parking Facilities Bylaw adopted by Council on June 24, 2024
- Internal systems updated to accept new housing types
- Infill Housing Program implementation materials available
- Internal staff training and workshops
- Notification sent to Minister of Housing

Next Actions:

- Next phase underway focusing on recommended changes:
    - to include form and character regulations in the Zoning Bylaw
    - to include tree protection regulations in the Zoning Bylaw as well as updated to the Tree Protection Bylaw
    - to the Driveway Access Bylaw
- Staff will report back to Council on these and further recommended changes and considerations in Q4 2024
- A Land Capacity Analysis is underway to look at the redevelopment potential and potential capacity increases from zoning amendments for the Infill Housing Program. Furthermore, this helps serve as insight regarding growth, development and land use decisions to inform recommendations on the OCP, ACC and DCC programs. This will be finalized in Q3 2024

CPP#73 - Update the OCP for Small Scale Multi-Unit Housing Program

In December, 2023 this project was outlined as addressing SSMUH housing, and providing an opportunity to signal or identify areas for higher density multi-family, village areas and commercial either through policy and/or a mapping schedule.
Q2 Update:

- Staff focused and prioritized the development of the Zoning Bylaw updates for SSMUH/Infill Housing to ensure compliance with the Provincial directive and deadlines. Given Council's direction to not proceed with a Development Permit requirement for SSMUH/Infill Housing staff have not brought forward an amendment to the OCP. In addition, the legislation does not mandate the District to update its OCP for SSMUH

Next Actions:

- A modified workplan is now underway given Council direction received on June 3, 2024 to not have a DPA for SSMUH/infill housing and to focus on further updates to the Zoning Bylaw to regulate form and character through the Zoning Bylaw
- The remaining scope from CPP#73 Update the OCP for SSMUH is proposed to be brought forward into CPP#75 Complete Mandated Five-Year Review of OCP (see Attachment 2). The benefit of this approach is that there will not be two OCP updates underway simultaneously or delaying CPP#75 to finish CPP#73. This will allow for more time and resources to be focused on this important Complete Mandated Review of the OCP and community wide planning process to guide long range growth, change and land use. Given one of the key scoping items of CPP#73 is looking at the land use framework this is a key piece of the update and would best be considered as part of the comprehensive OCP update.
- A Commercial and Retail Analysis is underway to look at village areas and trends and opportunities and recommendations for new, expanded or potentially retracted village areas in the District. This will be finalized in Q3 2024.

Attachment 3 Project Constraint Response provides greater detail on the project history, situation, response options and the recommendation for a change in scope.

CPP#77 - Prepare Tracking Program

A requirement of the Housing Target Order that the District received from the Province in September 2023, is the preparation of progress reports that must be received by Council resolution within 45 days after the end of each reporting period and be submitted to the Minister of Housing.
Q1 and Q2 Update:

- First Housing Targets progress report for Period 1.1 (first 6 months update) received by Council on April 22, 2024 and submitted to the Province on April 23, 2024.
- Internal systems updated to track required metrics
- Quarterly monitoring and reporting

Next Actions:

- Staff will bring a Period 1.2 Housing Targets progress report (October 1, 2023 – September 30, 2024) to Council in October

CPP#80 Prepare Amenity Cost Charge and Development Cost Charge Programs

The Province has introduced legislation (Bill 46) to update and streamline development finance tools to assist local governments to help continue to fund the costs of infrastructure and amenities to help support increased housing supply and growth. The

changes include creating a new Amenity Cost Charge (ACC) tool and updates to Development Cost Charges (DCCs).
Q1 and Q2 Update:

- Consultants appointed and background work completed
- Internal meetings and workshops with staff to create project lists
- Preliminary modelling for underground utilities (water, sewer and drainage) as well as financials
- Preliminary report presented to Council July 15, 2024

Next Actions:

- Staff to present findings and draft rates in a background report and draft DCC and ACC bylaws to Council in Q3 2024

PART 2 - Upcoming Projects
This next section summarizes other Council Priority Projects that need to be initiated in the near future, some of which have Provincially mandated deadlines.

CPP#74 - Interim Housing Needs Report
The Province is requiring the District to complete an interim Housing Needs Report (HNR) by January 1, 2025. HNRs describe current and anticipated housing needs. The first set of HNRs were required of local governments by April 2022 to help better understand and quantify current and anticipated housing needs. The interim HNRs build off existing requirements.
Q2 Update:

- On June 20, 2024 the Ministry of Housing released guidance to assist Municipalities in completing the interim HNRs. Proposed changes to the HNR include using a standard method for a more consistent and robust understanding of both local housing needs currently, and over the next 20 years.

Next Actions:

- In July 2024 the Ministry is expected to release a housing needs calculator that municipalities will be able to use to calculate their housing needs over the 20-year period.
- Staff will create or update the HNR with the prescribed methodology and present the report for Council’s receipt in accordance with the legislation.

CPP#79 - Responding to increased development interest
Following the adoption of bylaw updates aimed at increasing the supply and diversity of housing in the District and to respond to an increase in development interest, this project will focus on the need to allocate sufficient resources to ensure that the District can respond in a timely manner to enquiries and likely increase in development applications.
Q1 and Q2 Update:

- Increase in phone calls, emails and counter enquiries

Next Actions:

- In the near future it is anticipated that there will be postings created for additional staff to increase capacity to proactively respond to increased development interest. This could include building inspections, arborists or planners or possibly other roles.

CPP#75 - Complete Mandated Five-Year Review of OCP

The Province is requiring the District to have an updated OCP by December 31, 2025. This review will focus on land use and growth management framework, align with HNR, incorporate recent District work and monitoring and implementation.

Q2 Update:

- June 4 staff were informed that the UBCM grant application (in partnership with the Community Social Planning Council, City of Colwood, District of Saanich, Township of Esquimalt, and City of Langford) for a Complete Communities Assessment was successful and was jointly awarded $349,740. This work will inform the overall land use framework and support future planning for Village Areas.

Next Actions:

- Targeting initial OCP proposed approach and scoping report to Council in September or October 2024. With Council support initiate preparation and issuance of an RFP for the OCP review

CPP#76 - Complete Mandated Pre-Zoning to implement updated OCP

In tandem with the updated OCP, the Province is also requiring that the District's Zoning Bylaw be updated to accommodate the planned 20-year housing supply, and these changes are required to be in place by December 31, 2025. Again, to ensure that this work can be completed by the deadline it will be important to commence this work parallel with the OCP review and to ensure adequate time is available to complete this work.

Q2 Update:

- Following Council's review of options on Home-Based Business regulations on June 17, 2024 as directed by Council staff will be incorporating these scoping elements into the Zoning Bylaw review and update

Next Actions:

- Prepare a project sign off for Council review and endorsement informed by recommendations from CPP#72 and CPP#75
- Fall 2024 the Province has indicated that guidance will be released to municipalities to update OCPs
- Initial meeting with the Community Social Planning Council leading the Complete Communities project in partnership with the City of Colwood to ensure alignment and synergies with other CPP

CPP#78 - Optimize Development Processes

This project would review and provide recommendations for streamlining, enhancing, and modernizing development review processes and systems.

Q1 and Q2 Update:

- On February 12, 2024 Council authorized staff to apply to the 2024 Local Government Development Approvals Program (LGDAP) for grant funding to advance CPP #78 Optimize Development Processes and related housing initiatives
- On May 28, 2024 the District was informed that the grant application was successful and the District was awarded $105,000.

Next Actions:

- Draft a request for proposal (RFP) to appoint a consultant to undertake a process review that would make recommendations to expedite the implementation of streamlined processes and updates to the regulatory framework to speed up development approvals, strengthen organizational understanding of related work

functions and tasks, provide clear documentation of systems/processes, and incorporate best and leading practices in local government development approvals
- Staff would present to Council a Project Charter in early Q4 for review and sign-off with the finalized scope of this work and appoint a consultant

CPP#81 - Reserve for yet-to-come projects required (or triggered) by the Province
It is anticipated that over time the province may issue additional mandates related to housing or in response to the submitted District's Housing Target Order progress reports.
Q2 Update:
- On April 25, 2024 Bill 16 (Housing Statutes Amendment Act) received Royal Assent. Bill 16 introduces new authorities for municipalities to be able to introduce new tools that support local governments in their efforts to build more affordable and liveable communities. These tools including the following:
  - Tenant Protection bylaws
  - Inclusionary zoning bylaws
  - Density bonusing tools
  - Clearer authority to be able to require works and services at Building Permit stage including road dedication and sustainable design features
  - Transportation Demand Management bylaws

Next Actions:
- Staff reviewing guidance released by the Province to understand more about Bill 16 and which bylaws may need to be amended to ensure the District remains responsive to provincial legislation
- Staff may bring forward a Project Backgrounder to confirm Council direction to help determine priority, funding and timing

COUNCIL PRIORITY SUPPORTED
Housing

FINANCIAL IMPACT
The table below summarizes the overall program expenses to date.

Table 1. Housing Action Program Expenses to Date

	Actual Expenses to Date 2024	Committed
Housing Action Program	$ 209,006.00	$ 412,925.00
	Total Budget Approved	$ 2,700,000.00
	Budget Available	$ 2,287,075.00

A more detailed financial forecast for the HAP will be provided to Council by Finance through budget variance reporting.

IAP2 FRAMEWORK ENGAGEMENT
☐ INFORM ☐ CONSULT ☐ INVOLVE ☐ COLLABORATE

N/A

TIMELINE/PROCESS/NEXT STEPS

This report provides Council with an update on the District's Housing Action Program that combines Council Priority Projects and the Provincial Housing mandates. Staff are seeking confirmation from Council on recommended scope changes for CPP#73 Update the OCP for Small Scale Multi-Unit Housing and CPP#75 Complete Mandated Five-Year Review of the OCP.

Respectfully submitted,

Carly Rimell, Senior Planner

With respect to the Financial Impact described in this report, I concur with the staff recommendation.

Rianna Lachance

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Rianna Lachance, Director of Financial Services

Reviewed and approved by the Director of Corporate Services.

Dianna Plouffe

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Dianna Plouffe, Director of Corporate Services

I have read and consider staff's recommendation to be supportable for Council's consideration.

Selina Williams

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Selina Williams, Chief Administrative Officer

ATTACHMENTS(S):

Attachment 1 - Housing Action Program Timelines

Attachment 2 - Housing Action Program Scope Elements

Attachment 3 - Project Constraint Response

Attachment 1 - Housing Action Program Timelines

Project #	Project Name	Anticipated Timing	Project Comments
		2024 Q1 Q2 Q3 Q4 / 2025 Q1 Q2 Q3 Q4 / 2026 Q1 Q2 Q3 Q4 / 2027 Q1 Q2 Q3 Q4 / 2028 Q1 Q2 Q3 Q4	
72 prioritized	Update Zoning Bylaw to accommodate SSMU Zoning (Provincially Required) *includes other bylaws		◦December 2023: SSMUH policy manual and site standards provided to local governments ◦June 30, 2024: Local governments must have updated bylaw to accommodate SSMUH
	Land Capacity Analysis		◦Land capacity analysis in response to potential capacity increases resulting from Bill 44, namely SSMUH
73 prioritized	Update OCP to accommodate SSMU Zoning (Provincially Triggered)		◦Shifted scope to part of CPP#75
	Commercial and Retail Analysis		◦To understand the feasibility and need of expanding retail and associated service commercial in Oak Bay Village and secondary village areas
80 prioritized	Prepare Amenity Cost Charge Approach (ACC) (Provincially Triggered)		◦Establish ACC and DCC programs and prepare bylaws ◦Following OCP and Zoning Bylaw changes by the end of 2025, review and revisit ACC and DCC programs
	Prepare Development Cost Charge Bylaw (DCC) (Provincially Triggered)		See above
	Infrastructure and Community Facilities Capacity		◦To support future growth and DCC/ACC projects
74	Complete Interim Housing Needs Report (Provincially Required)		◦June 2024: Instructions provided to local governments on HNR ◦January 1, 2025 municipalities must have completed their interim HNR
75	Complete Mandated Five-Year Review of OCP (Provincially Required)		◦Fall 2024: OCP update instructions provided to Municipalities ◦December 31, 2025 municipalities must have completed their first review and update of their OCP
	Complete Communities Assessment		◦To assess elements such as diversity of housing, accomodating people at all life stages, providing employment, amenities and services within a 15 minute walk (Successful in UBCM grant)
76	Complete Mandated Pre-Zoning to Implement Updated OCP (Provincially Required)		◦Fall 2024 Zoning update instructions provided to Municipalities ◦December 31, 2025 municipalities must have completed their first review and update of their OCP
77	Prepare Tracking Program (Provincially Required)		◦Required Housing Target Order tracking and reporting ◦March 31, 2024 deadline for initial reporting period complete and then September 30 of each year after from 2024 to 2028
78	Optimize Development Processes (Provincially Triggered)		◦Initial process improvements through e-apply (instream) and process changes (delegation of approval, exemptions) ◦Submitted to the LGDAP and received $105,000
79	Responding to increased development interest (Provincially Triggered)		◦Resources for change management to ensure the effective implementation of changes to processes, systems and resources
81	Reserve for any yet-to-come projects required (or triggered) by the Province		◦Placeholder project for work that might be identified by the Province or the District through the upcoming efforts to implement the new Provincial Housing Directives.

LEGEND

- Priority housing intiatives as determined by Council
- Other housing initiatives
- Technical Assessments
- Council Priority Project timelines
- Required deadlines mandated by the Province
- Council and Staff initiated deadlines
- Information released by the Province
- ◄► Demonstrates a time line range

Attachment #2 Housing Action Program - Scope Elements

The following tables outline the high-level scoping elements for the Council Priority Projects that form the Housing Action Program. ~~projects with purple headings indicate the three priority initiatives for 2024 (Quarter 1–3) in response to Council's motion (2023-600).~~

#72 (Prioritized)	**Update Zoning Bylaw to accommodate SSMU Zoning (Provincially Required)**
Project Timeline	2024 (must be completed by June 30, 2024)
Project Elements	The scope of the Small-Scale Multi-Unit (SSMU) Program includes the following key elements: 1. Revise the zoning bylaw to permit a minimum of three to four dwelling units (depending on lot size) in select areas zoned exclusively for single-family residential or duplex residential, in selected areas, with exceptions (Required). ~~2. Revise the zoning bylaw to permit a minimum of six dwelling units in select areas zoned for larger single-family residential lots or duplex residential lots within a prescribed distance to transit stops with frequent service, in select areas. (Required)~~ 2. Revise relevant sections of the zoning bylaw zones as needed to align with and respond to the requirements as described in the Provincial SSMU Program (Required) 3. Revise Zoning Bylaw to look at options for regulating form and character (Triggered) ~~3.~~4. Undertake amendments to other bylaws if required. (Triggered) ~~4.~~5. Undertake a land capacity analysis to understand the following: • determine which parcels in Oak Bay will be impacted by the SSMUH legislation (Required) • determine the probability of re-development for each parcel which may intensify (Triggered) • determine the realistic increase in units and population in the community based on the new legislated densities through buildout modeling (Triggered) • This work would also be a key baseline document for the OCP review and Housing Needs Report requirements (Triggered) Additional elements may be required once staff have reviewed the regulation and supporting policy manual that are expected shortly from the Province

#73 (Prioritized)	**Update OCP to accommodate SSMU Zoning (Provincially Triggered)**
Project Timeline	2024 ~~(completed by June 30, 2024)~~
Project Elements	The scope of the OCP update to accommodate SMMU Zoning includes the following key elements: ~~1. Update DPA guidelines and design guidelines in the OCP Infill Residential Development Permit Area (Triggered)~~

	~~2. Undertake any OCP amendments and other bylaws if required. (Triggered)~~ ~~3.~~1. Undertake a Commercial and Retail Analysis (Triggered) • Understand existing and future needs of retail and associated service commercial in Oak Bay's main and secondary village areas. ~~4. Identify potential areas for higher density multi-unit residential, village areas and commercial areas that were identified through the land capacity analysis (CPP# 72) either through high level policy and/or mapping schedule (Triggered)~~ • ~~A more in-depth review and policy development for these areas will be undertaken as part of the comprehensive OCP update (CPP #75)~~

#74	**Complete Interim Housing Needs Report (Provincially Required)**
Project Timeline	2024 (must be completed by December 31, 2024)
Project Elements	The scope of the Housing Needs Report update is anticipated to include the following key elements: 1. Reflect the total number of housing units calculated in accordance with an applicable method set out in the regulations, required to meet the anticipated housing needs of the local government for the next 5 years and for the next 20 years. (Required) 2. Include a description of the actions taken by the local government, since receiving the most recent housing needs report, to reduce housing needs in the applicable area of the local government. (Required) 3. Include a statement about the need for housing in close proximity to transportation infrastructure that supports walking, bicycling, public transit or other alternatives forms of transportation. (Required) 4. Ongoing monitoring. (Required) ~~Potential opportunity to collaborate with the Capital Regional District as part of a regional procurement of HNRs for all 13 municipalities~~

#75	**Complete Mandated Five-Year Review of OCP (Provincially Required)**
Project Timeline	2024 -2025 (must be completed by December 31, 2025)
Project Elements	The scope of the Official Community Plan Review is anticipated to include the following key elements: 1. Gap analysis and baseline report (Triggered) ~~1.~~2. Consideration and review of Provincial Guidance for OCPs (Required) ~~2.~~3. Land Use and Growth Management Framework (Required) • Identify potential areas for higher density multi-unit residential, village areas and commercial areas that were identified through the land capacity analysis (CPP# 72)

either through high level policy and/or mapping schedule (Triggered)
- Update the land use framework and Regional Context Statement in response to policy changes
- Undertake a Complete Community Assessment

~~3.~~4. Use the interim HNR to inform amendments to the OCP to accommodate at least the 20 year total number of housing units required to meet the anticipated housing needs (Required)
- Focus on additional areas to be designated for multi-unit housing sites which may include areas along corridors, adjacent to village areas (Required)
- Review of policies for Cedar Hill Corner site in response to previous Council direction
- Review of District owned sites including the Monterey property (Triggered)
- Focus on specified housing policies including Short Term Vacation Rentals (Required)

~~4.~~5. Transportation and Mobility
- Update policy and applicable mapping schedules to incorporate the Active Transportation Strategy to reinforce development patterns for complete communities based around walkable neighbourhoods supported by transit and other forms of active transportation (Triggered)
- Ensure alignment with the transit-oriented development (TOD) areas (Required, if applicable)

~~5.~~6. Retail and Commerce
- A comprehensive review of the OCP will also allow an opportunity to review and consider policy actions regarding village centres and to look at future needs and requirements informed by a retail and commercial analysis (deliverable from CPP# 73) as well as consideration of urban design policies for these areas. (Triggered)

~~6.~~7. Incorporate Recent District Work
- Include the Parks Master plan, Climate Action Plan, Regional Growth Strategy and associated population, employment and dwelling unit projections in the broader directions of the OCP (Triggered)

~~7.~~8. Integrate updated demographic data and statistics informed by the land capacity analysis (Triggered)

~~8.~~9. Assessing and updating Infrastructure and Servicing needs to support future growth and inform the required DCC/ACC Bylaw project revisions (Required)

10. Identify and designate area where temporary uses may be allowed and specify general conditions regarding the issue of temporary use permits in those areas

~~9.~~11. Strengthening the Monitoring and Implementation Framework

	• Review and update section 6.1 (Implementing Actions) to identify completed actions and identify new implementation actions. (Triggered • Review and update Section 6.2 (OCP Monitoring and Review) to provide a stronger monitoring and evaluation framework (Triggered)

#76	**Complete Mandated Pre-Zoning to Implement Updates OCP (Provincially Required)**
Project Timeline	2025 (must be completed by December 31, 2025)
Project Elements	The scope of the Zoning Bylaw Review is anticipated to include the following key elements: 1. Review the zoning bylaw and create a report that includes high level recommendations and identifies key issues gaps, redundancies, challenges and options (Triggered) 2. Specifically incorporate the review of the home-based business regulations as directed by Council on June 17, 2024 ~~2.~~3. Use the interim HNR to inform amendments to the Zoning Bylaw to accommodate at least the 20 year total number of housing units required to meet the anticipated housing needs (Required) ~~3.~~4. Review and update Short Term Vacation Rentals regulations with the aim of increasing housing options (Required) ~~4.~~5. Identify the high level recommendations to create a new zoning bylaw to achieve easier interpretation and application of the bylaw by the public, applicants and staff (Triggered) ~~5.~~6. Create a modernized draft zoning bylaw with graphics (Triggered)

#77	**Prepare Tracking Program (Provincially Required)**
Project Timeline	2024 - 2028
Project Elements	The scope of the tracking program is anticipated to include the following key elements: 1. Set up tracking, monitoring and reporting of newly created housing potential, in-stream/approved development applications, and issued building and occupancy permits as required. (Required) 2. Establish quarterly or bi-annual monitoring to Council, the community and interested other parties about the District's progress on housing targets. (Triggered)

#78	**Optimize Development Processes (Provincially Triggered)**
Project Timeline	2024 – 2028
Project Elements	The scope of optimizing development processes is anticipated to include the following key elements: 1. Initial process improvements through e-Apply (in stream) and process changes (delegation of approval, exemptions) for

	streamlining, enhancing, and modernizing department processes and systems. (Triggered) 2. Submitting grant applications that may be forthcoming from the Province to explore new systems to improve processing times of development applications (Triggered) 3. Implement recommendations, best practices and Information technology and innovative approaches to improve development approval processes. (Triggered)

#79	**Responding to increased development interest (Provincially Triggered)**
Project Timeline	2024 – 2028
Project Elements	The scope of responding to increase development interest is anticipated to include the following key elements: 1. Resources for change management to ensure the effective implemention of changes to processes, systems and resources that support the housing development process. (Triggered) 2. Additional staff resources to facilitate responding to increased development enquiries and pre-applications. (Triggered)

#80 (Prioritized)	**Prepare Amenity Cost Charge (ACC) Bylaw and Development Cost Charge (DCC) Bylaw (Provincially Triggered)**
Project Timeline	2024 – 2027
Project Elements	The scope of the development of the ACC Bylaw and DCC Bylaw for community facilities is anticipated to include the following key elements: 1. Undertake an Infrastructure and Community Facilities Capacity Analysis. Understand the existing capacity and associated service levels needed for future growth to form a baseline for OCP changes (Triggered) 2. Identify the additional impacts of new growth where more housing supply is planned (based on OCPs and other planning documents) and what additional community facilities or upgrades are needed to support that supply and increase in population (Triggered) 3. Explore feasibility (timing and details) of interim ACC and DCC programs once further information becomes available and prepare bylaws and policies for implementation~~, if possible by September 30, 2024~~ 4. Following Official Community Plan and Zoning Bylaw changes by the end of 2025, review and revisit any established interim ACC and DCC programs and align with the confirmed details of the 2025 OCP.

#81	**Reserve for any yet-to-come projects required (or triggered) by the Province**

Project Timeline	2024 – 2027
Project Elements	This is a placeholder project for work that might be identified by the Province or the District through the upcoming efforts to implement the new Provincial Housing Directives. Since December 2023 the Province has introduced another piece of legislation, Bill 16 (Housing Statutes Amendment Act). Bill 16 introduces new authorities for municipalities to be able to introduce new tools that support local governments in their efforts to build more affordable and liveable communities. These tools including the following: • Tenant Protection bylaws • Inclusionary zoning bylaws • Density bonusing tools • Clearer authority to be able to require works and services at Building Permit stage including road dedication and sustainable design features • Transportation Demand Management bylaws

Project Constraint Response
Update OCP to accommodate SSMUH Zoning
Council Priority Plan #73

Version 1.0
July 22, 2024

Community Building and Planning Department
2167 Oak Bay Avenue
Victoria, BC V8R 1G2
TEL 250 598-3311

DISTRICT OF OAK BAY

Version History

Version	Implemented By	Revision Date	Approved By	Approval Date	Reason
1.0	Carly Rimell	July 10, 2024	Andre Boel	July 10, 2024	Changed conditions for project implementation
2.0					
3.0					
4.0					

1 Project Overview

1.1 PROJECT PURPOSE

This project scope was set in the December 14, 2023 staff report.

The scope of the OCP update to accommodate SMMU Zoning project includes the following key elements:

- Update DPA guidelines and design guidelines in the OCP Infill Residential Development Permit Area;
- Undertake any OCP amendments and other bylaws if required;
- Undertake a Commercial and Retail Analysis;
- Understand existing and future needs of retail and associated service commercial in Oak Bay's main and secondary village areas;
- Identify potential areas for higher density multi-unit residential, village areas and commercial areas that were identified through the land capacity analysis (CPP# 72) either through high level policy and/or mapping schedule.

A more in-depth review and policy development for these areas will be undertaken as part of the comprehensive OCP update (CPP #75)

The timeframe of this project was anticipated for Quarter 1 and 2 of 2024, parallel to the Zoning Bylaw changes for Infill Housing and Small Scale Multi Unit Housing (Council Priority Project #72).

In relation to the future Village Areas Planning project, this Council Priority Project had the following relevant project elements:

- signal or identify areas for higher density multi-family either through policy and/or a mapping schedule;
- assess future retail needs (informed by retail capacity assessment).

1.2 PREVIOUS COUNCIL DIRECTION

Council direction for this project (together with other housing projects) was confirmed at the November 27, 2023 Council meeting:

> *2023 – 600 THAT $2,000,000 from previously unallocated Growing Community Fund be directed to completion of projects necessitated by new Provincially Directed/Triggered Housing Projects;*
>
> *AND THAT $325,000 of Growing Community Fund previously allocated to the following Council Priority Projects:*
>
> *- Initiating Response to Homes for People Plan/Legislative Changes,*
>
> *- Streamlining/Optimization Study & Digitization, and be redirected to completion of projects necessitated by new Provincially Directed/Triggered Housing Projects*

AND FURTHER THAT to direct Staff to prioritize three housing initiatives over the coming 10 months:

a) a partial OCP review with a focus on multifamily zones, village area planning, potential new commercial sites, and adding the mandated provincial zoning regulations for current single-family zones;

b) creation of simple ACC and DCC policies, and

c) change zoning to allow infill housing in alignment with Provincial zoning change requirements.

Subsequent Council direction regarding timing and follow up reporting was provided at the December 14, 2023:

2023-660 THAT in consideration of the full scope of work required to meet legislated deadlines, the projected timelines approximated and presented in Attachment 2 be approved to supersede the previously directed timeline of 10 months as adopted in Resolution 2023-600;

AND THAT Council direct staff to report back on the timeline in attachment three of the staff report in Q1 of 2025, for review and possible revision.

2 Project Details

2.1 PROJECT HISTORY

Following the selection and on-boarding of the consultant team for Infill Housing Zoning Bylaw changes detailed work planning led to an operational decision to focus on the Zoning Bylaw changes first rather than parellel with changes to the OCP.

The main reason for this was that it became clear although limited changes were needed to the Zoning Bylaw, making these changes in an existing bylaw required extra effort to ensure existing regulations were vetted and coordinated with the required changes.

Moreover, given the desire to provide information to the public for consultation purposes, it was necessary to focus the consultation on the pertinent changes in the Zoning Bylaw, in particular the response to the Provincial requirement for 4 units per lot and the build out scenarios related to this required increase in density.

Finally, pressing Provincial timelines, provided additional rationale to focus on the Zoning Bylaw changes.

This meant the following scope items were set aside for a later date:

- Update DPA guidelines and design guidelines in the OCP Infill Residential Development Permit Area;
- Undertake any OCP amendments and other bylaws if required;

- Identify potential areas for higher density multi-unit residential, village areas and commercial areas that were identified through the land capacity analysis (CPP# 72) either through high level policy and/or mapping schedule.

Meanwhile a separate contract was established for:

Undertake a Commercial and Retail Analysis to understand existing and future needs of retail and associated service commercial in Oak Bay's main and secondary village areas.

This study is nearing completion and the results will be provided to Council in quarter 3.

2.2 PROJECT SITUATION

The following changes and conditions are necessitating an adjustment to project scope and timing:

- Through the review and adoption of the Zoning Bylaw changes for Infill Housing, Council opted to regulate form and character through the Zoning Bylaw in lieu of a Development Permit. With most Infill Housing projects no longer requiring rezoning, updating the Development Permit Area for Infill Housing (which only applies at time of rezoning or subdivision) seems to no longer be a pressing need and could be considered at a later date if Council desires through CPP#75;

- The project Complete Mandated Five-Year Review of OCP (Council Priority Project #75) is scheduled to start in quarter 3 or 4 2024 in order to meet Provincially required timelines of completion by the end of 2025. Making some Official Community Plan changes in one project (CPP #73) while the other project (CPP #75) is about to start runs the risk of confusing the public and overburdening staff and consultant resources;

- The results of the Commercial and Retail Analysis as well as the related Land Viability Analysis, although near completion, have been delayed and are not yet available. The results of these studies are needed to prepare OCP changes for land uses other than Infill Housing.

3 Response Options

3.1 ADJUST HUMAN CAPITAL

Proposed Adjustment	Anticipated Impact (include hours &/or budget)
The proposed scope (see section 3.4) changes mean that related human capital resources (staff and consultant) would move to the identified projects.	Approximately $40,000 in consulting fees Approximately 150 hours of staff time

3.2 ADJUST BUDGET

Proposed Adjustment	Cost	Budget Source

No changes, the budget (20K) for this project has been committed to updating other bylaws		

3.3 ADJUST TIMELINE

Deliverable	Original Timeline	Proposed New Timeline
Some scope elements will be completed by the end of this year, while other elements would be completed in conjuntion with other work, by the end of 2025.	Quarter 1, 2 of 2024	By end of 2024: Commercial and Retail Analysis and other bylaw changes for Infill Housing SSMUH; By end of 2025: Development Permit Area update and identifying areas for higher density and commercial uses.

3.4 ADJUST SCOPE

Proposed Adjustment	Anticipated Impact
Transfer the following scope elements from Update OCP to Accommodate SSMU Zoning (Council Priority Project #73) to project Complete Mandated Five-Year Review of OCP (Council Priority Project #75): • Development Permit Area update; and • Identifying areas for higher density and commercial uses.	• Development Permit Guidelines would be reviewed as part of the Five Year Review of the OCP. There is no longer an imminent need for the changes, and little to no impact to the new Infill Housing program; • Identifying areas for land uses other than Infill Housing can be better informed by completed studies, the Housing Needs Report, and be considered as part of a more comprehensive review and update of the District's land use framework.

4 Recommendation

Recommended Adjustment(s)			
Human Capital	Budget	Timeline	Scope

Transfer resources as needed to the Five Year Review OCP project.	No change	In stream project elements by end of 2024; Transferred project elements by end of 2025	Transfer of Development Permit Area update and land use analysis for non-infill land uses to the Five Year Review OCP project.

5 Approvals

Review	Date
Council Contraint Response	