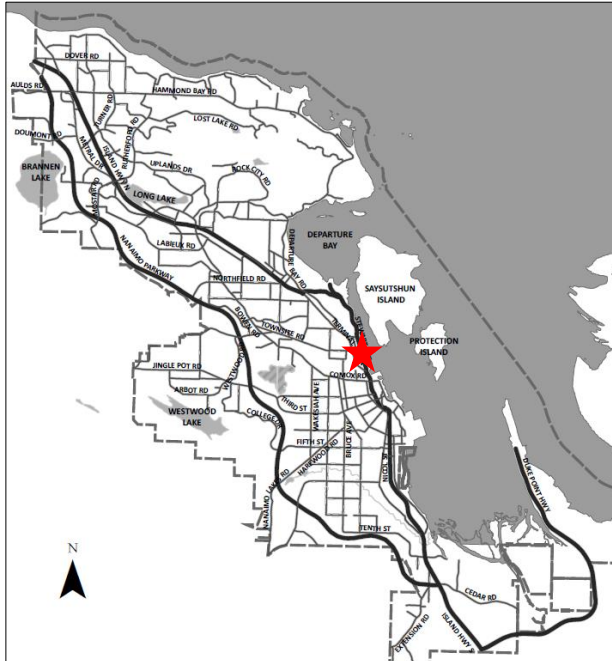


DATE OF MEETING | June 17, 2024 |

AUTHORED BY | CALEB HORN, PLANNER, CURRENT PLANNING
NANCY SKEELS, PROPERTY SERVICES AGENT, REAL ESTATE |

SUBJECT | **REZONING APPLICATION NO. RA495 AND HIGHWAY CLOSURE
APPLICATION NO. LD4291 – 266, 268 BRYDEN STREET, 251, 255
MT BENSON STREET, AND 250 TERMINAL AVENUE NORTH**



Proposal:

To allow for a personal care facility and affordable housing development



Current Zoning:

- R1 – Single Dwelling Residential
- R8 – Medium Density Residential
- COR2 – Mixed Use Corridor
- COR3 – Community Corridor

Proposed Zoning:

- CD14 – Comprehensive Development District Zone Fourteen

City Plan Land Use Designation:

Neighbourhood

Lot Area:

3,241m²



City Aerial Photo 2022

OVERVIEW

Purpose of Report

To present for Council's consideration an application to rezone 266, 268 Bryden Street, 251, 255 Mt Benson Street, and 250 Terminal Avenue North from Single Dwelling Residential (R1), Medium Density Residential (R8), Mixed Use Corridor (COR2), and Community Corridor (COR3) to Comprehensive Development District Zone Fourteen (CD14), to facilitate a personal care facility and affordable housing development; and,

To obtain Council's approval to close a portion of Bryden Street adjacent to 266 and 268 Bryden Street and obtain approval to enter into a Land Exchange Agreement with the owner of 268 Bryden Street, 255 Mt Benson Street, and 250 Terminal Avenue North to dedicate a part of the properties for road in exchange for the road closure area. |

Recommendation

Rezoning

That:

1. "Zoning Amendment Bylaw 2024 No. 4500.226" (to rezone 266, 268 Bryden Street, 251, 255 Mt Benson Street, and 250 Terminal Avenue North from Single Dwelling Residential [R1], Medium Density Residential [R8], Mixed Use Corridor [COR2], and Community Corridor [COR3] to Comprehensive Development District Zone Fourteen [CD14]) pass first reading;
2. "Zoning Amendment Bylaw 2024 No. 4500.226" pass second reading;
3. "Zoning Amendment Bylaw 2024 No. 4500.226" pass third reading; and,
4. Council direct Staff to secure the conditions related to "Zoning Amendment Bylaw 2024 No. 4500.226", as outlined in the "Conditions of Rezoning" section of the Staff Report dated 2024-JUN-17, prior to final adoption.

Highway Closure

That:

1. Council authorize the road closure and disposition of a portion of Bryden Street and direct Staff to enter into a Road Closure and Land Exchange Agreement;
2. "Highway Closure and Dedication Removal Bylaw 2024 No. 7372" (to provide for highway closure and dedication removal of a portion of Bryden Street adjacent to 266 and 268 Bryden Street) pass first reading;
3. "Highway Closure and Dedication Removal Bylaw 2024 No. 7372" pass second reading; and,
4. Council direct Staff to proceed with public notice for the closure and disposition of a portion of Bryden Street. |

BACKGROUND

A rezoning application, RA495, was received from Ron Hart Architect Ltd., on behalf of the Provincial Rental Housing Corporation, to facilitate a BC Housing development. The site was previously identified in the July 2020 Memorandum of Understanding (MOU) between the City of Nanaimo and BC Housing as a location for permanent supportive and affordable housing. Currently, the site hosts temporary supportive housing.

The owner has also applied for a highway closure, LD4291, to close an excess portion of Bryden Street adjacent to the subject properties to facilitate the development. The highway closure will be considered together with a land exchange to dedicate a portion of the subject properties adjacent to Terminal Avenue North as road.

Subject Property and Site Context

The subject properties are located in the Newcastle Neighbourhood just north of Downtown Nanaimo. The properties have frontage on Terminal Avenue to the west, Mt Benson Street to the north, and Bryden Street to the south. The temporary modular supportive housing, Newcastle Place, has been operating on the site since 2018 and is operated by the Island Crisis Care Society. Previously located on the site were a hotel, a restaurant, an office building, and a single residential dwelling, which were all demolished in 2015.

The surrounding neighbourhood is mix of commercial and residential uses. Adjacent properties include: a four-storey 52-unit multi-family residential building across Mt Benson Street to the north; a multi-family residential building, an office, and single residential dwellings on Vancouver Avenue to the east; a restaurant across Bryden Street to the south; and a hotel and restaurant across Terminal Avenue to the west. Nearby recent developments include a 23-unit supportive housing building at 285 Rosehill Street to the north (2019) and a 17-unit multi-family residential building at 130 Vancouver Avenue to the southeast (2017).

There is a Land Use Contract (LUC 1805) registered on the property title of 255 Mt Benson Street that restricts use of the land to retail and office use; however, this charge will be terminated along with all LUCs in British Columbia on 2024-JUN-30.

Public Notification

Pursuant to sections 464(3) and 467 of the *Local Government Act*, a public hearing is prohibited for proposed “Zoning Amendment Bylaw 2024 No. 4500.226” as the bylaw is consistent with the Official Community Plan (City Plan) and the purpose of the bylaw is to facilitate a residential development as outlined in this report.

Statutory notification of first reading occurred on 2024-JUN-06. |

REZONING DISCUSSION

Proposed Zoning

The applicant is proposing to rezone the subject properties to a new Comprehensive Development (CD) zone to facilitate a supportive housing and affordable housing development. BC Housing is developing the supportive housing as homes for individuals experiencing or at risk of homelessness in Nanaimo.

The City of Nanaimo “Zoning Bylaw 2011 No. 4500” (the “Zoning Bylaw”) defines supportive housing as a ‘personal care facility’. Comprehensive Development District Zone Fourteen (CD14) has been proposed with site-specific provisions that are suited specifically for the conceptual development plans provided by the applicant. The CD14 zone will include two areas, with the northern portion (“Area 1”) for affordable housing and southern portion (“Area 2”) for the personal care facility. The existing properties will be required to be consolidated as a condition of rezoning, and BC Housing anticipates applying for a boundary adjustment subdivision to create two lots aligned with the two areas.

A comparison between the existing four zones and the proposed CD14 zone are shown in the table below:

Zoning Regulation	Existing zones				Proposed CD14 Zone
	R1 – Single Dwelling Residential ¹	R8 – Medium Density Residential	COR2 – Mixed Use Corridor	COR3 – Community Corridor	
<i>Uses</i>	Residential	Residential	Residential; commercial	Residential; commercial	Residential; personal care facility
<i>Maximum Density – Floor Area Ratio (FAR)</i>	No FAR; one dwelling unit	1.25 – 1.85 ²	1.25 – 2.00 ²	0.75 – 2.00 ²	0.80 – 2.30 ² residential; 2.00 personal care facility
<i>Maximum Building Height</i>	7.0m – 9.0m	14.0m	14.0m – 18.0m	14.0m – 18.0m	17.5m
<i>Maximum Lot Coverage</i>	40%	40%	60%	60%	50%

¹ The R1-zoned portion of the site will change to the R5 zone (Three and Four Unit Residential) should “Zoning Amendment Bylaw 2024 4500.223” be adopted on 2024-JUN-17.

² Variable maximum Floor Area Ratio dependent on amenities provided.

The conceptual development plans envision the affordable housing building with approximately 34 dwelling units above an underground parking structure (see Attachment C). The personal care facility (supportive housing) building will have approximately 50 sleeping units in addition to support services. Conceptual building perspectives show how the zoning would allow a building massing of five storeys with a setback above the fourth storey (see Attachment D). Other

elements proposed on the conceptual site plan include an outdoor patio, dog run, and bicycle storage on the personal care facility lot, and outdoor amenity space on the affordable housing lot.

A minimum 7.5m side yard building setback is proposed to ensure that the buildings will be sited away from the east property line adjacent to the rear yards of properties on Vancouver Avenue, and an additional setback above the fourth storey facing Bryden Street and Mt Benson Street is proposed to provide a transition to the surrounding neighbourhood.

The CD14 zone has been structured to incentivize affordable housing, through density bonusing, as envisioned by the MOU. The applicant anticipates developing the personal care facility as a first phase and developing the affordable housing building with underground parking as a second phase.

Policy Context

The proposed rezoning is consistent with City Plan, including the specific policy areas highlighted below.

City Plan – Future Land Use

City Plan identifies the subject properties within the Neighbourhood future land use designation where residential buildings in low-rise apartment form are contemplated with typical building heights of up to four storeys. The proposed CD14 zone addresses the intent of the land use designation by facilitating a development with an apartment form but allows more flexibility to achieve the necessary build-out. This includes a maximum building height of five storeys with additional setbacks above the fourth storey to reduce the uppermost storey and emphasize a four storey building form as encouraged by City Plan Policy.

The CD14 zone will also more closely align permitted land uses with the residential Neighbourhood designation by no longer allowing commercial uses that are permitted by the existing COR2 and COR3 zoning.

City Plan – Affordable Housing

City Plan (section C3.2) addresses the need for more affordable and supportive housing across the City. Policy C3.2.20 specifically encourages opportunities to increase permanent supportive housing within the City, and the proposed zoning would achieve this objective.

City Plan – Mobility Network

The subject properties are located on a future bus rapid transit line as identified in Figure 36 of City Plan. Existing bus routes run adjacent to the site on Terminal Avenue and Vancouver Avenue, and additional routes run along Stewart Avenue to the east. The site is also located approximately 150m east of the E&N Rail Trail which is identified as a primary active mobility route by Figure 36. The proposed zoning would achieve City Plan's mobility objectives for densification of housing along frequent transit, rapid transit, and active mobility routes.

Overall, the proposed zoning is consistent with City Plan and will enable a mix of housing types in close proximity to amenities and services.

Community Consultation

The subject property is within the area of the Newcastle Community Association (NCA). The application was forwarded to the NCA and a response was received on 2023-JUL-21 which indicated that the NCA does not support the rezoning and outlined a number of concerns as summarized below:

1. *Number of Units.* The NCA expressed concern with the number of units in the personal care facility (supportive housing) and requested that the building be limited to 30 units. BC Housing has identified the need for approximately 50 units on the site as originally identified in the MOU.
2. *Height and Density.* The NCA indicated a preference for a lower building height of 14.0m and a lower Floor Area Ratio of 1.25. The applicant has provided a Shadow Study (Attachment E) to show potential shadowing impacts of the proposed height based on a conceptual massing model. Additionally, the conceptual building design and proposed zoning include setbacks above the fourth storey to reduce visual impact.

The site was previously designated 'Corridor' under the 2008 Official Community Plan which would have supported building heights up to six storeys, and earlier iterations of concept plans from BC Housing considered six storey building heights. Since the adoption of City Plan in 2022, BC Housing has revised the concept plans to align with the 'Neighbourhood' land use designation. The building height is comparable to other nearby developments including four-storey residential buildings to the north, west, and east, and an 8-storey residential building at 225 Rosehill Street (completed 2008) one block to the north.

3. *Use of Ground Floor.* An earlier iteration of the conceptual development plans included a commercial component on the ground level of the personal care facility. In response to community feedback, the commercial space has been removed and instead the ground level is envisioned to include support services for residents including administration offices and amenity space.
4. *Parking.* The City of Nanaimo "Off-Street Parking Regulations Bylaw 2018 No. 7266" requires 0.2 parking spaces per sleeping unit for a personal care facility which would total 10 parking spaces for the supportive housing component based on the conceptual development plans. The applicant anticipates providing four parking spaces on-site for the personal care facility (Area 2) and remaining parking spaces on the affordable housing site (Area 1).
5. *Sports Court.* Previously, the site plan included a sports court on the personal care facility site; however, the NCA expressed concerns regarding potential nuisances to adjacent properties and in response the applicant has updated the conceptual plan to remove the sports court.
6. *Smoking Area.* An outdoor covered smoking area is also shown on the conceptual site plan. The NCA recommended locating the smoking area to minimize impacts on neighbours and reduce the potential of second-hand smoke. BC Housing has indicated

that the design and location of the smoking area will be determined at the form & character development permit (DP) stage and input from neighbours will be considered.

7. *Buffer from Adjacent Properties.* The NCA recommended inclusion of a stronger landscape buffer along the east property line, to act as a visual screen and sound attenuation. While detailed landscape plans have not been developed, the applicant has noted that they will be limited to a 1.8m landscape buffer width due to the required drive aisle access widths. In lieu of a wider landscape buffer, the applicant has proposed a 2.4m-high fence along the east property line which will be required in the proposed CD14 zone.
8. *Phasing.* Recognizing that the personal care facility (Area 2) will be developed before the affordable housing phase (Area 1), the NCA requested to be consulted on any interim plans for Area 1 before the affordable housing is developed. BC Housing has indicated that they intend to continue meeting with the neighbourhood to keep them informed of any plans.
9. *Community Amenities.* The NCA expressed concern that the development could be exempt from Community Amenity Contributions and indicated a desire for an in-kind contribution. See the “Community Amenity Contribution” section of this report below.

Prior to submitting a rezoning application, BC Housing led community engagement in 2020 and 2021 that included online public dialogue sessions and separate Community Advisory Committee meetings with the Newcastle Community Association.

BC Housing subsequently held an in-person public open house on 2024-MAR-11 at the Beban Park Social Centre and has provided a summary of the engagement (see Attachment G). Some comments received at this meeting were related to security and safety of the proposed personal care facility, and BC Housing has reiterated that concerns will be managed with ongoing monitoring and communication with the neighbourhood. Additionally, BC Housing has indicated that they intend to continue dialogue with neighbours regarding building design in advance of making a DP application.

Community Amenity Contribution

As per Council’s *Community Amenity Contribution (CAC) Policy*, CACs can be waived for 100% of non-market rental dwelling units that meet the following criteria:

- i. the dwelling unit is occupied by one or more individuals whose collective annual before tax income does not exceed the Housing Income Limit for the City;
- ii. where 12 months’ collective rent for the dwelling unit does not exceed 30% of the occupants’ collective before-tax annual income;
- iii. the dwelling unit is owned or operated by a non-profit housing partner or public institution; and,
- iv. a Section 483 Housing Agreement is registered on the property title to secure the commitments listed above for the applicable dwelling units.

It is expected that the personal care facility will meet the CAC waiver criteria; however, it is not yet known whether the affordable housing component will meet the criteria for exemption. Should the affordable housing not be eligible for the non-market waiver, it may still be eligible for a 50%

reduction for market rental housing secured through a Housing Agreement, per the CAC Policy. Using the 2023 rate at the time of application, the CAC would be calculated at \$41/m² for residential use (reduced by 50% for secured rental housing). Based on the conceptual gross floor area, the anticipated CAC value would be approximately \$70,294.50.

If the affordable housing does not meet the CAC exemption criteria, BC Housing has proposed to complete an in-kind contribution of a pedestrian crossing at Terminal Avenue North and Mt Benson Street. Alternatively, if the value of the works exceeds the CAC value or if the works have been completed by others at the time of building permit, BC Housing will provide a monetary contribution towards active transportation improvements.

Conditions of Rezoning

Should Council support the application and pass third reading of “Zoning Amendment Bylaw 2024 No. 4500.226”, Staff recommend that the following items be secured prior to final adoption of the bylaw:

1. *Community Amenity Contribution* – Registration of a Section 219 covenant to secure the following:
 - a. a Housing Agreement to secure non-market rental dwelling units, as per the City’s CAC Policy, for all eligible units;
 - b. a Housing Agreement to secure market rental dwelling units, as per the City’s CAC Policy, for all eligible units; and,
 - c. Off-site works to consist of a pedestrian crossing at the intersection of Terminal Avenue and Mt Benson Street, or a monetary contribution equal to the City’s CAC Policy (should the value of the off-site works exceed the CAC value or should the off-site works be completed by others prior to building permit issuance).
2. *Road Closure* – Highway (road) closure for a portion of Bryden Street extending 5.0m from the properties at 266 and 268 Bryden Street.
3. *Road Dedication* – Dedication with an approximate width of 5.0m along the Terminal Avenue North frontage and corner rounding at the intersections of Mt Benson Street and Bryden Street with a radius of 6.0m
4. *Lot Consolidation.* |

HIGHWAY CLOSURE DISCUSSION

Highway Closure and Land Exchange Proposal

Concurrent with the rezoning application review, the City has received a highway closure application, LD4291, from Ron Hart Architect Ltd., on behalf of the Provincial Rental Housing Corporation, to facilitate the personal care facility component of this development.

Bryden Avenue is designated as an Urban Local road in Schedule 4 (“Road Network”) of City Plan which requires a 20m-wide road allowance. The existing Bryden Street cross-section has a

width of 30m, of which 5m on either side are considered in excess of the minimum required standard. The applicant is proposing to close a 5m-wide portion of Bryden Street fronting 266 and 268 Bryden Street in exchange for dedicating road with a width of 5m along the Terminal Avenue frontage. Terminal Avenue North is designated as a Mobility Arterial road in City Plan and the road dedication is required to facilitate the ultimate cross-section including wider sidewalks and bicycle lanes.

Staff have reviewed the proposed road closure against all City standards and have confirmed that this road right-of-way is surplus. Existing utilities, including Fortis and BC Hydro, will either be protected or relocated by BC Housing through the highway closure and development process. Staff are seeking Council’s authorization of the Highway Closure and Land Exchange Agreement and for Council to provide first and second reading to “Highway Closure and Dedication Removal Bylaw 2024 No. 7372”.

Next Steps

Should Council provide first and second reading of “Highway Closure and Dedication Removal Bylaw 2024 No. 7372”, the next steps will occur:

1. A Notice of Disposition will be published, as required by Sections 40 and 94 of the *Community Charter*,
2. After publication of the Notice, “Highway Closure and Dedication Removal Bylaw 2024 No. 7372” will be brought back to Council for consideration of third reading; and,
3. If third reading is passed, the Bylaw will be schedule for final adoption at an upcoming Council meeting. |

SUMMARY POINTS

- Application RA495 is to rezone 266, 268 Bryden Street, 251, 255 Mt Benson Street, and 250 Terminal Avenue North from Single Dwelling Residential (R1), Medium Density Residential (R8), Mixed Use Corridor (COR2), and Community Corridor (COR3) to Comprehensive Development District Zone Fourteen (CD14), to facilitate a personal care facility and affordable housing development.
- The conceptual developments plans envision an affordable housing building with approximately 34 dwelling units and a personal care facility (supportive housing) building with approximately 50 sleeping units.
- The proposed zoning is consistent with City Plan and will enable a mix of housing types in close proximity to amenities and services.
- A concurrent application, LD4291, proposes to close a portion of Bryden Street adjacent to 266 and 268 Bryden Street to facilitate the proposed development. |

ATTACHMENTS

ATTACHMENT A: Subject Property Map
ATTACHMENT B: Site Context
ATTACHMENT C: Conceptual Site Plan
ATTACHMENT D: Conceptual Building Perspectives
ATTACHMENT E: Shadow Study
ATTACHMENT F: Proposed Subdivision Plan
ATTACHMENT G: Engagement Summary Report
“Zoning Amendment Bylaw 2024 No. 4500.226”
“Highway Closure and Dedication Removal Bylaw 2024 No. 7372”

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