

EMAIL TO COUNCIL:

Friday, April 26, 2019

Council,

The purpose of this package is to update you on the public engagement efforts planned to raise awareness and invite feedback on the potential waiving of the development cost charges associated with the not-for-profit rental development proposed at 1938 West Park Lane.

Please note that an open house has been scheduled for **Tuesday, May 7, 2019 at View Royal Town Hall from 4:30 p.m. to 6:30 p.m.** It is a drop-in opportunity for residents to learn more and ask questions of staff about the proposed DCC waiver bylaw that will be considered by Council later in May. Feedback will also be welcomed via the website. All input received will be shared with Council at the Tuesday, May 14, 2019 meeting.

This week, information will be delivered to every household in View Royal. The Town will also issue a media release, and share information on social media and on the View Royal website. Print ads will run in the Goldstream Gazette on Wednesday and Friday, and in the Times Colonist on Saturday, May 4.

To assist you in answering any questions you may receive, we have prepared some background materials and potential FAQs to support you.

If you have any questions, please do not hesitate to contact me,

Lindsay

**TOWN of VIEW ROYAL
COUNCIL BRIEFING NOTE**

PURPOSE:

The purpose of this briefing note is to support the effective communication of the Town of View Royal's consideration of waiving up to \$926,000 in Development Cost Charges (DCC's) to facilitate 152 units of rental housing being built at 1938 West Park Lane (former site of the Thetis Lake campground and trailer park), and to provide opportunity for View Royal residents to learn more and provide feedback.

BACKGROUND:

Affordability is an important issue within View Royal and across the Capital Region. In View Royal, 35% of renters and 18% of home-owners spend more than 30% of their income on housing. The Town of View Royal Official Community Plan highlights the need for a mix of housing types that offers diversity and choice for all ages and times in people's lives.

A developer, Limona Properties, is currently seeking a development permit to construct 152 multi-family residential units in two six-storey rental apartment buildings on the former site of the Thetis Lake campground and trailer park. The location was zoned for multi-family residential development in 2017.

The proposal includes a combination of 32 studios, 76 one-bedroom apartments, and 44 two-bedroom apartments. The location is buffered by the highway and Thetis Lake, providing a natural separation from single family homes and other condominiums. Once constructed, the buildings will be owned and operated by the Capital Regional District Housing Corporation.

The apartments will be composed of both "non-market" and some "near-market" rental housing. 51% of the units will be offered affordable rental (less than 30% of household income per month), and the remaining units will be offered at just below, or at market rates. The developer has indicated that the not-for-profit development isn't financially feasible without a DCC waiver.

Over the past 15 years, the Town of View Royal has contributed \$354,000 to the Regional Affordable Housing Trust Fund to help create the supply of affordable rental housing within the Region, however, no projects have been built within View Royal. Although there is a non-profit apartment building on the Island Highway, it was built over 30 years ago, prior to View Royal's incorporation. This is the first proposal received since View Royal was incorporated in 1991.

Local governments must adhere to legislation and best practice in process when preparing or amending a Development Cost Charge Bylaw. The legislation allows local governments by bylaw to choose to waive or reduce charges for certain types of developments, including:

- Not-for-profit rental housing
- Supportive living housing
- For-profit affordable rental housing
- A subdivision of small lots designed to result in low greenhouse gas emissions
- A development designed to result in low environmental impact

The legislation allows local governments to provide assistance to non-profit rental housing developers by waiving or reducing DCCs.

The DCC Waiver is specific to this site, and amounts to approximately \$926,000. If any other affordable housing proposals come forward, the Town would need to follow the same process we are using to consider the proposal for West Park Lane.

Key facts about housing and affordability in View Royal and the Capital Region:

- In a December 2018 report by the Royal Bank of Canada, it reported that Greater Victoria ranked as the third least affordable region to live in Canada.
- 35% of renters in View Royal spend over 30% of their income on housing
- The average rent in View Royal is \$1,217 per month
- Vacancy rate in View Royal was less than 1% (0.7% in Fall 2018)
- Just 17% of housing in View Royal is apartments, reflecting a shortage of multi-family and rental options for View Royal residents
- View Royal offers easy access to parks and recreation, bus routes, hospitals and schools, cultivating a high quality of life for all incomes and stages of life.

Official Community Plan (OCP) context:

- Excerpts from the *OCP Community Vision Statement and nine goals that expand on the vision and set a framework for the plan:*
- Goal 2: Create an inclusive community that provides housing, transportation and healthy living options, and services and facilities for families and individuals of diverse backgrounds, cultures, ages, and economic means.
- Goal 4: Ensure that community services and amenities can be provided within the financial means of the municipality, and strengthen partnership with regional service providers to increase local opportunities.
- Regional Context Statement: *Improve Housing Affordability*
 - The OCP supports the development of both non-market affordable housing as well as housing that is “affordable by design.” Policies in the Land-Use and Urban Design chapter and the Housing chapter support the continuation of the Town’s existing Secondary Suites Program and financial contributions to the Regional Housing Trust Fund, dedication of affordable units within multi-family developments, collaborations and partnership with others levels of government and non-market housing providers, residential infill, and a range of incentives for encouraging smaller and more affordable units. (For examples, see Policies HS1.1, HS1.7, HS1.10 and HS2.2 in OCP)
- View Royal is a signatory to the BC Climate Action Charter and is committed to becoming carbon neutral and a sustainable community. Among other things, this means reducing greenhouse gas emissions, promoting compact development, conserving natural resources, providing jobs and amenities locally, supporting affordable housing and creating healthy, and vibrant cultural spaces.

What View Royal residents think:

- 67% of respondents to the recent Community Survey feel more affordable housing is needed in View Royal

COMMUNICATIONS OBJECTIVES:

1. Raise awareness and increase understanding of Council’s intention to consider waiving the development cost charges associated with the proposed rental development on West Park Lane.
2. Educate View Royal residents about what development cost charges are, what they are used for, and why a waiver is being considered
3. Create opportunities for public feedback prior to giving final consideration to the Development Cost Charge and Housing Agreement bylaws/covenant

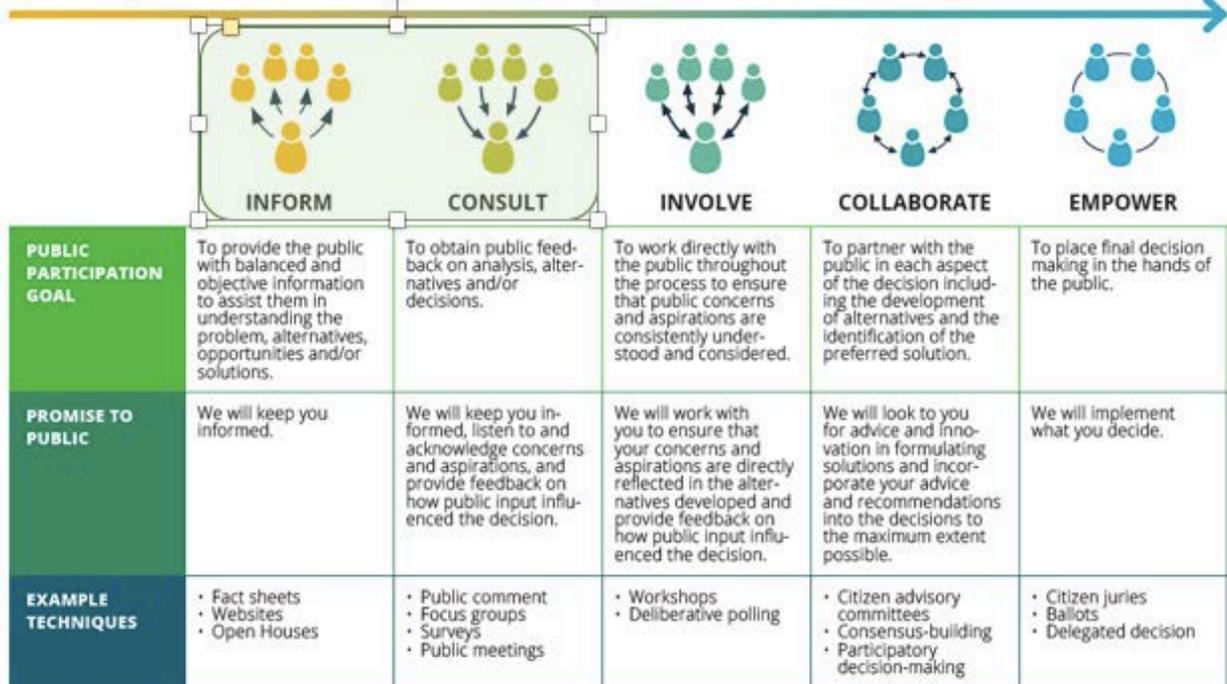
4. Foster awareness of the community values around community affordability that are reflected in the Official Community Plan and were expressed in the recent Community Survey

INTERNATIONAL ASSOCIATION OF PUBLIC PARTICIPATION (IAP2):

The public engagement strategy commits to engaging the broad public at the level of “inform and consult” providing balanced and objective information to assist them in understanding the problem, alternatives, opportunities and or solutions, and to obtain feedback on analysis, alternatives, and/or decisions.

A “What We Heard” summary report will be prepared for Town Council and staff recommendations will be informed by the input received. The report and plan will then be considered by Town Council prior to final decision-making.

IAP2 Spectrum of Public Participation:



KEY MESSAGES

Over-arching

- Increasing the supply of affordable rental housing in View Royal, and across the Capital Region, is an important local and regional priority.
- The Town has received an application to build 152 not-for-profit rental apartments at 1938 West Park Lane. Half of the apartments are considered affordable rental, with rents below market rates. The other half are just below or at market rates. The property was zoned for this use, multi-family residential, in 2017.
- Consistent with how many other BC municipalities facilitate the construction of affordable rental options in their community, the Town is currently considering waiving the development cost charges for this specific site. (E.g. Kamloops, Lake Country, Metro Vancouver, Parksville, and Port Alberni)

- Development Cost Charges - commonly known as DCC's - are the monies typically paid to the municipality by developers to fund future infrastructure projects related to new development like water and sewer improvements, sidewalks, roads and park improvements. The value of the DCC's for this portion of the development are \$926,000.
- This is the first time a proposal for affordable rental apartments has come forward in View Royal.
- To learn more, visit www.viewroyal.ca or drop-by an upcoming Open House at View Royal Town Hall on Tuesday, May 7, 2019 from 4:30 p.m. – 6:30 p.m.

View Royal Community

- Providing a diversity of housing type creates choice and options for all View Royal residents, including young and aging residents, singles and couples, and families. Increasing the supply of rental housing, also frees up other suites and homes within the community, providing greater choice.
- More affordable rental housing supports View Royal residents staying within the community as they age, downsize or their needs change, and it provides options for younger residents just starting out, as well as seniors, single parents and couples raising kids.
- We have an important role as a municipality to support the needs of all residents and the community as a whole. We also have an important regional role as partners working together with the CRD and other municipalities to address affordability across the Region.
- We know that the affordability of a community directly correlates with a community's overall quality of life. We also know that affordability directly impacts the Region's ability to attract and retain skilled workers to support local businesses.
- We are committed to creating an inclusive community that provides housing, transportation and health living options, and services and facilities for families and individuals of diverse backgrounds, cultures, ages, and economic means.
- Nearly 67% of our respondents within our recent Community Survey feel more affordable housing is needed in View Royal.
- 35% of people renting in View Royal currently pay 30% or more of their income to rent.

Development Cost Charges

- Development Cost Charges, commonly referred to as DCC's, are levied by municipalities on new developments to pay for infrastructure such as sewer, water, drainage, parks and roads, necessary to help service the demands of that new development.
- The funds collected from DCC's in View Royal are placed in the DCC reserve and are drawn on for future infrastructure projects.
- This is the first time a not-for-profit development has been proposed and the first time Council has considered waiving DCC's collected. The developer has indicated that the project is not financially feasible without waiving DCC's.
- The Town will require a Section 219 Covenant on the property be registered on title to ensure these units remain eligible for at least 25 years.

- Capital projects in View Royal funded by the annual revenues received from Elements Casino, capital reserves and development costs charges received from new development.
- A new Development Cost Charge bylaw is currently being developed, however the proposed revisions would have no impact on this site-specific waiver.
- The Development Cost Charge fund had \$4.8 million at the end of 2018. The Town’s Capital expenditures vary from year to year depending on the projects approved by Council. In 2019, the Town is projected to spend \$3.6 million on capital projects. Funding for capital projects typically comes from the DCC Fund, casino revenue, gas tax funding, grants and other reserves.
- Development Cost Charges are established by Bylaw and are charged per unit. Different unit types (single residences, duplexes, townhouses and apartments) are charged different amounts as they generate different infrastructure demands. In this case, 152 units @ \$6,095/apartment unit = \$926,440
- The Town’s share of casino revenue is roughly \$2 million annually. Casino revenue not utilized in any given year is placed in a reserve for future use. The casino reserve balance was \$3.9 million at the end of 2018. About \$1.3 to \$1.5 million of casino revenue received each year supports ongoing operations. The 2018-2023 Financial Plan predicts that Casino revenue will fund capital projects totaling \$6 million over the five years of the plan.

Affordable Housing

- The CRD owns the Capital Regional Housing Corporation (CRHC), which works in partnership with community organizations and other orders of government to develop and operate affordable housing. The CRHC today operates over 1,200 housing units, of which 70% are subsidized.
- Housing eligibility is based on income. Eligible household incomes for these units would range from the amount received on disability pension or assistance to \$104,000.
- 34 units will rent for \$375 to those receiving income assistance or disability pension. Monthly rents for the other 118 units are projected to range from \$1,275 to \$1,790.

Rental Targets & Demand Estimates by Income Ranges – 2016-2038

Source: Calculated based on the 2015 Median Household Income for the capital region reported by Statistics Canada in the 2016 Census

Income Range	Threshold (% of Area Median Income)	Annual Income	Affordable Monthly Rental Target	2016 Income Distribution	Rental Unit Demand (Estimate to 2038)
Very low	< 30%	Less than \$20,000	Less than \$500	11%	4,564
Low	30% to 50%	\$20,000 to \$35,000	\$500 to \$875	13%	5,124
Low to Moderate	50% to 80%	\$35,000 to \$55,000	\$875 to \$1,375	15%	7,419
Moderate and above	Above 80%	Over \$55,000	More than \$1,375	61%	17,060
Total Estimated Rental Demand				100%	34,167

The proposed units fall within middle of the housing spectrum:



Proposed development:

- The proposal is for a not-for-profit rental housing development that includes 152 multi-family residential units in two six-storey rental apartment buildings.
- Over half of the apartments are considered affordable rental, with rents far below market rates.
- The apartments would be a mix of studios, one bedroom and two bedroom units.
- The property is located at 1938 West Park Lane, on a 13 acre triangular piece of land on the north side of the Trans-Canada highway, backing onto Thetis Lake Regional Park
- In 2017, a rezoning process resulted in 12 acres of parkland being transferred to the Town of View Royal.
- Transportation impacts were considered in 2017 in conjunction with the rezoning application.
- In future, the sidewalks will be improved by the developer on Six Mile Road and West Park Lane.
- Up to 350 units of housing in apartments, townhouses and duplexes was approved for the West Park Lane site.

Transportation

- Transportation impacts were considered in 2017 in conjunction with the rezoning application
- We don't expect that all residents will drive as their primary mode of transportation.
- The property is within close proximity to the bus stop on Six Mile Road and the Galloping Goose Trail.
- A transportation study of the Six-Mile corridor is currently being completed by the Ministry of Transportation and BC Transit is planning to expand service in this area. An open house is planned for May 2, 2019.
- In future, the sidewalks will be improved by the developer on Six Mile Road and West Park Lane.

Opportunities to learn more and provide feedback:

- Learn more at an Open House at View Royal Town Hall, Tuesday, May 7, 2019 from 4:30 p.m. p.m. – 6:30 p.m. Staff will be on hand to answer any questions residents may have.
- For more information, visit www.viewroyal.ca
- After the open house, staff will report back to Town Council and the public on Tuesday, May 14, 2019 with what was heard and recommendations for next steps.

Key dates:

- The proposed development is the former site of the Thetis Lake trailer park and campground. It was sold to the Limona Group in 2017.
- The site was rezoned in 2017 for multi-family residential.
- On Tuesday, April 2, Town Council gave three readings to a Bylaw to waive the Development Cost Charges for Affordable Housing. After further public engagement the Bylaw will be given final consideration in late May 2019.
- On Tuesday, April 9, 2019, Town Council received the development permit application to consider the form and character of the development proposed for 1938 West Park Lane. The development permit will be considered by Council in May 2019.

FREQUENTLY ASKED QUESTIONS:

1. What is a Development Cost Charge (DCC)?

Development Cost Charges, commonly referred to as DCC's, are levied by municipalities on new developments to pay for infrastructure such as sewer, water, drainage, parks and roads, necessary to service the demands of that new development. The funds collected from DCC's in View Royal are placed in the DCC reserve and are drawn on for future infrastructure projects.

2. How much is potentially being waived?

The Development Cost Charge (DCC) would be \$926,000. It is based on the number of units being built.

3. Will my taxes go up?

No, taxes will not increase as a result of waiving this site-specific DCC. DCC's are funds that are collected to help fund future infrastructure projects that would otherwise be funded by capital reserves, casino revenues, grants or gas tax funding.

4. How will the Town fund the projects that would have been funded from DCC's??

The Town has several options for funding capital projects. By waiving the DCC's, the Town could utilize Casino funds, gas tax funding, reserves or grants, to support the amount forgiven.

5. What does the Town receive for DCC's in a given year?

The amount of DCC's received each year varies and is directly linked to new development in the Town. In both 2017 and 2018 the Town received around \$1.7 million dollars in DCC payments.

6. What is the average annual capital budget each year?

The capital budget changes each year and is based on which projects are approved by Council. Not all capital projects are eligible to be funded by DCC's.

- 2015--\$1.5 million
- 2016--\$2.0 million
- 2017--\$1.3 million
- 2018--\$1.5 million
- 2019-- \$3.6 million

7. Who are the units designed for?

The development proposed for 1938 West Park Lane contains a portion intended to provide low cost housing. The proposed unit mix is as follows:

- 32 Studios at \$375 (income assistance)
- 2 1 bedrooms at \$375 (income assistance)
- 44 1 bedrooms at \$1275 (affordable)
- 30 1 bedrooms at \$1525 (near market)
- 44 2 bedrooms at \$1790 (near market)

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These units are not designed to provide emergency housing or transitional housing for those who need supports. The development proposes a mix of units for all family types and stages of life. It could be homes for small families, single parents, seniors, or individuals with disabilities.

Housing eligibility is based on income. Eligible household incomes for these units would range from the amount received on disability pension or income assistance to \$104,000/annually. 34 units will rent for \$375 to those receiving income assistance or disability pension. Monthly rents for the other 118 units are projected to range from \$1,275 to \$1,790.

8. Does this mean DCCs will be waived for every affordable housing development?

No, this is a site-specific consideration. The current, nor proposed DCC Bylaw being considered for future, waives DCC's for affordable housing.

This is the first time a not-for-profit development has been proposed in View Royal's history and this is the first time Council has considered waiving DCC's collected.

9. Will the new DCC Bylaw exempt all affordable housing developments?

The proposed DCC Bylaw being considered for future does not waive DCC's for affordable housing. However, Councils can choose to waive DCC's on a case-by-case basis, following the same process as is being followed currently.

10. Can the amount that is waived be reduced?

Council could choose to reduce the amount being waived. However, the developer has indicated that the project is not financially feasible without a DCC waiver.

11. Why was this location selected?

The proposed development is the former site of the Thetis Lake trailer park and campground. It was sold to the Limona Group in 2017 and was rezoned in 2017 for multi-family residential. A property owner can develop the property within the approved land-use zoning at any time. They must adhere

to other relevant municipal requirements for the property, including form and character and building permits. An appropriately zoned property in conjunction with senior government funding currently available, makes this location attractive for creating affordable rental housing sooner than later.

12. What about traffic in this area?

We don't expect that all residents will drive as their primary mode of transportation. The property is within close proximity to the bus stop on Six Mile Road and the Galloping Goose Trail. In addition, a transportation study of the Six-Mile corridor is currently being completed by the Ministry of Transportation and BC Transit is planning to expand service in this area. Although it may increase traffic its impact will be minimal in comparison to the current volumes of traffic already utilizing Six Mile Road.

13. What happens to the development if Council doesn't waive the DCCs?

The financial impact to the project would be best posed to the developer.

14. Where can I provide my feedback about this proposal?

You can provide feedback through the www.viewroyal.ca website or attend an Open House on Tuesday, May 7, 2019 to learn more and provide written feedback at that time. All input will be collected, compiled and shared with Town Council prior to consideration of the DCC waiver bylaw.

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15. What other efforts is the municipality undertaking to support affordable housing?

Since 2005, the Town of View Royal has contributed \$354,000 to the Regional Affordable Housing Trust Fund to help create the supply of affordable rental housing within the Region

In 2018, the Regional Housing Trust fund budget was \$986,890, of which View Royal contributed \$29,438 (3%)

Mayor David Screech is the current Vice-Chair of the Board of Directors for the Capital Region Housing Corporation. As the largest social housing provider in the capital region, the CRHC delivers affordable, attractive, inclusive, sustainable housing for low- and moderate-income families, low-income seniors and people living on government disability pensions.