

DATE OF MEETING | November 18, 2019 |

AUTHORED BY | CALEB HORN, PLANNER, CURRENT PLANNING |

SUBJECT | **REZONING APPLICATION NO. RA398 – 307 HILLCREST AVENUE AND 308/326 WAKESIAH AVENUE** |

## **OVERVIEW**

### **Purpose of Report**

To present Council with an application to rezone the subject properties at 307 Hillcrest Avenue and 308 and 326 Wakesiah Avenue from Single Dwelling Residential (R1) and Residential Corridor (COR1) to Mixed Use Corridor (COR2) with a site-specific use to allow for a mixed-use student housing development.

### **Recommendation**

That:

1. "Zoning Amendment Bylaw 2019 No. 4500.164" (To rezone 307 Hillcrest Avenue and 308 and 326 Wakesiah Avenue from Single Dwelling Residential [R1] and Residential Corridor [COR1] to Mixed Use Corridor [COR2] with site-specific student housing use) pass first reading;
2. "Zoning Amendment Bylaw 2019 No. 4500.164" pass second reading; and
3. Council direct Staff to secure the community amenity contribution, public walkway, road dedication, lot consolidation, and a housing agreement, should Council support the bylaw at third reading.

## **BACKGROUND**

A rezoning application, RA398, was received from Island West Coast Developments Ltd. on behalf of SHZT Investments Canada Inc. and Great Island Holdings Inc. The applicant proposes to amend "City of Nanaimo Zoning Bylaw 2011 No. 4500" (the "Zoning Bylaw") to rezone the subject properties from Single Dwelling Residential (R1) and Residential Corridor (COR1) to Mixed Use Corridor (COR2) with a site-specific use in order to allow a mixed-use student housing development.

### **Subject Properties and Site Context**

<i>Location</i>	308 and 326 Wakesiah Avenue are located on the east side of Wakesiah Avenue between Third Street and Foster Street. 307 Hillcrest Avenue is located on the west side of a dead-end section of Hillcrest Avenue south of Third Street.
<i>Total Lot Area</i>	4,550m <sup>2</sup>
<i>Current Zones</i>	Single Dwelling Residential (R1) – 307 Hillcrest Avenue and 308 Wakesiah Avenue Residential Corridor (COR1) – 326 Wakesiah Avenue

<i>Proposed Zone</i>	Mixed Use Corridor (COR2) with a site-specific provision for student housing
<i>Official Community Plan (OCP) Future Land Use Designation</i>	Corridor
<i>Neighbourhood Plan Land Use Designation</i>	Harewood Neighbourhood Plan: Mixed Use Corridor

Each of the three subject properties contain existing single residential dwellings. Surrounding land uses include single residential dwellings to the north, a student housing and townhouse development under construction at 525 Third Street across Hillcrest Avenue to the east, an existing 34-unit subsidized housing development to the south, and Nanaimo District Secondary School across Wakesiah Avenue to the west. Vancouver Island University (VIU) is located approximately 275m south of the site.

## **DISCUSSION**

### **Proposed Development**

The applicant proposes to rezone the subject properties to COR2 in order to facilitate the development of a mixed-use project with a site-specific provision for student housing. The conceptual plans for the subject properties include approximately 162 student housing units and 3 commercial retail units. Under-the-building parking is envisioned with access from both Wakesiah Avenue and Hillcrest Avenue. Based on the conceptual plans at this time, the applicant anticipates a parking variance will be considered through a subsequent development permit application.

The COR2 zone allows for a mix of uses, including multi-family residential and retail. Where a non-residential use exists in the COR2 zone, an equal amount of gross floor area must be dedicated to residential use. The base Floor Area Ratio (FAR) in the COR2 zone is 1.25, with the opportunity to gain an additional 0.5 FAR when Tiers 1 & 2 of Schedule D are achieved through the provision of amenities as specified in the Zoning Bylaw. The conceptual plans generally comply with the COR2 zoning regulations and show a FAR of approximately 1.75, with the intent of achieving a density bonus at the development permit stage should Council approve the rezoning.

The proposed rezoning will facilitate a development that is intended to provide student housing and commercial services in a neighbourhood located near VIU, transit, services, and recreational amenities, such as the Nanaimo Aquatic Centre and Ice Centre

A shadow study has been provided (Attachment D) in support of the application to show how a conceptual building may impact surrounding properties. A more detailed form and character review will be completed through a subsequent development permit application. The applicant has also provided a traffic impact assessment evaluating existing conditions and the impacts of additional traffic from the proposed development. The assessment concluded the existing road system has adequate capacity for the anticipated traffic volume and that no mitigation measures are required.

A public walkway through the subject properties connecting Wakesiah and Hillcrest Avenues will be secured as a condition of this rezoning.

### *Student Housing*

Student housing is not a specified permitted use in any zone in the City of Nanaimo and therefore requires an amendment to the Zoning Bylaw to allow student housing as a site-specific use. Other site-specific amendments to allow student housing in this neighbourhood have previously been approved, as outlined in the table below; however, only one has been completed.

<b>Civic Address</b>	<b>Number of Student Housing Beds</b>	<b>Status</b>
438 Wakesiah Avenue	37	Completed
416 Wakesiah Avenue	44	Rezoning completed, property currently vacant
525 Third Street	218	Under construction
560 Third Street	50	Student housing component cancelled

As there are no general regulations in the Zoning Bylaw regarding student housing facilities, Staff recommend the following items be secured via a Section 219 covenant, (the general items below are consistent with previous student housing projects):

- At a minimum, one communal space shall be provided on every floor of the building with residences;
- The total number of student housing beds shall be limited to 165 beds;
- A one-bedroom dwelling unit to be used by a resident manager shall be required within the building; and
- A housing agreement related to the occupancy of the housing units is required. The covenant is to specify that the housing agreement is to be registered with the Land Title Office prior to issuance of a development permit for student housing. The covenant will clarify the general terms of the housing agreement to include, but not be limited to:
  - the use of the building being restricted to student housing which cannot be converted to any other form of lodging;
  - the definition of 'Student' where only a bona fide student will be permitted to reside in the building; and
  - the requirement for a resident manager or caretaker.

### **Policy Context**

#### *Official Community Plan*

The Official Community Plan (OCP) identifies the subject properties as within the Corridor future land-use designation. Development in Corridors is characterized by a mix of residential, commercial, professional, and service uses, with residential development at medium- to high-level densities. Residential densities of 50-150 units per hectare in two- to six-storey building forms are supported. Within mixed-use developments, ground floor uses can include retail, office, or community uses that invite public activity. The new zoning would allow for complementary uses in the existing neighbourhood and student housing in close proximity to the university. The proposed rezoning complies with the Corridor policies in the OCP.

### *Harewood Neighbourhood Plan*

The subject properties are located within the area of the Harewood Neighbourhood Plan (HNP), which designates the site in the Mixed-Use Corridor land-use designation. The Mixed-Use Corridor designation includes similar objectives to the OCP's Corridor designation and encourages development characterized by a mix of uses, such as multi-family residential, public amenity, commercial, professional, and service uses. The proposed rezoning to allow a mixed-use development with site-specific student housing meets the objectives of the HNP.

### *Affordable Housing Strategy*

The City of Nanaimo Affordable Housing Strategy, adopted in 2018, contains a number of objectives related to diversifying housing. Specifically, Objective 5.3 supports rental housing and related programs for university students. The proposed rezoning will support this objective by allowing for more purpose-built rental student housing.

### *Transportation Master Plan*

The Nanaimo Transportation Master Plan (NTMP) recognizes that combining both land-use and transportation policies and actions will help create synergies to support the goals and objectives of both the NTMP and OCP. A key goal of the NTMP is to reduce overall demand for travel, especially by personal vehicles. Overall, the NTMP recognizes the importance of strengthening Urban Nodes and Corridors to help people meet their daily needs with less travel over shorter distances and to create opportunities for them to walk and cycle within, and take transit between, Urban Nodes and Corridors.

The subject properties are located within the 200m buffer of the VIU mobility hub, as identified by the NTMP. The area's unique demographics, access to transit, and neighbourhood layout support levels of alternative forms of transportation, with the neighbourhood already achieving the second highest proportion of sustainable transportation trips in the city. A future land-use vision includes higher-density residential housing within the mobility that supports a mix of demographic needs and income levels.

Transit service has been identified as a way to reduce travel to the VIU campus by car and significant efforts have been made to improve service between VIU and other major transit exchanges over the last several years. A number of bus routes stop on Wakesiah Avenue near the subject properties, providing frequent service to downtown and the north end.

### **Community Consultation**

The rezoning application was referred to the Harewood Neighbourhood Association for comment. The association responded that the location is seen as suitable for student housing given its proximity to VIU, but some concerns were expressed regarding the number of student housing projects that have been approved in the area in the last few years and the possible proliferation of a single type of residential use.

## Community Contribution

As outlined in Section 7.3 of the OCP, in exchange for value conferred on the lands through a rezoning, the applicant should provide a community amenity contribution (CAC). Typically, the value of CACs received for residential projects is at least \$1,000 per dwelling unit, and for commercial projects is at least \$34/m<sup>2</sup> of gross floor area. The CAC for this rezoning will be secured at these rates, and based on the conceptual plans for 162 dwelling units and a commercial gross floor area of 499.44m<sup>2</sup>, a CAC of \$179,981 is anticipated.

The applicant is proposing that the CAC be applied to exploring and facilitating active transportation enhancements in and around the VIU mobility hub. The applicant's preference is to study the option for a micromobility sharing service in the VIU area. Micromobility is an emerging subset of active transportation modes, including bicycle sharing, e-bikes, and e-scooters.

The proposed CAC is supported by City policies including the NTMP's vision for the VIU mobility hub. Staff support the proposed contribution.

## Conditions of Rezoning

Should Council support this application and pass third reading of "Zoning Amendment Bylaw 2019 No. 4500.164", Staff recommend the following items be secured prior to final adoption of the bylaw:

1. *Community Amenity Contribution*  
Enhancements to facilitate active transportation in and around the VIU mobility hub with a value equal to \$1,000 per dwelling unit and \$34/m<sup>2</sup> of commercial gross floor area.
2. *Public Walkway*  
A public multi-modal walkway to connect Wakesiah Avenue and Hillcrest Avenue, to be protected by a Statutory Right-of-Way at the time of development permit issuance.
3. *Road Dedication*  
Road dedication of 2.15m to be taken from the Wakesiah Avenue frontage.
4. *Lot Consolidation*  
Consolidation of the subject properties.
5. *Housing Agreement*  
A covenant to secure the terms of the proposed student housing (as described above) and to require a housing agreement prior to development permit issuance. |

### **SUMMARY POINTS**

- The application is to rezone the subject properties at 307 Hillcrest Avenue and 308 and 326 Wakesiah Avenue from Single Dwelling Residential (R1) and Residential Corridor (COR1) to Mixed Use Corridor (COR2) with a site-specific use to allow for a mixed-use student housing development.
- The conceptual plans for the subject properties include approximately 162 student housing units and 3 commercial retail units.
- The proposed rezoning meets the objectives of the Official Community Plan, Harewood Neighbourhood Plan, Affordable Housing Strategy, and Transportation Master Plan.
- For the community amenity contribution, the applicant is proposing to explore and facilitate active transportation enhancements in and around the VIU mobility hub.

### **ATTACHMENTS**

ATTACHMENT A: Location Plan  
ATTACHMENT B: Conceptual Site Plan  
ATTACHMENT C: Conceptual Renderings  
ATTACHMENT D: Shadow Study  
ATTACHMENT E: Aerial Photo  
“Zoning Amendment Bylaw 2019 No. 4500.164”

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