City of Prince Rupert
AGENDA

For the **REGULAR MEETING** of Council to be held on February 22, 2021 at 7:00 pm in the Council Chambers of City Hall, 424 - 3rd Avenue West, Prince Rupert, B.C.

1. CALL TO ORDER

2. ADOPTION OF AGENDA

Recommendation:
THAT the Agenda for the Regular Council Meeting of February 22, 2021 be adopted as presented.

3. MINUTES

a) **Recommendation:**
THAT the Minutes of the Special Council Meeting of February 8, 2021 be adopted. (attached)

b) **Recommendation:**
THAT the Minutes of the Regular Council Meeting of February 8, 2021 be adopted. (attached)

4. RESOLUTIONS

a) **Verbal Report from Planning – Re: DVP-21-02 (1147 - 7th Avenue East)**

b) **Verbal Report from Planning – Re: DVP-20-26 (220 – 9th Avenue East)**

c) **Verbal Report from Planning – Re: DVP-20-27 (975 – 11th Avenue East)**

d) **Verbal Report from Planning – Re: DVP-20-29 (1419 Sloan Avenue)**

e) **Report from Planning – Re: Temporary Use Permit TUP-21-01**
(attached)

Recommendation:
THAT Council direct Staff to proceed with statutory public notification for Temporary Use Permit TUP-21-01.

f) Report from Planning – Re: Proposed Interim Housing Development Strategy
(attached)

Recommendation:
THAT Council approve the proposed Prince Rupert Interim Housing Development Strategy; and,

THAT Staff be requested to proceed with implementing the strategy as opportunity and budget permit.

5. BYLAWS

a) Report from Planning Re: Zoning Bylaw No. 3462, 2021.
(attached)

Recommendation:
THAT Council amend Zoning Bylaw No. 3462, 2021 to include the proposed recommendations; and,

THAT Staff be directed to proceed to Public Hearing when health conditions permit.

6. REPORTS, QUESTIONS AND INQUIRIES FROM MEMBERS OF COUNCIL

7. ADJOURNMENT

Return to Top

City of Prince Rupert

MINUTES

For the **SPECIAL MEETING** of Council held on February 8, 2021 at 5:00 p.m. in the Council Chambers of City Hall, 424 - 3rd Avenue West, Prince Rupert, B.C.

PRESENT: Mayor L. Brain
Councillor B. Cunningham (by tele-conference)
Councillor W. Niesh (by tele-conference)
Councillor N. Adey (by tele-conference)
Councillor G. Randhawa (by tele-conference)
Councillor R. Skelton-Morven (by tele-conference)
Councillor B. Mirau (by tele-conference)

STAFF: R. Long, City Manager (by tele-conference)
C. Bomben, Chief Financial Officer
R. Miller, Corporate Administrator
R. Pucci, Director of Operations (by tele-conference)

1. CALL TO ORDER

The Mayor called the Special Meeting of Council to order at 5:00 p.m.

2. RESOLUTION TO EXCLUDE THE PUBLIC

MOVED by Councillor Randhawa and seconded by Councillor Niesh that the meeting be closed to the public under Section 90 of the Community Charter to consider items relating to one or more of the following:

90.1 (c) labour relations or other employee relations;

(e) the acquisition, disposition or expropriation of land or improvements, if the council considers that such disclosure could reasonably be expected to harm the interests of the municipality; and,

CARRIED

Confirmed:

____
MAYOR

Certified Correct:

____
CORPORATE ADMINISTRATOR

Return to Top

City of Prince Rupert

MINUTES

For the **REGULAR MEETING** of Council held on February 8, 2021 at 7:00 pm in the Council Chambers of City Hall, 424 - 3rd Avenue West, Prince Rupert, B.C.

PRESENT: Mayor L. Brain
Councillor W. Niesh (by tele-conference)
Councillor G. Randhawa (by tele-conference)
Councillor B. Cunningham (by tele-conference)
Councillor N. Adey (by tele-conference)
Councillor R. Skelton-Morven (by tele-conference)
Councillor B. Mirau (by tele-conference)

STAFF: R. Long, City Manager (by tele-conference)
C. Bomben, Chief Financial Officer
R. Miller, Corporate Administrator
R. Buchan, iPlan LTD. (planning consultant) (by tele-conference)

1. CALL TO ORDER

The Mayor called the Regular Meeting of Council to order at 7:00 pm

2. ADOPTION OF AGENDA

MOVED by Councillor Randhawa and seconded by Councillor Cunningham that the Agenda for the Regular Council Meeting of February 8, 2021 be adopted as presented and amended with items h through j.

CARRIED

3. MINUTES

a) MOVED by Councillor Adey and seconded by Councillor Niesh that the minutes of the Special Council meeting of January 25, 2021, be adopted.

CARRIED

b) MOVED by Councillor Cunningham and seconded by Councillor Adey that the minutes of the Regular Council meeting of January 25, 2021, be adopted.

CARRIED

4. RESOLUTIONS

a) Report from the Chief Financial Officer Re: Prince Rupert Aboriginal Community Services Grant Application.

MOVED by Councillor Skelton-Morven and seconded by Councillor Cunningham THAT Mayor and Council direct staff to apply Prince Rupert Aboriginal Community Services Society for funding through the Reaching Home-Indigenous Homelessness stream to be utilized for acquisition and installation of a 24-hour standalone restroom.

CARRIED

b) Report from Planning – Re: DVP-21-02 (1147 - 7th Avenue East).

MOVED by Councillor Randhawa and seconded by Councillor Adey THAT Council proceeds with the statutory notification process for Development Variance Permit Appliation No. DVP-21-02 for 1147 – 7th Avenue East.

CARRIED

c) Report from Planning – Re: DP-20-26 (220 – 9th Avenue East)

MOVED by Councillor Cunningham and seconded by Councillor Adey THAT Council proceeds with the statutory notification process for Development Variance Permit Appliation No. DP-20-26 for 220 – 9th Avenue East.

CARRIED

d) Report from Planning – Re: DP-20-27 (975 – 11th Avenue East)

MOVED by Councillor Niesh and seconded by Councillor Skelton-Morven THAT Council proceeds with the statutory notification process for Development Variance Permit Appliation No. DP-20-27 for 975 – 11th Avenue East.

CARRIED

e) Report from Planning – Re: DP-20-29 (1419 Sloan Avenue)

MOVED by Councillor Cunningham and seconded by Councillor Randhawa THAT Council proceeds with the statutory notification process for Development Variance Permit Appliation No. DP-20-29 for 1419 Sloan Avenue.

CARRIED

f) Report from Planning – Re: DP-21-02 (1430 – 1500 Kootenay Avenue)

Councillor Randhawa excused himself from this discussion citing a conflict with property location.

MOVED by Councillor Skelton-Morven and seconded by Councillor Cunningham THAT Mayor and Council approve issuance of DP-21-02 for 1430 – 1500 Kootenay Avenue.

CARRIED

g) Report from the Corporate Administrator – Re: Resolution from Closed Meeting (January 21, 2021)

Moved by Councillor Niesh and seconded by Councillor Adey THAT Council appoint Chris Armstrong to the Prince Rupert Library Board to fill the recently vacated position; and,

THAT Council release the resolution at a future regular meeting of Council.

CARRIED

h) Friendship House – Re: Letter of Support for Community Investment Fund Application

MOVED by Coucillor Adey and seconded by Councillor Cunningham THAT Council direct staff to provide a letter of support for the Friendship House, as requested.

CARRIED

i) Taylor Bachrach, MP – Re: Letter to Transport Minister Regarding Termination of Air Canada Service

MOVED by Councillor Niesh and second by Councillor Skelton-Morven THAT Mayor and Council support signing on to the proposed letter as requested.

CARRIED

j) Ecotrust – Re: Letter to Support for PRPA's Community Investment Fund for their Urban Farm projects.

MOVED by Councillor Randhawa and second by Councillor Adey THAT Mayor and Council support signing on to the proposed letter as requested.

CARRIED

k) Prince Rupert Golf Club – Re: Letter of Support for PRPA's Community Investment Fund for capital improvement projects.

MOVED by Councillor Randhawa and second by Councillor Niesh THAT Mayor and Council support signing on to the proposed letter as requested.

CARRIED

5. BYLAWS

a) Report from Planning Re: Development Approval Information Bylaw No. 3468, 2021.

MOVED by Councillor Niesh and seconded by Councillor Skelton-Morven THAT Council give Fourth and Final Reading to the Development Procedures Bylaw No. 3468, 2021.

CARRIED

b) Report from Planning Re: Development Procedures Bylaw No. 3469, 2021.

MOVED by Councillor Randhawa and seconded by Councillor Niesh THAT Council give Fourth and Final Readings to the Development Procedures Bylaw No. 3469, 2021.

CARRIED

6. REPORTS, QUESTIONS AND INQUIRIES FROM MEMBERS OF COUNCIL

7. ADJOURNMENT

MOVED by Councillor Cunningham and seconded by Councillor Skelton-Morven that the meeting be adjourned at 7:28p.m.

CARRIED

Confirmed:

____

MAYOR

Certified Correct:

____

CORPORATE ADMINISTRATOR

CITY OF PRINCE RUPERT

REPORT TO COUNCIL

DATE: February 17th, 2021

TO: Dr. Robert Long

FROM: Chris Buchan, Assistant Planner

SUBJECT: Temporary Use Application: TUP 21-01

RECOMMENDATION:

The proposed Temporary Use Permit (TUP #21-01) is recommended to proceed with the statutory public notification process.

REASON FOR REPORT:

Because the use of unenclosed storage is not currently permitted in the P1 zone, an application for a Temporary Use Permit for unenclosed storage on lots 2-13, District Lot 251, Range 5, Coast Range District Plan 1806 has been submitted. This application (TUP 21-01) proposes a temporary use for storing construction demolition materials in sealed industrial grade bags located outside of the city core.

BACKGROUND AND ANALYSIS:

The subject property is located outside of the City Core at Lots 2-13, District Lot 251, Range 5, Coast Range District Plan 1806 and is currently vacant. The Applicant has proposed to store construction demolition materials such as:

- Plywood;
- Roofing shingles;
- Drywall;
- Insulation; and
- Carpet.

This proposal should not pose a major risk to environmental contamination due to the type of industrial grade sealed storage bags being used. Given this mitigation, and because this proposed use it consistent with the proposed P1 zone's permitted uses in the draft Zoning Bylaw #3462, it is recommended that Council proceed to the statutory public notification period.

The applicant has stated that the storage of these materials on the vacant property is intended to continue until the expansion of the local landfill is completed. The applicant is having difficulty in disposing of these construction materials due to local landfill constraints. Because the vacant property is located in an area without nearby residential development, there will be no residential impact.

The OCP identifies this land area as “Park/Open Space” which intends to leave these areas undeveloped. The proposed temporary use does not propose any permanent or temporary structures. The storage bags will be easily removable.

The Zoning Bylaw identifies this land area as a P1 zone. The current Zoning Bylaw #3286 does not permit the proposed use; however, the proposed draft Zoning Bylaw #3462 identifies unenclosed storage as a permitted use in a P1 zone. In considering this pending change, Council may wish to proceed with public notices as this would be in compliance with the draft Zoning Bylaw #3462. Approving this permit would allow the applicant to commence this use prior to the draft Zoning Bylaw #3462 adoption.

COST

There are no costs or budget impacts to the City from granting, or not granting the temporary use permit.

CONCLUSION

This temporary use permit application is recommended to proceed to public notification. Affected property owners will have the opportunity to express their views on the application when Council considers the permit.

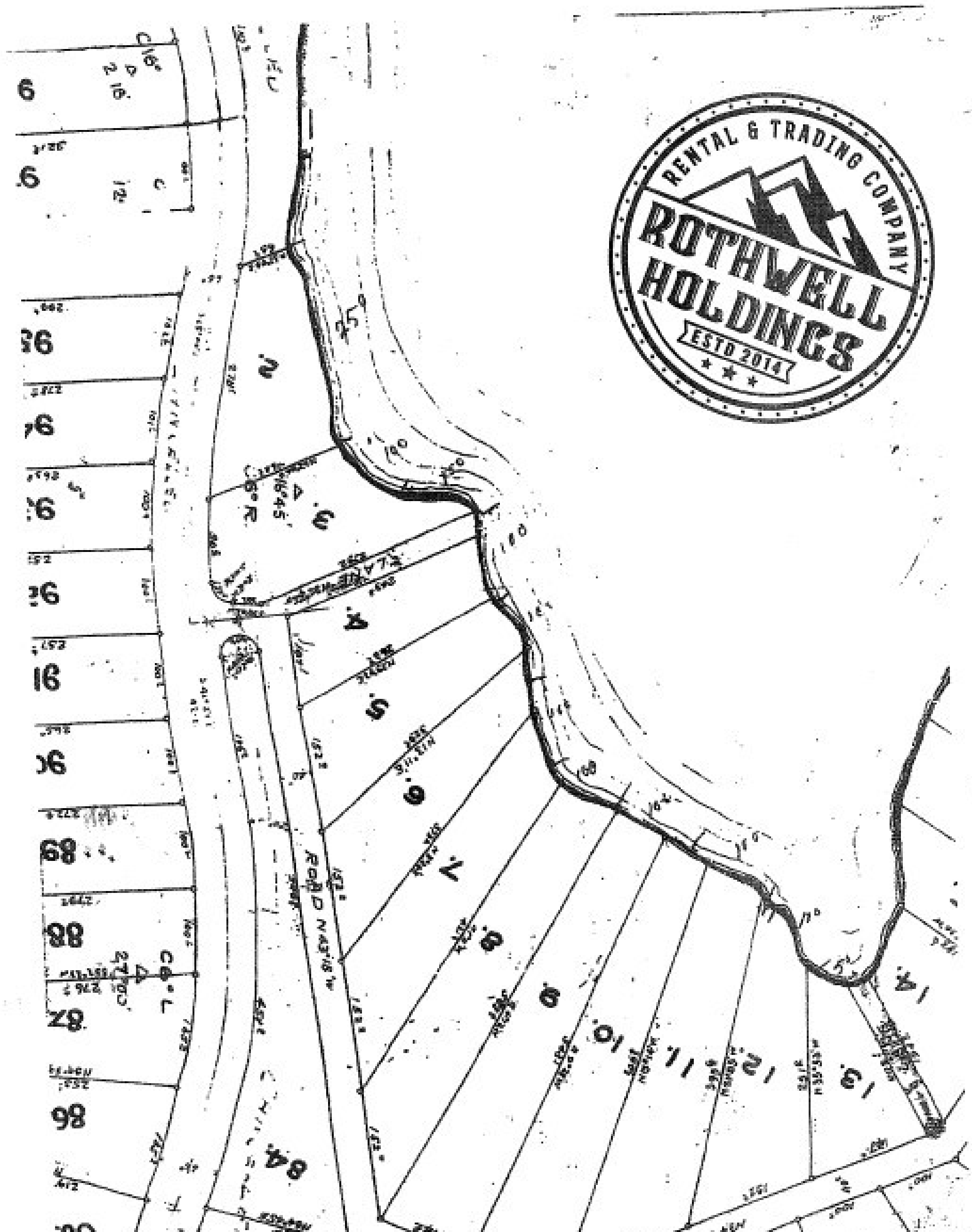
Submitted By:	Chris Buchan, Assistant Planner Originally Executed Available by Request Digitally signed by Originally Executed Available by Request DN: cn=Originally Executed Available by Request, o=City of Prince Rupert, ou=Administration, email=cityhall@princerupert.ca, c=US Date: 2021.02.18 11:42:49 -08'00'	Date: February 17th, 2021

APPENDICIES

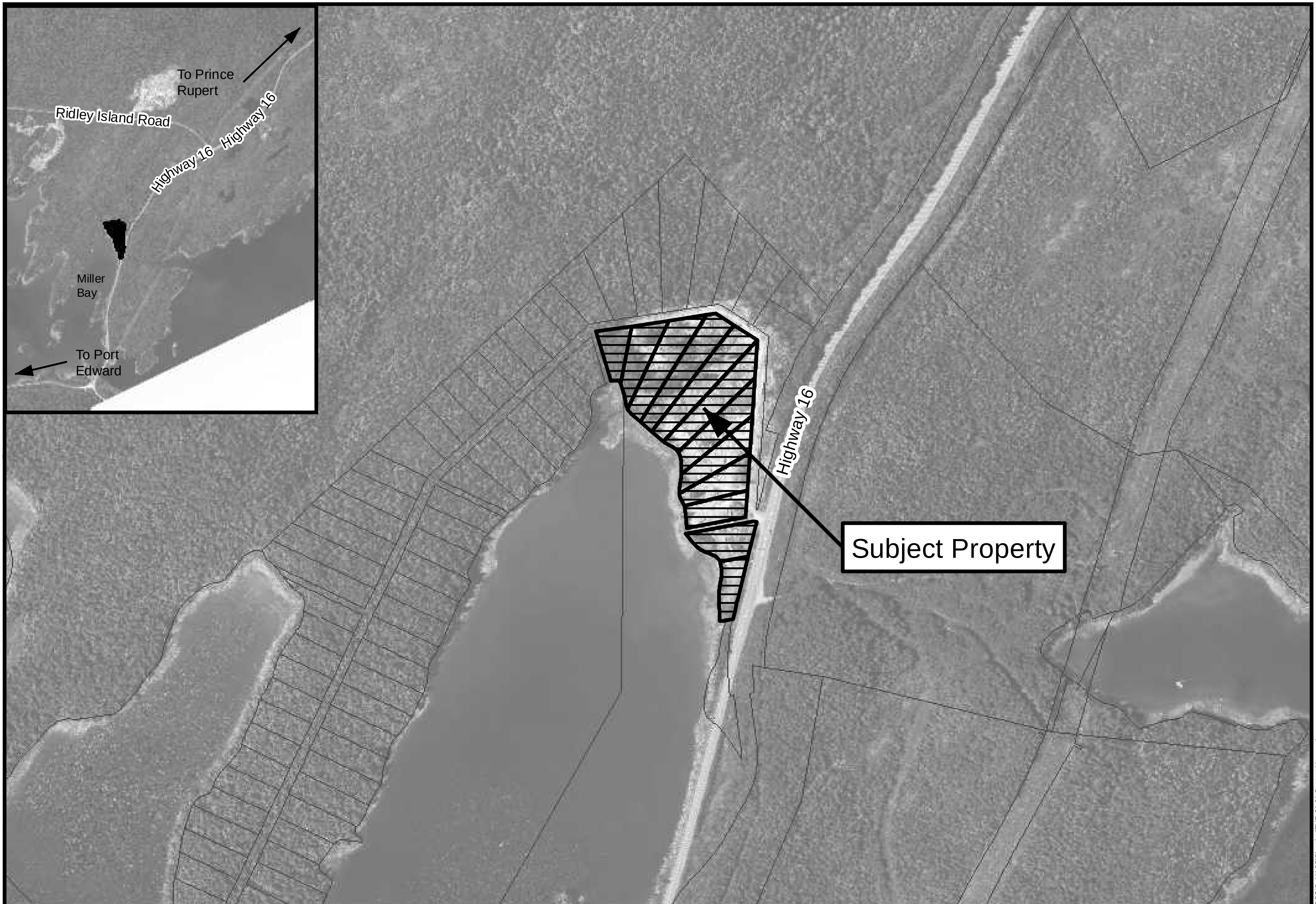
Schedule 1: Site Map

Schedule 2: Context Map

Schedule 3: Draft TUP



SCHEDULE 1: SITE MAP



CITY OF PRINCE RUPERT
OPERATION DEPARTMENT
424 3rd Avenue West, Prince Rupert B.C. V8J 1L7

Lot 2-13, DL 25, Range 5, Plan 1805
Temporary Use Permit (TUP-21-01)
Context Map

0 40 80 120 160
Meters
Scale: 1:6,000
Orientation:

Coordinate System:	NAD 1983 UTM Zone 9N
Data Sources:	City of Prince Rupert GIS ICISociety

Project #:	TUP-21-01
Author:	RB
Checked:	-
Status:	
Version:	1
Date:	2021 / 2 / 18

Document Path: G:\Mapping\ARCGIS_MAPS\Planning\TUP-21-01 Context Map.mxd

DRAFT TEMPORARY USE PERMIT

424 3rd Avenue West | Prince Rupert, BC | V8J 1L7 | (250)-627-0996 | www.princerupert.ca

TEMPORARY USE PERMIT #21-01

FILE NO: TUP 21-01
DATE OF ISSUANCE BY COUNCIL RESOLUTION: (Date)

PERMITTEE: Rothwell Holdings LTD.
APPLICANT: Michael Rothwell
SUBJECT PROPERTY: Lots 2-13, District Lot 251, Range 5, Coast Range District Plan 1805

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1. This Temporary Use Permit is issued subject to compliance with all of the bylaws of the City of Prince Rupert applicable to this permit.

2. This Temporary Use Permit applies to the lands and use thereof (hereinafter call the Lands) as noted in *Schedule 1 – Location Plan* forming part of this Temporary Use Permit:

   Legal Description:
   Lots 2-13, District Lot 251, Range 5, Coast Range District Plan 1805

3. Pursuant to Section 8 in Part 14 of the *Local Government Act*, this permit authorizes Michael Rothwell to operate an outdoor storage yard for construction and demolition waste on a temporary basis of up to three years, subject to the change in the following conditions:

   a. Storage of building waste materials will be encapsulated in industrial grade sealed bags.

CITY OF PRINCE RUPERT
By its authorized signatory(ies)

____________________________ ____________________
Rosamaria Miller Date Signed
Corporate Administrator

Schedule 1 – Site Map
Schedule 2 – Context Map

Return to Top

THE CITY OF PRINCE RUPERT
REPORT TO COUNCIL

DATE: February 15, 2021

TO: Dr. Robert Long, City Manager

FROM: Rob Buchan, iPlan Planner

SUBJECT: Report on the Proposed Interim Housing Development Strategy

RECOMMENDATION:

THAT Council:

1) Approve the proposed Prince Rupert Interim Housing Development Strategy.
2) Request staff to proceed with implementing the strategy as opportunity and budget permit.

REASON FOR REPORT:

The lack of a robust local housing industry has left gaps in local housing supply. The housing market in Prince Rupert is rising in both rental rates and selling prices while the overall housing rental stock has decreased. An interim housing strategy (IHDS) has been prepared to address the increasing local housing challenge.

BACKGROUND:

The IHDS examined recent local market trends and anticipated housing demand. Because of the current need to provide housing is necessary to support economic growth, this interim strategy has been prepared; however, it is recommended that a more comprehensive housing needs assessment be prepared and that this be used to develop a final housing strategy.

In addition to looking at market trends, the IHDS also reviewed several municipal roles and tools that can be used for addressing local housing needs. As the IHDS indicates, the City is already taking significant steps to address these needs. The IHDS identifies additional actions and recommends a housing development model for Council consideration.

Since 2015, average rental market prices have increased by 40% ($295) with a total decrease of 37 rental units. From 2019-2020 alone, the rental prices increased by 18% ($157). Since 2015, average market sales prices have increased an average price of $41,605 per year. These data indicate a significant increase in both real estate and rental conditions.

Prince Rupert Vision 2030 indicated a need for more housing as a result of port expansion and proposed a role for local government to fill housing gaps. The VISION 2030 process involved considerable public input and received strong public support.

CONCLUSION:

The IHDS responds to significant current housing challenges and is based in part on the recommendations of the VISION 2030 process and report. The IHDS proposes ten recommendations for Council consideration. It is recommended that Council approve the IHDS and request staff to pursue each of the recommendations as opportunity and budget permit.

Report prepared by:

Originally Executed
Available by Request

Digitally signed by Originally Executed Available by Request
DN: cn=Originally Executed Available by Request, o=City of Prince Rupert, ou=Administration, email=cityhall@princerupert.ca, c=US
Date: 2021.02.18 11:43:09 -08'00'

Rob Buchan, iPlan Planner

Prince Rupert Interim Housing Development Strategy

The City of Prince Rupert

February 15, 2021

iPlan Planning and Development Services LTD.

Contents

Introduction……………………………………………………………………………………..3
Context ……………………………………………………………………………………………3
The Local Need……………………………………………………………………………………3
Sample Data………………………………………………………………………………………4
Opportunities………………………………………………………………………………………5
Housing Policy ……………………………………………………………………………………5
The Role for Local Government………………………………………………………………7
Tools and Strategies ……………………………………………………………………………8
Planning Strategies………………………………………………………………………………8
Zoning Tools…………………………………………………………………………………………9
Other Tools…………………………………………………………………………………………10
Recommendations ………………………………………………………………………………11
Appendix A…………………………………………………………………………………………14

Introduction:

This report presents an interim housing development strategy for the City of Prince Rupert. It has been prepared based on a review of current housing market conditions, local economic growth, and the policy initiatives underway in the City. It has also been guided by the local knowledge and insights of City staff.

The value of an interim strategy is that it enables a rapid response to significant emerging housing needs. It can provide some early direction and response in an informed manner to local conditions. The City can subsequently work towards a more robust housing needs assessment and comprehensive housing strategy which can refine and focus the interim approach.

Context:

Located within the ancient territory of the Tsimshian First Nations, the City of Prince Rupert established as a new port city in the early 1900s and incorporated as a city in 1910. Since establishment, it has experienced growth and decline cycles typical of resource dependent communities. Activity in shipping has steadily increased over the last ten years and new port growth is expected to experience a two-fold increase in capacity which could result in a doubling of the city population over the next ten years. To prepare for this growth, the City is updating its key policy documents including the Official Community Plan and Zoning Bylaw. These actions, however, may not be sufficient in enabling the City to realize the potential growth offered by the port development.

The new OCP recognizes that the quality and vitality of the City is linked symbiotically to the health of the port industry. If the new workforce required to support port growth has no place to live in Prince Rupert, the Port Authority will have significant challenges in securing the human resources required for its operations. In other words, building and maintaining a city that is attractive, vibrant and has the services required and desired by its residents is a fundamental part of the Port's success. Housing is an essential element in attracting and sustaining a new workforce and their families.

The Local Need:

The Vision 2030 Strategy identifies the need for focused and effective action on housing. In particular, it recommends establishing a housing agency in the form of a municipal corporation for the purpose of kick-starting the housing market. It is seen as having the capacity to apply for BC Housing support, collaborate and partner on specific housing developments, buy, renovate, and sell current dilapidated stock, and to fill gaps in housing not picked up by the private sector.

Vision 2030 states that having a suitable place to live is a fundamental element of community wellbeing. "People will not make their homes or build their future in a place if they do not see a living situation that meets their needs and those of their families. This requires enough housing of the right type at the right place within the right neighbourhood setting" (Vision 2030, Page 41). Vision 2030 goes on to observe that housing is not freely available and affordable through the general market as there is not a local development industry capable of delivering supply to meet demand and that new homes are desperately needed for the incoming population (Vision 2030, Page 42).

Single detached housing prices have been rising over the past 5 years and increased significantly in the last year by 13.6 %. The average selling price in 2016 was $264,745.00; however, in 2020 the average selling price was $340,645.00. Rental vacancy rates for 2020 are reported by CMHC to be 3.7%; however, this is a Class C estimate (Class A is the most and D the least reliable). Two reports directly from property management companies representing 237 rental units peg their vacancy rates at less than 1% and any vacancies are very short term. These data point to a housing market that is experiencing supply issues.

One of the factors that has discouraged a local development industry is the variable and uncertain costs associated with developing roads, infrastructure and building sites in a geography that is host to considerable muskeg. It is very difficult to determine the costs of excavating muskeg and replacing it with engineered, stable fill for roads and building sites. This has historically resulted in a number of financially challenged developments and created a disincentive for new development. This remains one of the largest challenges for increasing housing supply in Prince Rupert.

The housing rental market in Prince Rupert has increased in price and decreased in available rental units in the past 5 years. The table below shows the annual statistics of the rental market since 2015. This indicates a rising trend in housing prices alongside a decline in rental stock.

Sample Data:

CMHC DATA	2015	2016	2017	2018	2019	2020	Overall Trend
Vacancy Rates By Bedroom Type:							
Bachelor	N/A	N/A	N/A	0%	0%	0%	**N/A**
1 BDRM	5.2%	3.7%	3.6%	2.1%	4.7%	3.6%	**-1.6%**
2 BDRM	3%	4.3%	3.8%	5.7%	3.4%	4.9%	**+1.9%**
3+ BDRM	1.1%	3.2%	3.4%	3%	2.5%	2.3%	**+1.2%**

Total Average	3.5%	4.8%	3.9%	3.6%	3.4%	3.7%	**N/A**
Average Prices By Bedroom Type:							
Bachelor	$514	$543	$622	$636	$643	$631	**+$127**
1 BDRM	$660	$673	$809	$843	$870	$903	**+$243**
2 BDRM	$801	$800	$919	$876	$886	$1,135	**+$334**
3+ BDRM	$802	$917	$887	$894	$936	$1,153	**+$351**
Total Average	$734	$766	$866	$850	$872	$1,029	**+$295**
Number of Private Units in the Rental Universe By Bedroom Type:							
Bachelor	68	85	67	59	54	54	**-14**
1 BDRM	278	299	287	286	280	282	**+4**
2 BDRM	397	397	399	400	392	396	**-1**
3+ BDRM	170	172	185	183	171	144	**-26**
Total	913	953	938	928	897	876	**-37**

Source: CMHC

The data shows that rental prices have significantly increased by 40% ($295) since 2015. From 2019 – 2020 alone, the rental prices have increased by 18%. The data on rental supply and rates combines with housing sales data indicate an increasing demand/supply imbalance which may continue to drive up purchase and rental rates unless sufficient new supply is provided in the Prince Rupert market.

Opportunities:

Land for new housing development and redevelopment in Prince Rupert is characterized by a few, largely City owned, green field areas outside of the downtown city centre and by many smaller vacant parcels within the city centre as well as many older buildings that are in need of renovation. In 2017 it was estimated that there was about 200,000 square feet of vacant space in existing downtown buildings representing opportunity for redevelopment.

While there are significant opportunities for residential development both in and out of the city centre, there is a lack of local development industry capacity in undertaking housing development.

Housing Policy:

Developing an effective approach to addressing the provision of housing requires an understanding of the different housing needs in a community. The housing continuum shown below is one way to conceptualize housing needs. They range from housing for the homeless through to market based home ownership. This spectrum illustrates that communities can have different needs ranging from the most vulnerable on the left of the scale to those who are relatively financially secure on the right of the scale.

Source: CMHC

In contrast to the housing continuum concept, another conceptualization, the Housing Wheelhouse, illustrates housing needs in a less hierarchal manner.

Source: City of Kelowna

The Wheelhouse was developed by the City of Kelowna to provide another way of thinking about housing to suggest how that City could better meet the housing needs of all its residents. The Wheelhouse suggests that not one level of housing is greater or more important than another and that all types, forms, and tenures of housing are vital components to creating and maintaining a healthy, sustainable, and adaptable housing system. In the City of Prince Rupert, this view of housing resonates with the Vision 2030 assertion that housing is needed to attract and retain new workers and to support service workers resulting from port industry expansion.

The cost of single detached housing increased by 13.6% in 2020 suggesting that there is now a supply/demand imbalance. Without additional supply to meet the expected demand, the City may see future housing prices continue to rapidly rise resulting in increasing unaffordable housing, more transient workers, and a significant deterrent to the potential growth of the port industry. This lack of housing has broad negative economic and social impacts for the community.

In addition to housing challenges for market housing and rental housing, Prince Rupert is also challenged by housing needs from the more vulnerable populations that require safety net and supportive housing options. Recent changes in ownership of long term more affordable rental housing has resulted in "renovictions" of residents who have been challenged in finding replacement housing. There are some positive initiatives currently underway to provide supportive housing in cooperation with BC Housing. A long term strategy to address all housing needs, however, is necessary to ensure the health and prosperity of the entire community.

The Role for Local Government:

The preceding discussion identifies the need for a comprehensive housing strategy. This report does not respond fully to the housing challenge in Prince Rupert but it does present some important short term actions and a specific proposal that could be scaled in the future to assist in responding to local housing needs. This proposal recommends an active and direct role for the City of Prince Rupert in providing housing options.

Why should the City undertake a direct role in housing? While this question may inspire some healthy debate in the City, there is support and a precedence for such a role. The province of British Columbia states that it is a joint responsibility across all levels of government to ensure enough affordable housing in BC communities (province of British Columbia https://www2.gov.bc.ca/gov/content/housing-tenancy/affordable-and-social-housing). Accordingly, BC Housing works in partnership with the private and non-profit sectors, provincial agencies and other levels of government and community groups to develop a range of housing options.

There are many examples of local governments engaging in the provision of affordable housing. Some examples include:

a. Whistler
b. Langford
c. Vancouver
d. Capital Regional District

The Whistler Housing Authority partners with its community to provide and sustain a range of housing options both rental and home ownership for those who live and work in Whistler. It has created an inventory of price controlled units that are only available to resident employees. This has been an effective means of reducing the impact of market forces. The Whistler model has helped to ensure a stable resident workforce which is needed for a vibrant and diversified community.

The City of Langford developed a unique approach to providing affordable home ownership for many of its less financially secure residents. This involved a partnership with the local development industry and involved the City targeting some of the amenity lands given during rezoning for affordable homes. The developer would build a modest sized home on a lot within their development and essentially sell it at the cost of construction while this program was in effect. Purchasers were subject to a housing agreement registered on title that restricted the terms of any resale of the home for 25 years to a modest profit (limited to $2,000 per year).

The Vancouver Affordable Housing Agency (VAHA) works with partners to create below-market housing options on city owned land for individuals and families earning low to moderate incomes. Its goal is to deliver 2,500 housing units by 2021 for those residents most in need and have not being served by the private market.

The Capital Region Housing Corporation (CRHC) is a corporation wholly-owned by the Capital Regional District (CRD). Their mandate is to develop and manage affordable housing to meet the needs of people living within the capital region. As the largest social housing provider in the CRD, the CRHC provides low-moderate income families with safe, suitable homes that remain affordable for the residents.

While these four examples have different operating models, there are some notable lessons:

1) They demonstrate that local governments can effectively engage in providing local housing.

2) Local housing programs can be tailored to respond to local needs including both rental and ownership opportunities.
3) Each of the examples recognize the need and value of local housing in creating a healthy and sustainable local economy and community.
4) Using municipally owned land for housing is a proven practice.
5) Using subsidiary municipal corporations is a proven practice.
6) Local governments have undertaken the development of housing.
7) Local housing programs have been used to reduce the inflationary impact of market forces.

Tools and Strategies:

In developing an interim housing strategy, reviewing the range of housing tools and strategies is helpful for determining appropriate short terms actions. These are grouped into planning strategies, zoning tools, development standards, approval processes, and other tools.

Planning Strategies:

Mixed Land Use Neighbourhoods:

Housing affordability is assisted by planning neighbourhoods with a mixture of homes, density, retail, employment and recreational opportunities. Mixed-use neighbourhoods promote housing diversity and more compact forms of development like, for example, apartments above shops or dense residential buildings surrounding a shopping area. Mixed use areas reduce household expenditures because fewer vehicle trips are required for the residents as they can walk to local services. In the City of Prince Rupert, mixed use neighbourhoods are an important part of the vision for the city centre as outlined in the new Official Community Plan.

Infill Development:

Encourage growth and intensification in existing neighbourhoods. Developing where servicing exists makes housing more affordable because the need for new infrastructure is minimized. This reduces the cost of producing housing. Infill development is a central goal in the new OCP and is intended to provide approximately 50% of housing over the next ten years.

Increase Transportation Choices:

Similar to the mixed use neighbourhood strategy, decreasing the reliance on cars by providing housing in walkable or cyclable distances to work and services, or by developing along effective transit routes that results in a decrease in household costs, leaving more income for housing and other expenses. One of the goals stated in the new OCP is the development of a comprehensive Transportation Plan that incorporates active transportation as a key element.

Zoning Tools:

Inclusionary Zoning:

This type of zoning can require or permit the provision of affordable housing in new developments. This is achieved by providing a density bonus to the developer in exchange for housing at below market values. The density bonus enables the developer to off-set the cost of the profit that is not made on the affordable units. At this point in time, the state of the development industry in Prince Rupert would likely not support density bonussing; however, as the community becomes an attractive place for developers to invest and build, this approach should be considered.

Secondary Suites:

Allowing or requiring secondary suites, a form of inclusionary zoning, is one of the most effective tools for providing affordable housing. These are completely financed by the private market; secondary suites are a low impact way to integrate affordable housing into neighbourhoods and can help home owners with their household income. This tool is currently being included in the City's updated Zoning Bylaw.

Parking Requirements:

Providing parking spaces adds significant costs to housing projects. In areas that are well served with other land uses and with transit, it may be feasible to lower parking standards. This tool can be implemented in the Zoning Bylaw or in Development Permits and Development Variance Permits. The City of Prince Rupert has recently completed a review of its parking standards with a view to minimize parking costs while still providing sufficient parking. However, it is recognized that the City would benefit from a comprehensive parking strategy for its downtown. This strategy could look for ways to increase on-street parking, equitably address redevelopment of the City where off-street parking is not practical given historic development patterns, and finance public parking where providing private parking has proven to be a significant deterrent to redevelopment.

Efficient Approval Processes:

By developing efficient approval processes and prioritizing affordable housing projects, faster approvals can assist in lowering development carrying costs. As mentioned earlier, this reduces any cost-push inflation for housing prices. The City of Prince Rupert's Council has recognized the role of efficient approval processes and has committed to achieving this; for example, it has recently adopted its new Development Procedures Bylaw to stream line the process. This will include the delegation of Development Permit approvals to staff.

Other Tools:

Housing Agreements:

A developer can register a housing agreement on title to control resale conditions.
This tool is enabled by the Local Government Act and can be required as a condition of zoning approval.

Establishing a Housing Fund:

This fund can be used to fund or partner in funding affordable housing projects. Municipalities can build these funds from their own land resources, revenues, special tax levies, or from density bonussing or development contributions. Given the significant land holdings the City has in the greenfield development sites designated in the new OCP, this resource could enable the City to fund a municipal housing agency or corporation.

Special Property Tax Levies:

Some communities have established special property tax levies to finance affordable housing projects. For example, participating municipalities in the Capital Regional District collect an annual tax for affordable housing initiatives. Given the many other financial demands faced by Prince Rupert, especially for infrastructure renewal, this may not be a useful tool except for downtown parking projects.

Revitalization Tax Exemption Bylaws:

Section 225 of the Community Charter allows the City to establish a bylaw to exempt the municipal portion of property taxes, and in some cases the provincial portion of taxes. This can be an effective incentive for non-profit groups wishing to develop and operate a housing project. This tool has just been enacted by the City of Prince Rupert to incentivize residential and commercial development in the city centre.

Land Banking:

Municipalities can hold land for a future contribution to an affordable housing project. The City of Prince Rupert currently has a large land bank.

Establishing a Housing Commission, Agency, or Corporation:

Under Section 143 of the Community Charter, municipalities can establish commissions which can operate a variety of services including the provision of housing. This tool can be used in tandem with the Special Tax Levy Tool. The *Community Charter,* Section 185, provides the authority for incorporation of municipally owned corporations which, among other purposes, can be used for developing housing.

Build Housing:

Municipalities can undertake the development of housing as a direct municipal service through its natural person powers or through a municipally owned corporation. An enterprise or service can be set up inside a municipal corporation. A municipality can establish a new department or operating unit with dedicated staff, or it can simply incorporate the function within its existing organizational structure. https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/local-governments/governance-powers/local_government_corporations_guide.pdf (Launching and Maintaining a Municipal Corporation: A Guide for Local Officials 2006).

Partnerships:

Establishing partnerships is a way to bring more resources to the task of providing housing. There are government agencies such as BC Housing and non-profit organizations that can be partners in this endeavor. Further, the opportunity to work with the development industry in providing affordable housing can produce a range of affordable housing options. The City of Prince Rupert is currently considering the provision of land for a First Nations affordable housing project in partnership with BC Housing.

Lobby Other Governments to Provide Affordable Housing:

Municipalities can raise the profile of the local housing affordability issue with senior governments in an effort to secure funding for local projects. The City can do this independently or in collaboration with other housing advocacy groups.

Establish Regulations to Control Renovation Evictions:

Prince Rupert, like other municipalities, has experienced evictions as a result of building renovations (sometimes called “renovictions”). One tool that has been used for addressing renovictions is a business regulation and licensing bylaw. An example of this approach is the City of New Westminster’s Bylaw #6926 in which restrictions on evictions are established.

Housing Needs Assessments:

In 2018, the British Columbia Provincial Government changed Bill 18 which requires local governments to undertake a housing needs assessment by April 2022 and reoccur every five years thereafter. Part 14, Division 22 of the Local Government Act provides the framework for local governments to carry out these housing needs reports.

Recommendations:

The overview of potential tools that can be used to encourage affordable housing demonstrates that achieving and maintaining affordable housing in a community can be influenced by several variables. Another way to look at this is that an effective housing strategy needs to be comprehensive and address all of the variables affecting affordability. In this regard, the City of Prince Rupert is making some progress:

1) The draft new OCP currently under Council consideration is targeting about half of its growth for mixed use neighbourhoods in the city centre.
2) The draft OCP embraces sensitive infill in existing residential areas.
3) The draft OCP identifies the preparation of a comprehensive transportation plan that addresses active transportation as a top priority.
4) The draft Zoning Bylaw currently under consideration proposes to allow secondary suites in the R1 and R2 zones.
5) The draft Zoning Bylaw proposes to update parking standards that are meant to provide sufficient parking but not excessive parking requirements.
6) Council has updated the Development Procedures Bylaw to make development approvals more timely. This includes the delegation of Development Permit approvals to staff.
7) Council adopted a Revitalization Tax Exemption Bylaw in January of 2021 which will incentivize multifamily development in the City Centre.
8) The City currently has a significant bank of land in greenfield areas which are proposed for development in the new OCP.

Recommendation #1

The Mayor and Council should adopt the OCP and Zoning Bylaws.

There are a few tools that have not yet been pursued and these are recommended as follows:

Recommendation #2

Council should consider using special tax levies or establish local improvement areas for areas in the downtown that may not be able to provide off-street parking. This may assist in the development and redevelopment of housing in the downtown.

Recommendation #3

Council should consider the use of density bonussing agreements to provide affordable housing when the local market conditions are strong enough to enable it.

Recommendation #4

Council should undertake the development of housing using its land bank and funds that are produced from that development. This can involve setting prices to more affordable levels and deter price inflation.

Recommendation #5

Council should consider establishing a city function and subsidiary housing corporation to manage the development of housing at least until such time as there is a strong and sustainable local housing development market.

Recommendation #6

Council should consider the use of housing agreements for City produced housing to limit the resale of City produced housing in a way that stops speculation.

Recommendation #7

Council should continue to pursue partnerships with industry and senior governments for the funding and development of the full range of housing required for the City.

Recommendation #8

By April 2022, Council should undertake the preparation of a comprehensive housing needs assessment to be used in refining this housing strategy.

In considering the recommendations above and the recommendations of Vision 2030, a specific model for Prince Rupert to undertake a housing development function has been prepared and is described in Appendix A.

Recommendation #9

The City should consider establishing a bylaw to restrict renovation evictions.

Recommendation #10

Council should consider the recommended housing development model as outlined in Appendix A.

Appendix A

The Housing Development Model

The current and increasing demand for new housing as an outcome of the Port of Prince Rupert expansion has created an urgency for immediate housing action. To address this urgency and need, a model for the City to undertake the development of housing is proposed. This model would fill a significant gap in the local housing market that industry has not been able to fill. It is based on precedence found in other communities and minimizes the need for municipal funding by using the land bank in partnership with the private sector.

There are three cost centres in housing development: land, land development/civil, and housing construction.

Most of the available land in green field sites in Prince Rupert is owned by the City. This is a resource that the City can bring to increase housing stock.

With the prevalence of muskeg and the uncertainty of building roads and housing sites because of unknown depths of this material, this is a significant risk for development. The City can take this risk and fund it with the value of its land.

New housing construction is largely dependent on companies that operate outside of Prince Rupert. To have new construction, the City may create development opportunity that attracts the local development industry to the City. An approach that addresses both the challenge and risk of the first two cost centres may be an effective option.

Purpose of the proposed model is to:

a. Initially assist in providing housing targeted at port workers, professionals, and trades. There is not sufficient housing meeting the needs of this demand.
b. Discourage housing inflation by selling below market and restricting speculative gains.
c. Assist in community revitalization.
d. Respond to the lack of a vital and sufficient local development industry.
e. Develop funds and capacity to undertake a full range of housing development for the in the future.

Housing Development Model Elements:

1. Produce new housing for sale at about $30,000 less than market value as a way of assisting in the affordability of housing and to deter broader market inflation.
2. Restrict resale of City produced housing for 10 years to ensure there are no speculative gains. If housing is resold in the ten year period, $30,000 is paid to the City. A housing agreement could be used to achieve this goal or a forgivable second mortgage in the amount of $30,000.00.

3. Partner with local industry in developing housing: for example, a partner could finance Civil works and house construction with the City contributing its land in the development.
4. Target an all-in cost to the City (e.g., $144 per square foot for construction plus actual cost of civil works and site preparation).
5. City would retain ownership of the land until completed housing is sold to new homeowners.
6. City would hire a housing development manager to oversee contracts, act as the City's representative, and to coordinate subdivision of City land.
7. Quality of construction to be in accordance with approved concept plans and established criteria.
8. Start with a pilot project of eight lots with houses to be developed each year for next three years. Proceeds from this and future housing projects would be retained in the housing corporation to fund a broader range of housing types in the future.
9. Housing Development Manager's costs and fees would be recovered from proceeds of housing sales.
10. The Housing Development Manager would be responsible for:
    a. managing the subdivision process
    b. managing the contract proposal and award process
    c. working with the City's legal advisors
    d. Acting as the City's representative for contracts including civil works and building site preparation.
    e. Acting as the City's representative for housing construction management.
11. Where possible, much of this work could be done remotely but regular attendance on site will be necessary.
12. The current value of a single family lot is $110,000. The City may target a value of $80,000 per lot .
13. Next steps may include:
    a. Hire a Housing Development Manager
    b. Develop proposal documents
    c. Develop contract documents
    d. Establish plans and quality standards for pilot development.

Return to Top

THE CITY OF PRINCE RUPERT
REPORT TO COUNCIL

DATE: February 15, 2021

TO: Dr. Robert Long, City Manager

FROM: Chris Buchan, iPlan Planner

SUBJECT: Report on the Amendments to the Zoning Bylaw

RECOMMENDATION:

THAT Council:

1) Amend Zoning Bylaw #3462 to include the recommended amendments in this report; and
2) Proceed to Public Hearing when public health conditions permit.

REASON FOR REPORT:

The OCP identifies a variety of housing options that are needed for future development in the City Core. The OCP also identifies the Marina District as an area with a variety of uses such as creative industry, outdoor marketplaces, live-work units, and additional housing options. The City of Prince Rupert has proposed amendments to the draft Zoning Bylaw #3462 to accommodate for these OCP provisions.

The City is currently discussing an application for student housing as well as a development proposal in the Marina District. The proposed amendments would allow these development proposals.

MAJOR CHANGES:

Student Housing:

Housing remains a challenging issue for the City of Prince Rupert. In response to the inquiry about student housing options in the City Core, it is proposed to provide a definition within the Zoning Bylaw for student housing and to included it as a permitted use in the C2 Zone. Student housing is proposed to be defined as follows:

“A residential unit that can house up to 10 related or unrelated people. Residents of these developments must be registered as a post-secondary student. In the case of related people, only one of the family members needs to be registered as a post-secondary student.”

This new permitted use will increase the housing options available in the downtown area to both local and international students.

A new parking standard for student housing is proposed to be 0.2 vehicles per bedroom. This is a standard used for student housing in the City of Nanaimo for students registered to the local university. This standard is designed for residents who collectively have fewer vehicles. It also contributes to the desired density increase in the Prince Rupert downtown core. It is worth noting that because this use would only apply to C2 zones, transit services are provided throughout the downtown area.

New Marina District Zone:

The New Official Community Plan identifies the Marina District as an area that will need 500 new residential market housing units in the next 10 years. It describes this area as a "comprehensively designed area [that] may include ground floor shops and services, commercial serving recreation and tourism, personal services, supermarkets, public markets, industrial, and mid-sized large format retail. The area also serves as a creative hub for technological enterprises, restaurants/cafes, neighbourhood licenced establishments, studios, galleries, marine manufacture, education, and live-work uses. As this is also a mixed-use neighbourhood there are residential uses in the form of condominiums, townhouses, and floating homes. Adding to the livability of this neighbourhood, there are recreational services, parks, and open-spaces serving the residents and visitors" (Prince Rupert Official Community Plan, Page 37).

To help achieve the OCP vision for the Marina District and to facilitate the development interest, the new zone "Marina District 1 (MD1)" is proposed with the following permitted uses:

(a). Retail,
(b). Offices,
(c). Travellers accommodation
(d). Food and beverage
(e). Distillery
(f). Multi-family housing (up to 8 floors)
(g). Outdoor markets
(h). Creative Industry
(i). Marina
(j). Marine Residential

Two of these proposed permitted uses are new additions to the Zoning Bylaw and are defined as follows:

Marine Residential:

“Marine Residential can include the moorage of marine vessels that contain a residential unit as defined under this Bylaw. It can also include residential units that are placed on a floating foundation and are located on the ocean surface.

Creative Industry:

“Creative Industry refers to a range of economic activities which are concerned with the generation or exploitation of knowledge and information. This includes technology development, operations and manufacture, Studios (creating and sales of product), galleries, marine manufacture spaces, live-work spaces, education uses and facilities.

The proposed MD1 zone is attached to this report as Schedule 1.

Amendments to C1, C2, and C3 Zones:

The current and proposed Zoning Bylaw’s C1, C2, and C3 zones impose a site coverage of 50% and a FAR of 1.50 for multi-family dwellings whereas there are no site coverage or FAR conditions set for any of the other permitted uses. The Zoning Bylaw is not clear about mixed use building FAR and site coverage though a reasonable interpretation would be that they would not have a FAR or site coverage restriction. The Zoning Bylaw would benefit from having the lot coverage and FAR regulations clarified for mixed use buildings. It is recommended that the new Zoning Bylaw specify that mixed use buildings that include residential dwelling units also have no coverage or FAR restrictions.

This would be accomplished with the following wording:

“Lot Coverage:

For multiple family dwellings (excluding mixed use buildings) 50% of the site area.”

“Density:

The maximum floor area ratio for multiple family dwelling units (excluding mixed used buildings) is 1.50.”

CONCLUSION:

These amendments to the draft Zoning Bylaw #3462 would reflect the new direction of the draft Official Community Plan #3460 while providing a variety of housing options to meet the community’s need. It is recommended that Council amend the Bylaws #3462 in accordance with the recommendations within this report to reflect the draft OCP provisions and ongoing housing challenges.

Report Prepared By:

Originally Executed
Available by Request

Digitally signed by Originally Executed Available by Request
DN: cn=Originally Executed Available by Request, o=City of Prince Rupert, ou=Administration, email=cityhall@princerupert.ca, c=US
Date: 2021.02.18 11:43:37 -08'00'

Chris Buchan, iPlan Planner

Schedule 1:

MD1: Marina District 1

Permitted Uses:

Subject to general provisions, the following principal uses and no others are permitted:

- **(a)** Retail,
- **(b)** Offices,
- **(c)** Traveller's accommodation
- **(d)** Food and beverage services
- **(e)** Distillery
- **(f)** Multi-family housing
- **(g)** Outdoor markets
- **(h)** Creative Industry
- **(i)** Marina
- **(j)** Marine Residential

the following accessory uses and no others are permitted:

- **(a)** Home Office,
- **(b)** Accessory buildings and structures

Lot Coverage:

Not more than 40% of the site area.

Density:

The maximum floor area ratio for multiple family buildings is 1.50 metres.

Minimum Dimensions Required for Yards:

- **(a)** 6.0 metres from the front property line.
- **(b)** 4.0 metres from the rear property line abutting R1 and R2 residential zoned land.
- **(c)** 1.2 metres from the side property line.

Maximum Building Height:

- **(a)** Principal building 19 metres.
- **(b)** Accessory building 3.6 metres.