



The Corporation of the City of Courtenay

# Staff Report

**To:** Council

**File No.:** 6480-20-2403

3360-20-2409

**From:** Director of Development Services

**Date:** April 2, 2025

**Subject:** Amend Development Permit Area 1 and 2 for Small-Scale Multi-Unit Housing

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## PURPOSE:

For Council to receive the report from the public engagement process and consider giving first and second readings to:

- **Official Community Plan - Amendment Bylaw No. 3177, 2025** to *amend Official Community Plan Bylaw No. 3070, 2022* to amend Development Permit Areas 1 and 2 for small-scale, multi-unit housing; and,
- **Zoning Amendment Bylaw No. 3176, 2025** to *Zoning Bylaw No. 2005, 2007* to amend Development Permit Area 1 and 2 small-scale multi-unit housing, to implement Bill 44-Housing Statutes Amendment Act, 2023 and related policies to streamline development permitting, while continuing to meet community needs.

## BACKGROUND:

At the November 13, 2025 regular meeting of Council, Council received the report Development Permit Area Amendments for Small-Scale Multi-Unit Housing Consultation Plan (Attachment 1) and approved the Plan by passing the following resolution:

“THAT Council, receive the report on the Consultation Plan for DPA amendments for Small-scale Multi-unit Housing and endorse the Consultation Plan for the proposed Development Permit Areas: DPA-1 and DPA-2 as outlined in Attachment 1 of the report; AND

THAT pursuant to section 475 and 476 Local Government Act, Council will provide opportunities it considers appropriate for consultation with persons and parties it considers will be affected, including the general public and the local development industry, and pursuant to section 476 Local Government Act, prior to considering amendments to City of Courtenay Official Community Plan Bylaw No 3070, 2022.”

Between February and March 2025, staff implemented the approved Consultation Plan. This included a variety of engagement activities, including interactive project webpage, in-person meetings, public surveys, and social and print media. What follows is a report on the proposed changes to the bylaws informed by the consultation process and the next steps in the approvals process.

## **Legislative Consideration**

Part 14, Division 7 – Development Permits of the *Local Government Act* provides local governments with the authority to designate special areas of interest by bylaw, known as development permit areas. Under 488 (1), there are eleven different purposes; the following inform the justification, objectives and guidelines of DPA 1 and DPA 2:

- (e) establishment of objectives for the form and character of intensive residential development; ONLY for DPA -1;
- (f) establishment of objectives for the form and character of commercial, industrial or multi-family residential development; ONLY for DPA-2;
- (a) protection of the natural environment, its ecosystems and biological diversity;
- (h) establishment of objectives to promote energy conservation;
- (i) establishment of objectives to promote water conservation;
- (j) establishment of objectives to promote the reduction of greenhouse gas emissions;

Section 457.1 states a power under section 488 [designation of development areas] must not be exercised in a manner that unreasonably prohibits or restricts the use or density of use required to be permitted in section 481.3 [zoning bylaws and small-scale multi-family housing].

To assist local governments in the implementation of this legislation, the “Provincial Policy Manual & Site Standards, SSMUH”, was released in 2024. The Provincial Manual generally discourages form and character development permit areas for fewer than six units; however, it continues to acknowledge local governments have discretion over what density of housing qualifies as “intensive residential” under *Local Government Act* s. 488(1)(e). Thus, local governments may choose to retain or adopt a DPA for fewer than six units.

The Provincial Manual highlights DPA requirements that may negatively impact SSMUH viability (neighbourhood character, location of entrances, building height, building massing, parking and waste management, and landscaping) and principles for effective DPA use (clarity and specificity, staff delegation, avoiding design panels/commissions, and permissive requirements that recognize spatial and financial constraints). Considering this direction through the lens of the Official Community Plan (OCP), staff propose a balanced approach; one that meets the legislative requirements and streamlines the permitting process, while continuing to respond to the community goals and objectives expressed in the OCP.

## DISCUSSION:

### ***Proposed Changes to Official Community Plan Bylaw No. 3070, 2022 and Zoning Bylaw No. 2500, 2007***

#### **DPA-1: Form and Character DPA for Commercial, Industrial, Mixed-use Developments & Multi-family with Three or More Units:**

The main change for DPA-1 is moving the threshold for residential development applicability to five or more units from three or more units so that three- and four-unit developments (which are permitted in the R-SSMUH zone) do not require DPA-1 development permits. Developments with three or four units are subject to DPA-2, whose guidelines are amended to provide more flexibility aligned with the provincial policy. Other changes are to provide clarity and consistency in language and administrative in nature, including:

- name is simplified to “DPA-1: Commercial, Industrial, Large-Scale Residential and Mixed Use” throughout the applicable sections of the OCP and zoning bylaws,
- justification and objectives sections are updated to reflect the removal of smaller residential developments, and

- language clarified and formatting fixed and reference added to the Old Orchard & Terminal Addition. Although these neighbourhoods primarily comprise lots zoned R-SSMUH which do not permit more than four dwelling units per lot, there are some lots in Old Orchard with higher-density zoning and there are existing DPA-1 guidelines specifically for the neighbourhood. Any guidelines should work toward meeting stated objectives with justification and this appears to have been an oversight in the existing text.

Through the engagement, there was general support for the proposed changes to DPA-1. See Attachment 2: What We Heard Report.

The proposed Official Community Plan - Amendment Bylaw No. 3177, 2025 and proposed Zoning - Amendment Bylaw No. 3176, 2025 are attached to the report.

**DPA-2: Intensive Residential Form and Character DPA for Duplexes, Detached Secondary Residences, Heritage Neighbourhoods, Bare Land Stratas, and Mobile Home Parks:**

A more extensive update of DPA-2 was completed to align with the provincial direction to provide more flexibility with updates to the justification and objective sections to clarify language and consistency. The following changes are proposed for DPA-2 and summarized in Table 1:

- The name reflects the changes and is simplified to “DPA-2: Small-Scale Multi-Unit Residential” throughout the applicable sections of the OCP and zoning bylaws.
- Duplexes and accessory dwelling units (ADUs) no longer require form and character development permits for properties with fewer than three dwelling units. This is the case in other communities like Campbell River and areas of Cumberland, and elsewhere in BC in response to provincial direction. Public feedback on this proposed change is mixed; generally, more in favour of requiring development permits for larger developments, see Attachment 2: What We Heard Report.
- Single-detached dwellings in heritage neighbourhoods no longer require form and character development permits, although heritage areas in DPA-1 and DPA-2 continue to be recognized. Public feedback favours requiring development permits for development in these areas rather than elsewhere. However, development permit areas are limited to residential form and character guidelines for “multi-family” or “intensive” residential developments, per the *Local Government Act* s.488 (e, f). There are other planning tools for heritage protection, which are anticipated to be explored through the update of the OCP.
- Guidelines updated to reduce potential spatial or financial constraints (such as garages facing away from the street which likely requires additional driveway area and reduces the buildable area for housing), and to provide more flexibility in design and siting, while retaining safety and sustainability factors.

**Table 1: Summary of Proposed Changes for DPA-2 by Sub-heading/Topic Areas:**

Site Planning	<ul style="list-style-type: none"><li>i. Incorporated best practices for gently increasing density into existing neighbourhoods. Support design standards that promote siting and building design that are compatible with existing area, promote connectivity, preserve privacy and incorporate sustainability considerations.</li><li>ii. Building design that are compatible with existing area, promote connectivity, preserve privacy and incorporate sustainability considerations.</li></ul>
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Public Realm and Streetscape	<ul style="list-style-type: none"> <li>i. Section generally unchanged and now allows for more flexibility for location of entrances aligned with provincial policy.</li> <li>ii. Explicit fencing/landscaping for privacy language is added to replace landscape buffer removal from R-SSMUH zone.</li> <li>iii. Added guideline for entrances and exits to parking areas to be located and designed to reduce potential modal conflicts, maintain visual sight lines and limit impact to the transportation network.</li> </ul>
Building Design	More permissive language to encourage high quality, creative design and energy efficient buildings
Landscaping	<ul style="list-style-type: none"> <li>i. Some elements added from DPA-1 with more flexible language.</li> <li>ii. Some text amendments to clarify language.</li> </ul>
Mobile Home Parks	<ul style="list-style-type: none"> <li>i. Removed special guidelines for bare-land stratas.</li> <li>ii. Some text amendments to clarify language.</li> </ul>
Old Orchard and Terminal Addition Neighbourhoods	<ul style="list-style-type: none"> <li>i. Removed “For Primary and Secondary Residences in” from section heading.</li> <li>ii. Removed redundant elements addressed in other sections.</li> <li>iii. Added more flexible language regarding roof slope, architectural interest.</li> </ul>
40 Houses Neighbourhood	<ul style="list-style-type: none"> <li>i. Removed “For Primary and Secondary Residences in” from section heading.</li> <li>ii. Removed redundant elements addressed in other sections.</li> <li>iii. More permissive language regarding building height, spatial relationships, massing.</li> </ul>

Through the engagement feedback from the respondent groups the proposed changes are considered balanced and were generally supported by both the development industry and residents, who participated via in-person meetings and/or the public survey. (See What We Heard Report attachment 2)

#### **Additional Proposed Change to OCP and Zoning Bylaw:**

An important change is exempting one or two dwellings from requiring form and character DPA as follows:

- Section, Exemptions for Form & Character Development Permits: Proposed residential development with a total of one or two dwelling units”.

The following text is removed to align with provincial legislation, Section 457.1 of the *Local Government Act*. Local Governments are unable to limit density via a DPA by restricting the number of storeys where the maximum permitted height is 11 m.

- “One (1) storey residential in the 40 Houses” is removed from the Built Form list, and
- “Create a new zone in the Zoning Bylaw to reflect the traditional height, massing, and siting” is removed from 40 Houses Neighbourhood Policies in Part B, Managing Growth, Specific Land Use of the OCP.

#### **Administrative changes**

Table D-6 in the OCP and corresponding Table 1 in the Schedule A to the zoning bylaw are updated to reflect above mentioned changes to DPA names. Also, within the combined DPA-1/2 Purpose summary, language is

added noting intensive residential and multi-residential development form and character, as well as protection of the natural environment, and language is removed about farming for properties adjacent to agricultural lands (which pertains to DPA-3).

The title and contents page of Schedule A to the zoning bylaw is updated to reference the *Zoning Bylaw No. 2500, 2007* it is a schedule rather than the amendment bylaw that brought it into force and DPA-1 and DPA-2 names are updated.

Proposed Bylaw Amendments:

*Official Community Plan - Amendment Bylaw No. 3177, 2025* (attachment 4) and *Zoning Amendment Bylaw No. 3176, 2025* (attachment 5) to this report.

**POLICY ANALYSIS:**

The proposed bylaw amendments for DPA-1 and DPA-2 would continue to support the realization of the following OCP policies:

- Land Use Policy LU 3 - Support and encourage infill housing choices across the city through distribution of new residential growth in existing neighbourhoods outside of – and in support of – primary and secondary growth centres and in accordance with the land use designations contained within this Plan.
- Urban Residential Policy No. 1 - Support gentle infill that encourages greater housing choices and tenure types.
- Streets and Transportation Objective 6 - The amount of land dedicated to parking is minimized.
- Building and Landscape Policy BL 8 - Utilize Development Permit Area guidelines for the purposes of:
  - a. Energy and water conservation by encouraging all new buildings to exceed energy, emissions, and water conservation targets described on page 109.
  - b. Incorporating biodiversity and sensitive rainwater management practices within landscapes; and
  - c. Ensuring that the form and character of new developments complement surrounding neighbourhood and showcase Indigenous designs.
- Affordable Housing Policy AH 22 - Conduct a development process review in order to recommend improvements to the current approval process, including fee structure, customer service, and improve clarity and transparency of OCP requirements and expectations.
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**FINANCIAL IMPLICATIONS:**

The approved consultation process aligns with the legislative requirements for the adoption of an OCP bylaw and advances the Planning Division's work program. The associated staff time and budget are included in the Planning Division's work plan and 2025-2029 Financial Plan. There are no other financial implications to the 2025 - 2029 financial plan associated with the adoption of these bylaws. Grant funding received from UBCM is being utilized for consultants required to assist in staff capacity requirements to align Bill 44 with the OCP and Zoning Bylaw.

Section 477 (3) in the *Local Government Act* requires local government to consider its financial plan and any applicable municipal or regional district waste management plan after first reading and before public hearing. Following first reading, the OCP and Zoning Bylaw amendments will be referred to the City's Financial Services and the CVRD Liquid Waste Services. Given the comments already received from the CVRD, it is anticipated the amendments will not conflict (See Correspondance from CVRD Attachment 3).

**ADMINISTRATIVE IMPLICATIONS:**

Development Services staff conducted the necessary research and analysis in the preparation of the draft changes and implemented the approved Consultation Plan. Staff from the Communications Division provided support in the development of the project webpage, information boards, social and print media notifications.

**STRATEGIC PRIORITIES REFERENCE:**

This initiative addresses the following strategic priorities:

- Buildings and Landscape - Review and update land use regulations and bylaws for consistency with OCP
- Good Governance - Review and streamline development process and set targets for application processing times
- Good Governance - Establish an OCP Implementation Townhall Forum

**PUBLIC ENGAGEMENT:**

Sections 475(1) and 476 in the *Local Government Act* state that during the development of an amendment to the OCP the proposing local government must provide one or more opportunities it considers appropriate for the consultation with persons, organizations and authorities it considers will be affected. This requirement has been satisfied through the successful implementation of the Consultation Plan as outlined in this report and the What We Heard Report.

Beginning in February 2025 staff implemented several engagement activities, including interactive webpage, in-person meetings, public survey and social and print media. The engagement activities generated various insights from participants used to enhance the revised DPA -1 and DPA -2.

In addition, notification of the proposed changes along with an invitation to comment and/or meet was communicated to the Town of Comox, Village of Cumberland, Comox Valley Regional District (CVRD), Island Health, School District No. 71 and Kómoks First Nation. The CVRD provided a written response (Attachment 3) confirming the proposed changes do not conflict with the direction provided by the Regional Growth Strategy and was overall supported by the proposed changes.

The successful completion of these activities demonstrates the legislative requirements have been satisfied as well as the City's strategic priorities for good governance – increasing community engagement. Full details of the process and outcomes are provided in the What We Heard Report (see Attachment 2).

**OPTIONS:**

1. THAT Council receive the report titled "What We Heard Report - Development Permit Area Amendments for Small-Scale Multi-Unit Housing".

2. THAT Council give first and second readings to “Official Community Plan - Amendment Bylaw No. 3177, 2025 (form & character development permit area, SSMUH)”.
3. THAT Council give first and second readings to “Zoning - Amendment Bylaw No. 3176, 2025 (form & character development permit area, SSMUH)”; and  
THAT Council direct staff to provide notice for a Public Hearing on Wednesday, April 30, 2025.
4. THAT Council provide alternative direction to staff through resolution.
5. THAT Council not proceed.

**ATTACHMENTS:**

1. Staff Report to Council, dated November 13, 2025
2. What We Heard Report, dated April 2, 2025
3. Correspondance from CVRD, dated March 13, 2025
4. OCP - Amendment Bylaw No. 3177
5. Zoning - Amendment Bylaw No. 3176

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