

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, SEPTEMBER 02, 2020**

SUBJECT Oak Bay Lodge Planning

ISSUE SUMMARY

Oak Bay Lodge temporary use as housing for people experiencing homelessness.

BACKGROUND

The Capital Regional Hospital District (CRHD) has taken over ownership of Oak Bay Lodge (2251 Cadboro Bay Road) from Vancouver Island Health Authority (VIHA) effective August 14, 2020.

Specifications

- Oak Bay Lodge is a four-storey building accessed off Cadboro Bay Road and Cranmore Road, and is a 235 bed facility that has an existing parking capacity of 68 stalls.
- The property is bordered on the east by 12 single-family residential lots, three residential lots to the west, and one multiple-family three-storey building located directly next to the lodge on Cadboro Bay Road.
- **Lot Size:** 1.58 Hectares (170,069.8 Square Feet; 3.90 Acres)
- **Zoning:** P2 – Special Institutional Use: assembly of a long-term care institution. (Oak Bay Bylaw 4305 – April 24/06) (Zoning Bylaw #3531) The property is surrounded predominantly by the residential zone: RS5 “One-Family Residential”. The RM3 Zone “Multiple Dwelling Use – three storey” covers the area north of the site, on Cadboro Bay Road.

A Phase 1 Environmental Site Assessment and Hazardous Materials Assessment has been completed. The assessment of the existing building indicates that it is past its useful life and remediation would equal or exceed the costs of building a new facility. Demolition would be necessary for either redevelopment or sale of the property to realize the greatest value.

Two covenants exist on the property stating that the land be used for public good and that the property must be used as a retirement home.

On July 08, 2020 the CRD Board passed the following motion:

Direct staff to work with BC Housing and Island Health to explore the possibility of offering Oak Bay Lodge as temporary COVID 19 related hospital facility and as temporary housing for people experiencing homelessness in the region during the COVID-19 pandemic, and report back to the CRHD Board with options.

ALTERNATIVES

Alternative 1

The Hospitals and Housing Committee recommends to the Capital Regional District Board and the Capital Regional Hospital District Board:

That the Oak Bay Lodge Planning report be received for information.

Alternative 2

That the Oak Bay Lodge Planning report be referred back to staff for additional information based on Committee direction.

IMPLICATIONS

Process Implications

On July 14, 2020, CRHD issued an Invitation to Quote to five prospective consultants for the supply and delivery of Community Consultation and Engagement Consultant Services. Prospective consultants were selected upon research of company and/or CRD staff recommendation. Those experienced working with local government and/or municipalities and/or health redevelopment projects were deemed most qualified for initial contact. Written quotes were received August 7, 2020 and staff is in the process of reviewing these submissions. A consultant will be selected shortly and we anticipate community consultation to begin in the fall of 2020.

On July 16, 2020, CRD staff met with BC Housing to tour Oak Bay Lodge to determine operational feasibility of the site. BC Housing indicated they would be using a very limited portion of the site and buildings and would require a two year term with three to four month cancellation notice in order to find alternative housing for people located at the facility. The facility does not have suitable showers, the balconies are unsafe, and the elevator is also a concern.

Financial Implications

Staff have allocated \$10 million in the CRHD Capital Plan for Oak Bay Lodge demolition and redevelopment for 2021-2022. Resources will be allocated toward hiring consultants to develop a concept plan and working through a procurement process for receiving development proposals. Costs for the development of the conceptual plan will be funded from the Administration and Feasibility Studies reserve.

Social Implications

The purchase and sale agreement with VIHA includes a covenant to be registered against title to lands, which will provide that the land is to be used by the Purchaser and its successors for the public good. "Public good" includes not-for-profit care facilities in the health field or other publicly funded health care services, subsidized, supported or other public housing; shelter accommodation for homeless persons and associated health and social supports including harm reduction. The covenant will provide that any change of use from a "public good" use will only be permitted with the consent of VIHA. This could include other partnership opportunities for non-public uses subject to negotiation with VIHA.

Intergovernmental Implications

As noted, a covenant on the property from 1971 indicates that the property must be used as a retirement home. It is our understanding that paramountcy applies to local government regulations and does not apply to civil issues such as covenants. Consequently, BC Housing will need permission from Oak Bay municipality to utilize the facility.

In addition, an initial assessment of the zoning indicates the suggested use of the facility as a homeless shelter would not conform and BC Housing would need to use paramountcy. In order to use paramountcy they would require a leasehold interest in the property.

On July 20, 2020, Oak Bay Council passed a motion requiring a comprehensive planning and consultation process as an essential component of the rezoning process and that any temporary or long term use of the property must go through this process.

On August 5, 2020, the CRD received a letter from BC Housing (see Appendix A) indicating that Oak Bay municipality would require a public hearing in order to discharge or modify the existing covenant (that the property must be used as a retirement home) and this process would be lengthy and the outcome uncertain. As a result, BC Housing recommends finding other facilities that will meet their need and urgency to provide temporary housing within the region.

CONCLUSION

The existing zoning on the site does not support the temporary use of the facility to house people experiencing homelessness. The covenant requiring the property be used as a retirement home makes the use of paramountcy inapplicable, and Oak Bay Council's requirement for a comprehensive planning and consultation process makes the feasibility of utilizing this site to temporarily house people experiencing homelessness not feasible at this time. The CRHD will continue its redevelopment process and public consultation as planned.

RECOMMENDATION

The Hospitals and Housing Committee recommends to the Capital Regional District Board and the Capital Regional Hospital District Board:
That the Oak Bay Lodge Planning report be received for information.

Submitted by:	Michael Barnes, MPP, Senior Manager Health & Capital Planning Strategies
Concurrence:	Emily Sinclair, MCIP, RPP, Acting General Manager, Planning & Protective Services
Concurrence:	Ted Robbins, B. Sc., C. Tech., Acting Chief Administrative Officer

Appendix A: BC Housing Letter