

DATE OF MEETING August 26, 2019

AUTHORED BY BRIAN ZUREK, COMMUNITY PLANNING AND DEVELOPMENT

SUBJECT OCP AMENDMENT APPLICATION – OCP89 AND REZONING APPLICATION RA395 – 388 MACHLEARY STREET

OVERVIEW

Purpose of Report

To present for Council's consideration, an Official Community Plan amendment application to amend the land-use designation within the Official Community Plan from Neighbourhood to Corridor, to amend the text of the Old City Neighbourhood Concept Plan, and to concurrently present for Council's consideration a "City of Nanaimo Zoning Bylaw 2011 No. 4500" amendment application to rezone the subject property from Community Service One to Comprehensive Development Eleven to develop a 175-unit multi-family development.

Recommendation

That

1. "Official Community Plan Amendment Bylaw 2019 No. 6500.040" (To re-designate 388 Machleary Street on the Future Land Use Plan [Map 1] from 'Neighbourhood' to 'Corridor,' and to amend the text of Section 4.1.2 'Land Use Designations' of the Old City Neighbourhood Concept Plan) pass first reading;
2. "Official Community Plan Amendment Bylaw 2019 No. 6500.040" pass second reading;
3. "Zoning Amendment Bylaw 2019 No. 4500.124" (To rezone 388 Machleary Street from Community Service One [CS1] to Comprehensive Development Eleven [CD11]) pass first reading;
4. "Zoning Amendment Bylaw 2019 No. 4500.124" pass second reading; and
5. Council direct Staff to secure road dedication, community amenity contribution, site improvements, and public rights-of-way prior to adoption of the "Zoning Amendment Bylaw 2019 No. 4500.124", should Council support the bylaw at third reading.

BACKGROUND

An Official Community Plan (OCP) amendment application (OCP89) and a concurrent "City of Nanaimo Zoning Bylaw 2011 No. 4500" (the "Zoning Bylaw") amendment application (RA395) was submitted by Wensley Architecture Ltd., on behalf of the Molnar Group, for the property located at 388 Machleary Street.

Subject Property

<i>Location</i>	The subject property is located in Nanaimo's Old City Neighbourhood at the intersections of Franklyn and Machleary and Franklyn and Kennedy Streets.
<i>Total Area</i>	11,587m ²
<i>OCP Designation</i>	Neighbourhood
<i>Old City Neighbourhood Concept Plan Designation</i>	Single Family / Duplex
<i>Proposed OCP Designation</i>	Corridor
<i>Proposed Old City Neighbourhood Concept Plan Designation</i>	Single Family / Duplex – with text amendment permitting the proposed development
<i>Current Zoning</i>	Community Service One (CS1)
<i>Proposed Zoning</i>	Comprehensive Development Eleven (CD11)

The site occupies over two-fifths of the block bordered by Fitzwilliam, Franklyn, Machleary and Kennedy Streets. Currently vacant, the site once held a building listed in the City's heritage register first used in the 1800s as the Nanaimo Hospital, which was later repurposed for use as the Malaspina College. Since 1980, the site was used as a seniors' care facility (Malaspina Gardens). The previous owner demolished the buildings in 2017.

DISCUSSION

Proposed Development

The applicant proposes to develop a comprehensively planned 175-unit multi-family development within the subject property, including a mix of townhouses along Machleary Street and four- and five-storey apartment-style buildings, internal to the site and along Franklyn and Kennedy Streets. The buildings would contain a variety of unit sizes, from micro to three-bedroom units, plus underground parking.

The scale of the proposed development is comparable to the massing of the previous site buildings.

The developer proposes to include a public seating area along Machleary Street with a view corridor that would provide a prominent ocean view. The developer also proposes a plaque to commemorate the history of the site. These features would also be secured as a condition of rezoning approval.

The City would also secure a pedestrian walkway linking Machleary and Kennedy Streets along the north property line of the subject property that borders 339 Kennedy Street. The developer proposes to retain and refurbish the existing staircase off Kennedy Street that once provided pedestrian access to the former heritage building on the property. The refurbished staircase would provide access to a plaza for use by residents of the proposed development. Additionally, the developer proposes to provide a heritage-inspired cornerstone within the project to commemorate the historic site buildings. The City would secure the provision of these site features as conditions of rezoning approval.

Finally, during the review of the development proposal, Staff required the developer to provide a concept plan to improve pedestrian and cycling infrastructure in the Old City. The resulting concept plan described pedestrian and cycling improvements to link Machleary, Albert, and Pine Streets (see Attachment G). The developer proposes to offset the City's construction costs of the pedestrian and cycling improvements as a community amenity contribution.

Official Community Plan and Old City Neighbourhood Concept Plan

The OCP designates the property as Neighbourhood, which includes a target density range of 10 to 50 units per hectare in buildings two- to four-storeys high. The 175 units proposed by the developer corresponds to 151 units per hectare, with an average unit size of 61m² (ranging from 29m² to 135m²). The Old City Neighbourhood Concept Plan designates 388 Machleary Street as Single/Duplex Residential. The Neighbourhood Plan suggests the need to maintain the established areas of single family housing, while providing for larger-scale medium-density developments within other portions of the Old City.

The guiding principles of the Neighbourhood Concept Plan include:

- improving pedestrian orientation of the community;
- providing a range of housing, from single dwellings to apartment buildings; and,
- maintaining a sensitivity to the streetscape.

Council adopted the Neighbourhood Plan in 1994. Since then, the city's population has grown over 50 percent, from 60,129 in 1991, to 90,504 in 2016. The City's policy direction has evolved to focus on housing affordability, active transportation, and land-use intensity to accommodate growth.

To allow the development, the applicant proposes to designate the subject property from Neighbourhood to Corridor. The Corridor designation supports medium-density residential developments in two to six-storey buildings. Additionally, Corridor-designated properties are characterized by:

- public parks and open spaces in the form of urban plazas, community gardens, and landscaped boulevards;
- redevelopment that improves the human scale of the area, increases landscaping and green space, and improves safety for non-motorized travelers;
- use of design elements, including building siting, height and massing (stepping back upper floors), to address the interface between corridors and neighbourhoods; and,
- promotion of energy-efficient buildings.

The property is in close proximity to Corridor-designated lands along Fitzwilliam Street.

Additionally, the project would meet the following objectives of the Corridor designation:

- to increase residential densities and the mix of land uses;
- to encourage sensitivity in the form of residential developments; and,
- to encourage sustainability in transit and active transportation, including walking and cycling.

Affordable Housing Strategy

The City's Affordable Housing Strategy contains the following policies:

- increasing the supply of rental housing;
- infilling or intensifying development in existing neighbourhoods;
- diversifying housing in all neighbourhoods;
- supporting low-income and special needs housing; and
- strengthening housing partnerships.

The Affordable Housing Strategy supports the development of micro suites, as proposed, where transit, community services and amenities, and green space exist. When calculating density using the ratio of units per hectare, projects with lower-than-average unit sizes, such as micro units, result in higher densities.

Therefore, the strategy proposes the review of the OCP's density calculation, particularly when developments include a smaller unit types.

Transportation Master Plan

The Nanaimo Transportation Master Plan introduced the concept of *mobility hubs* as compact, mixed-use urban nodes that would promote walking, cycling, and transit. The subject property is located within the 200m buffer of the downtown mobility hub. The master plan notes the downtown has the highest proportion of sustainable trips in the city.

Increasing residential density in the downtown mobility hub would result in the more efficient use of services, and better support viable transit service.

Community Consultation

The developer consulted with the community, principally the Nanaimo Old City Association (NOCA) prior to and since submitting the OCP and Zoning Bylaw amendment applications. Both NOCA and the developer organized several community engagement activities regarding the redevelopment of the subject property. Additionally, NOCA generated a visioning workbook and two surveys. Since the Molnar Group's first formal interaction with the community, the proposed project concept evolved from strictly apartment rental units to include townhomes and mixed-tenure apartment buildings.

NOCA, in its formal response to the proposed project, opposed both the OCP and Zoning Bylaw amendment applications. Instead, the group advocated for residential development that matched the OCP's target density range, and that followed the intended form and scale as referenced in the Old City Neighbourhood Concept Plan.

Zoning

The Zoning Bylaw recognizes the historic use of the property as a seniors' congregate care facility and designates the parcel as Community Service One (CS1). The CS1 zone supports a FAR of 1.25 (personal care facility or seniors' congregate housing) and a building height of 14m.

The scale and massing of the proposed buildings would be consistent generally with the CS1 zone; however, rezoning is required to permit the multi-family residential use. The CS1 zone limits uses to institutional.

The developer proposes a site-specific Comprehensive Development Eleven (CD11) zone. The details of the concept plan would restrict the development proposal to the location (setbacks), size (area), building height, and use detailed by the application.

Zone	Site Area	Lot Coverage (%)	Floor Area Ratio	Building Height (m)
Community Service One (CS1)	Total Site	40	1.25*	14.0
Comprehensive Development Eleven (CD11)	Proposed Area 1	40	0.75	10.0
	Proposed Area 2	45	1.43	16.5
	Proposed Area 3	30	1.03	17.5
	Total Site	37	1.13	17.5

*personal care facility or seniors' congregate housing

In addition to the proposed concept densities and building heights noted above, the draft Zoning Bylaw amendment (attached) contains the complete list of CD11 regulations.

Community Amenity Contribution

Section 7.3 of Nanaimo's OCP addresses development amenities triggered through the Zoning Bylaw amendment process. Typically, developers provide the City with an amenity calculated at a rate of \$1,000 per unit of residential development. The developer's amenity contribution for the 175-unit proposal is \$175,000. The developer would direct the community amenity contribution as follows:

1. \$75,000 – pedestrian and cycling infrastructure improvements at the intersection of Machleary and Albert Streets;
2. \$35,000 – public art to be installed by the developer within the proposed public seating area off Machleary Street; and
3. \$65,000 – Pawson Park improvements.

Staff support the proposed community amenity contribution.

Conditions of Approval

The City would require the following to be secured prior to final adoption of the Zoning Bylaw amendment:

1. Registration of a road dedication plan to secure 1.2m / 1.6m off the lane adjacent to the subject property.
2. Registration of a Section 219 *Land Title Act* covenant to secure the community amenity contribution of \$175,000, including: \$75,000 for pedestrian and cycling infrastructure improvements, \$35,000 for public art, and \$65,000 for Pawson Park improvements.
3. Registration of a Section 219 *Land Title Act* covenant to secure heritage recognition, including refurbished historic staircase, conservation covenant, commemorative plaque, and heritage-inspired cornerstone.
4. Registration of a statutory right-of-way to secure street furniture for the public seating area and view corridor off Machleary Street; and,

5. Registration of statutory right-of-ways, to secure public access over the 1.2m-wide pedestrian walkway linking Machleary and Kennedy Streets, and the view corridor and seating area off Machleary Street.

OPTIONS

1. That

1. “Official Community Plan Amendment Bylaw 2019 No. 6500.040” (To re-designate 388 Machleary Street on the Future Land Use Plan [Map 1] from ‘Neighbourhood’ to ‘Corridor,’ and to amend the text of Section 4.1.2 ‘Land Use Designations’ of the Old City Neighbourhood Concept Plan) pass first reading;
2. “Official Community Plan Amendment Bylaw 2019 No. 6500.040” pass second reading;
3. “Zoning Amendment Bylaw 2019 No. 4500.124” (To rezone 388 Machleary Street from Community Service One [CS1] to Comprehensive Development Eleven [CD11]) pass first reading;
4. “Zoning Amendment Bylaw 2019 No. 4500.124” pass second reading; and
5. Council direct Staff to secure road dedication, community amenity contribution, site improvements, and public rights-of-way prior to adoption of the “Zoning Amendment Bylaw 2019 No. 4500.124”, should Council support the bylaw at third reading.

- The advantages of this option: Supported by broad-based policy objectives for increased residential infill development as described in the OCP, Affordable Housing Strategy, and the Transportation Master Plan. Would diversify the housing stock in the Old City by introducing housing of mixed form and unit size. Additional density would result in the more efficient use of existing municipal infrastructure and services, and promote walking, cycling, and transit. Allocating more residential units into the Old City would help support local downtown businesses.
- The disadvantages of this option: Groups or individuals opposed to introducing medium-density multi-family development into an area of the Old City that has remained predominantly single family in nature may be critical of the position.

2. That Council deny the Staff recommendation.

- The advantages of this option: Supports the existing policies of the Old City Neighbourhood Concept Plan and maintains the single family residential form of development in the area. Acknowledges the position of the Nanaimo Old City Association.
- The disadvantages of this option: Contrary to broad-based policy objectives for increased residential infill development as described in the OCP, Affordable Housing Strategy, and the Transportation Master Plan.

3. That Council provide Staff with an alternative direction.

- The advantages of this option: Council could propose an alternative objective.
- The disadvantages of this option: An alternative objective may extend the application processing time and result in uncertainty for the community and the developer.

SUMMARY POINTS

- The developer proposes to comprehensively redevelop the subject property as a 175-unit multi-family development characterized by a mix of townhouses and multi-storey apartment buildings.
- The proposed OCP amendment would reinforce the goals and objectives of the Transportation Master Plan and the Affordable Housing Strategy.
- The existing OCP and Old City Neighbourhood Concept Plan policy support low-density residential development, while the existing Zoning Bylaw designation supports a more intensive community service use.
- The proposed OCP and Neighbourhood Plan amendments would designate the subject property as a Corridor, and allow the medium-density residential development.
- The proposed Zoning Bylaw amendment would create a new comprehensive development zone to define the size, scale, and use of the proposed development.
- Staff support the proposed OCP, Neighbourhood Plan, and Zoning Bylaw amendments.

ATTACHMENTS:

ATTACHMENT A: Location Plan
ATTACHMENT B: Site Plan
ATTACHMENT C: Development Details
ATTACHMENT D: Letter of Rationale
ATTACHMENT E: Conceptual Building Elevations and Renderings
ATTACHMENT F: Conceptual Landscaping Plan
ATTACHMENT G: Pedestrian and Cycling Improvement Concept
ATTACHMENT H: Consultation Summary
ATTACHMENT I: Aerial Photo
"Official Community Plan Amendment Bylaw 2019 No. 6500.040"
"Zoning Amendment Bylaw 2019 No. 4500.124" |

Submitted by:

Lisa Bhopalsingh
Manager, Community Planning

Lainya Rowett
Manager, Current Planning |

Concurrence by:

Jeremy Holm
Director, Development Approvals

Bill Corsan
Director, Community Development

Dale Lindsay
General Manager, Development Services