



# The Corporation of the District of Central Saanich

## REGULAR COUNCIL REPORT

For the Regular Council meeting on Monday, May 26, 2025

Re: 1934 Hovey Rd - Housing Agreement Bylaws

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### **RECOMMENDATION(S):**

1. *That Housing Agreement Bylaw No. 2207, 2025 (1934 Hovey Rd) be introduced and given First and Second Reading.*
2. *That Housing Agreement Bylaw No. 2207, 2025 (1934 Hovey Rd) be given Third Reading.*
3. *That Housing Agreement Bylaw No. 2228, 2025 (1934 Hovey Rd) be introduced and given First and Second Reading.*
4. *That Housing Agreement Bylaw No. 2228, 2025 (1934 Hovey Rd) be given Third Reading.*

### **PURPOSE:**

This report is presented to Council to provide a brief background on the development proposal, a recommendation on the housing agreement bylaws and an overview of next steps.

### **BACKGROUND:**

At their regular Council meeting on March 10, 2025, Council passed, amongst others, the following resolutions with respect to the development proposal at 1934 Hovey Road:

*That prior to consideration of adoption of the OCP Amendment Bylaw and the Zoning Amendment Bylaw, a housing agreement bylaw for the proposed market rental site has been adopted, which requires that all market rental units shall remain rental in perpetuity, that 10% or more of the units (13 units) be provided as affordable rental units (CMHC, up to 80% of the market rate) in perpetuity, and that the District has first right of refusal or right to assign for any property transaction.*

*That prior to consideration of adoption of the OCP Amendment Bylaw and the Zoning Amendment Bylaw, a housing agreement bylaw for the proposed Legion site has been adopted, which requires that all rental units be rented at affordable rental rates (CMHC, up to 80% of the market rate) and that the District has first right of refusal or right to assign for any property transaction, other than sale of the lot to Legion Manor.*

**DISCUSSION:**

Two draft housing agreements have been submitted, one for the proposed market rental housing building, and one for the proposed seniors building that would be transferred to the Legion Manor. Staff have been working with the proponent to address the aforementioned Council resolutions, as well as other resolutions that were passed at that meeting on that project. The draft wording in the two housing agreements has been reviewed by staff in light of the Council resolutions and in accordance with District templates for legal agreements.

Rental Market Housing Agreement

The rental market agreement would apply to the three westernmost lots of the five lots included in the development, based on the proposed plan of subdivision. Once all five original lots are consolidated and subdivided into two lots, this agreement would be registered on the title of the new (western) lot and apply to that lot only.

The agreement (Appendix A) restricts the use of any dwelling units to rental only and in perpetuity. It secures up to 13 units as affordable housing units with a maximum “affordable rent” based on 80% of the average monthly rent as per the Canada Mortgage and Housing Corporation Market Outlook for Greater Victoria. In addition, an “Income Threshold” would be in place which sets limits for the annual household income for occupants of the affordable housing units. The District would have the ability to request a report to confirm that all dwelling units are being rented to non-owners. Staff note that the first right of refusal in favour of the District for potential purchase of the parcel should the development not come to fruition, as required by Council resolution, has been added as a condition in the covenant to be registered, as this is the appropriate avenue to secure this condition of rezoning.

Legion Housing Agreement

This agreement would apply to the three easternmost existing lots and would be transferred to the title of the new eastern lot that would be created after subdivision and transferred to the Legion Manor.

The agreement (Appendix B) would restrict use of any dwelling units to rental units only and in perpetuity. The monthly rent would not exceed the income or affordability standards prescribed by an Operating Agreement which would be an agreement between the Owner and BC Housing and/or CMHC. The agreement would define affordability levels, rental rates and other operating requirements. Staff note again that the right of first refusal in favour of the District for potential purchase of the parcel should the development not come to fruition, is to be secured by way of a covenant to be registered prior to adoption of the OCP and Zoning amendment bylaws.

Next Steps

The proponent has been working with staff to finalize the wording for the covenant and Council resolution requires the covenant to be registered prior to adoption of the OCP and Zoning Bylaw amendment bylaws. Once registered, confirmation of registration would be provided and staff would schedule the development proposal to come forward to Council for consideration of bylaw adoption.

Council would then be asked to consider adoption of the OCP amendment bylaw, adoption of the Zoning Bylaw amendment bylaw, adoption of the two housing agreement bylaws, and authorization of issuance of the development permit with variances.

**OPTIONS:****Option 1 (recommended):**

1. That Housing Agreement Bylaw No. 2207, 2025 (1934 Hovey Rd) be introduced and given First and Second Reading.
2. That Housing Agreement Bylaw No. 2207, 2025 (1934 Hovey Rd) be given Third Reading.
3. That Housing Agreement Bylaw No. 2228, 2025 (1934 Hovey Rd) be introduced and given First and Second Reading.
4. That Housing Agreement Bylaw No. 2228, 2025 (1934 Hovey Rd) be given Third Reading.

**Option 2:**

That alternative direction be provided.

**CONCLUSION:**

The next step in the process for the proposal for 1934 Hovey Road is to register two housing agreements in line with Council direction. The proponent and staff have been working on wording for the housing agreements and staff have now prepared two housing agreement bylaws for Council consideration.

Respectfully submitted by:	Ivo van der Kamp, Senior Planner
Concurrence by:	Jarret Matanowitsch, Director of Planning and Building Services
Concurrence by:	Christine Culham, Chief Administrative Officer

**ATTACHMENTS:**

Appendix A: Draft Housing Agreement Bylaw 2207 (Market Rental)

Appendix B: Draft Housing Agreement Bylaw 2228 (Legion)