



The Corporation of the City of Courtenay

Staff Report

To: Council

File No.: 3360-20-2406/RZ000085

From: Director of Development Services

Date: May 7, 2025

Subject: Zoning – Amendment Bylaw No. 3157 – Medium Density Multi-Residential (RM-1)

PURPOSE:

For Council to consider first, second and third reading of Zoning – Amendment Bylaw No. 3157 - Medium Density Multi-Residential (RM-1) to establish a new Medium Density Multi-Residential (RM-1) zone, that permits the “gentle infill” contemplated in the areas designated as Urban Residential in the City’s Official Community Plan (OCP). Concurrently, the bylaw proposes to rezone the property addressed 1655 20th Street, legally described as PARCEL "C" (DD 401114I) OF LOT B, DISTRICT LOT 230, COMOX DISTRICT, PLAN 12188, from Residential Small-Scale Multi-Unit Housing (R-SSMUH) to the newly established RM-1 to permit a 12-unit townhouse development.

BACKGROUND:

Small-Scale Multi-Unit Housing

On June 12, 2024, the City of Courtenay created the Residential Small-Scale Multi-Unit Housing Zone (R-SSMUH) replacing 16 residential zones, comprising 5,649 properties, to meet legislative requirements related to small scale, multi-unit housing. The R-SSMUH zone permits up to four dwelling units on lots as small as 300 m² to facilitate infill development. Following provincial guidance, the R-SSMUH zone was not applied to lots in zones with minimum lot sizes greater than 4,050 m² (one acre) because these lots were thought to have potential for higher densities. For some lots less 4,050 m² (one acre), there may be opportunities for higher density or different configurations than permitted by the R-SSMUH. As such, staff have proposed a new zone for Medium Density Multi-Residential (RM-1). At this time, there is no proposal to rezone any lots other than the subject property. In the future, this zone may be appropriate for other properties to achieve orderly and consistent land use regulation to meet our housing needs assessment.

Proposed Development and Context for 1655 20th Street

Figure 1: Concept Perspective



The subject property is currently zoned Residential Small-Scale Multi-Unit Housing (R-SSMUH). It is 2,742.6 m² (0.68 acres) in area with lot dimensions of 27.4 m (frontage) by 99.7 m in depth as illustrated in **Figure 2**. The site previously had a single-detached house which was demolished and is now vacant with no significant trees. It is located on across 20th Street from a #7 bus route bus stop and Martin Park, which offers lacrosse and pickleball courts and a playground, and is on a proposed bicycle route. It is outside the 15-minute Walkable Area and is approximately one (1) km from other schools and commercial centres but it is within 400 m of Tin Town shops and services. Properties bordering side lot lines are zoned R-SSMUH, with single detached houses and one duplex. The property behind the subject property is zoned R-3A and has single-storey townhouses.

Figure 2: Subject Property Location and Context



The property is designated Urban Residential in Official Community Plan (OCP), as illustrated in **Figure 3**, which permits multi-residential development and low-rise buildings, which are described as being up to four storeys. All properties within 200 m of the subject property are designated Urban Residential except Martin Park and the Church of Jesus Christ of Latter-day Saints located 100 m southwest along 20th Street. The OCP also describes the Urban Residential designation as comprising mainly single-detached residential buildings, with “gentle infill” such as duplexes, and supports townhouses and small apartments particularly along the Frequent Transit Network on a case-by-case basis subject to rezoning applications. Since the OCP adoption, most of the Urban Residential properties have been rezoned to R-SMUHH which permits three-storey townhouses and up to four (4) dwelling units per property.

Figure 3: OCP Land Use Designations



The proposal for the subject property is to build 12 three-bedroom townhouse units in three two-storey buildings as pictured in **Figure 1 above** and **Figure 4** below. The proposal fits the parameters of the proposed zone discussed below.

Figure 4: Proposed Site Plan



The subject property, although nine times the minimum R-SSMUH lot size, could only potentially subdivide into two lots, or three lots subdivided along a party wall, due to its dimensions, so it cannot develop to a density near that intended for the zone. This lot illustrates a situation where a lot that is smaller than 4,050 m² can better provide more ground-oriented housing by remaining intact with a larger number of homes, rather than being subdivided into smaller lots with four-dwelling unit maximums. The intent of the proposed RM-1 zone detailed below is to permit similar forms and densities of residential development as the R-SSMUH zone on larger sites, which no existing zones adequately addresses, and to avoid creating more CD zones. This aligns with proactive planning to meet provincial regulations by creating a medium density residential zone that provides alternatives for infill housing to meet our housing needs.

DISCUSSION:

Zoning Review

Existing larger lot zones in the City's Zoning Bylaw, including R-3, R-3A, R-3B, R-4, R-4A, R-4B and R-5, are restrictive to the proposed townhouse form of development. By creating a flexible medium residential zone that builds upon the R-SSMUH zone and not creating another CD zone staff are being proactive to support infill development on larger properties to encourage a much-needed medium density housing form. The establishment of this zone will facilitate the City's requirement to address the missing middle in our 20-year housing supply. While there are no plans to rezone any other lots at this time, the establishment of this zone is part of the work to ensure a sufficient supply of a variety of housing forms. The restrictions in existing zones to this proposed form of housing are:

- Current R-3, R-3A, R-3B and R5 zones have maximum densities as well as deeper setbacks and lower maximum heights than R-SSMUH that constrain development (0.4 – 0.7 FAR for townhouses; 7.5+ m front and rear yard setback vs. R-SSMUH's 4.0 front and 5.0 rear; 5-10 m height vs. R-SSMUH's 11.0 m).
- Current R-4, R-4A and R4B zones permit apartment buildings and permit densities and maximum heights which may exceed desirable building massing in some Urban Residential areas (1.0-1.33 floor area ratio (FAR) and maximum heights of 13.7-14.0 m), rezoning to these zones for townhouses may not be supportable for some properties. Additionally, these zones generally have deep setbacks, to offset their larger heights and densities, which would restrict townhouse development (front 6-7.5 m or 15% of lot depth; side up to 6-7.5 m or 12% of lot with; rear 6-10 m or 20% of lot depth).

The new Medium Density Multi-Residential (RM-1) builds upon the R-SSMUH zone and the comparable R-3 zone and this analysis is in **Attachment 2**. The proposed zone is **Attachment 1**.

The proposed RM-1 zone proposes the following regulations:

- To exclude single residential dwellings and accessory dwelling units to encourage medium density, not single residential dwellings.
- Proposed 2,700 m² minimum lot size is larger than R-3's minimum lot size. This minimum lot size will be reviewed with the zoning bylaw update that is underway.
- Proposed 0.75 Floor Area Ratio (FAR) exceeds the R-3 zone's maximum FAR. FAR permits more flexibility in dwelling unit composition while maintaining desired massing and unit density, especially on larger developments.
- Front and rear setbacks and height match R-SSMUH for consistency. The proposed side setbacks are between R-SSMUH and R-3 to balance facilitating compact development and to provide adequate space between properties.
- Lot coverage includes all impervious areas as does the R-SSMUH Zone does, as the existing R zones only regulate building area. The proposed 70% impermeable aligns with other medium residential zones found in Comox (70-75%) and Kelowna (80%) and recognizes that providing and maintaining permeable driving surfaces can be more challenging for higher-traffic developments.
- The proposed accessory building specifications match R-SSMUH.
- Useable Open Space at 20.0 m² per dwelling unit is similar to R-SSMUH but the zoning requirement applies to all dwelling units, not just accessory dwelling units and secondary suites. R-3's requirement is higher and scales with bedroom count which discourages larger units.
 - As more compact developments with more compact useable open spaces come online, parks such as the one across from the subject development become increasingly important.
- As with R-SSMUH, landscaping buffers and minimum heights in the proposed zone. Lot perimeter landscaping and privacy are required through development permit guidelines.
- Similar to R-SSMUH, which reduces the minimum number of parking stalls by one (with a maximum of four dwelling units), the proposed zone reduced the minimum number of parking stalls by 25% in walkable areas.
- Proposed requirement for EV charging infrastructure is tied to dwelling units and will vary with walkable area parking reduction.
- Unlike R-SSMUH and existing multi-residential zones, there is a requirement for each unit to have roughed-in infrastructure capable of providing, at minimum, Level 2 charging (which can be reduced by 25% in walkable areas).
- Proposed parking aisle accessing 90-degree parking can be 6.0 m rather than 7.2 m for a private or strata road. R-SSMUH has 6.5 m and upon further research staff are recommending 6.0m minimum to support various subdivision formats that may be utilized to encourage flexibility in design.
- Proposed bicycle parking requirement scales with bedroom count like with SSMUH but adds Class I (visitor) parking. Like R-SSMUH, this zone also does not require meeting the detailed Section 7.3.2 bicycle parking specifications.

Comparable Zones in Other Cities

Staff examined similar residential zones in comparable or compelling communities to inform the proposed Medium Density Multi-Residential (RM-1) as highlighted below:

Kelowna

Is considered a leader in development planning in BC and has a range of low, medium and high-density zones. In terms of comparison, its MF2 – Townhouse Housing zone is generally more permissive than the proposed RM-1 zone. It intends to facilitate ground-oriented housing, primarily townhouses, and does not permit apartments but does also permits lower-density residential forms. It similarly allows 11.0 m height but a higher 80% impermeable coverage; smaller 3.0 m front, 4.5 m rear and 2.1 m side setbacks, a higher FAR of 1.0, plus bonus density and smaller lots (900 m², 20 m frontage and 30 m depth).

Penticton

Its RM2 – Low Density Multiple Housing is also meant for three-storey residential development and is more similar to what staff propose, though it permits apartment buildings in addition to townhouses and lower-density residential uses. Relative to the proposed zone, it specifies a similar 20.0 m² amenity space per dwelling; slightly higher 0.8 FAR and 12 m maximum height; and comparable setbacks of 3.0 m (front), 6.0 m (rear), 1.5 – 3.0 m (interior side, depending on height), 4.5 m (exterior side); but permits much smaller lots (540 m², 18-19.5 m frontage, no minimum depth).

Nanaimo

Its closest comparable zone may be Row House Residential (R7), which permits slightly lower height and FAR than proposed (10.5 m, 0.7 FAR plus bonus density). There is also Medium Density Residential (R8) which permits higher 1.0 FAR and 14.0 m height with deeper setbacks. R7 only permits row houses and other multiple family dwellings as principal uses, has a potentially higher maximum coverage for buildings only at 50-70%, has smaller setbacks (3.0 m front, 3.0 m rear, 1.5 – 2.5 m side), and permits smaller lots (1500 m², 15 m frontage, 24-27 m depth; smaller area and frontage requirements and modified setbacks for subdividing individual row houses).

Campbell River

Its closest comparable zone is Residential Multiple One (RM-1). It is intended primarily for one- to two-storey patio homes and townhouses but also permits larger buildings including apartments and lower-density housing forms. It has a slightly lower 10.0 m maximum height than proposed and a significantly lower number of Units Per Hectare (UPH - maximum 25 + density bonusing versus 44 proposed for the subject development and more theoretically possible in the zone though not specified in the zone). Its 50% building coverage is difficult to compare to proposed 70% total impermeable area coverage. Setbacks are 7.5 m front, 7.5 m rear, 3.0 m side up to 4.5 m adjoining a highway.

Comox

Its closest comparable zone may be RM3.2 Apartment/Townhouse – High Density, though it permits apartments as well as townhouses and two-family homes. Another somewhat comparable zone is RM2.3 Street Oriented Townhouse, which does not permit apartments but does permit commercial boutiques. Both have a maximum 10.0 m height, 30.0 m frontage, no minimum depth and maximum coverage of 70-75% including parking and driveways. RM2.3 has setbacks similar to proposed (front 4.5-5.5 m, rear 5.0-7.5 m, side 1.5-3.5 m) and a lower maximum UPH of 45. Conversely, RM3.2 has

deeper setbacks than proposed (12 m front, 7.5 m rear, 3.5 m side) with a potentially similar or higher UPH of (65-91).

Properties that may be able to use the RM-1 Zone

Within the city boundaries there are approximately 317 properties designated Urban Residential that meet the minimum lot size of 2,700 m². Some of these lands would not be suitable for the proposed RM-1 zone due to one or more considerations, such as the building age, the use of the existing property, the existing non-residential zoning, the lot dimensions, servicing constraints, and/or the presence of Environmentally Sensitive Areas and/or natural hazards. The types of current Urban Residential properties the RM-1 may apply to are summarized below:

- One hundred and seventy-one (171) of these properties are zoned R-SSMUH like the subject property; depending on their lot dimensions they may be a better fit for subdivision into smaller properties or they may not meet R-SSMUH frontage or lot depth requirements and the RM-1 may be a better fit.
- Ninety (90) have non-residential, higher-density residential or comprehensive development zoning which may make them less likely to rezone.
- Thirty-two (32) are large residential lots that were not converted to R-SSMUH because their zones have minimum lot sizes over 4050 m² (R-1A, RU-8 and RU-20). Many of these are located in the Arden area and may currently have servicing and/or environmental considerations.
- Twenty-four (24) are low-density multi-residential (R-3, R-3A, R-3B or R-5), most of which are built and unlikely to redevelop in the near future.
- As part of this year's Zoning Bylaw, consideration may be given to modifying zone specifications such as lot size. A lower minimum lot size of 1,250 m² is common for Courtenay's multi-residential zones. About 949 Urban Residential properties are 1,250 m² or larger, including 164 in non-residential, higher-density residential or comprehensive development zones; 692 zone R-SSMUH; 38 in low-density multi-residential; and 55 in large single residential lots.

Proposed Development for 1655 20th Street

Initially, the proposed development for the subject property was utilizing various R-3 zones to inform the creation of a new CD zone. This initial work meant that the proposed development has selected deeper front and rear setbacks and lower height than the proposed RM-1 zone. The RM-1 zone allows for flexibility in design adjustments should they arise without requiring a variance which will streamline the processing of this and future applications suitable for the RM-1 zone.

The proposed development has front and rear setbacks of 6.0 m, and is two storeys (9 m) in height rather than the maximum height permitted in the RM-1 zone of three storeys (11.0 m). This design allows for improved neighbourhood fit. Driveways that front garages can fit an extra vehicle, their 3.5 m width plus taper facilitates turning movements for full-sized vehicles from the narrow 6.0 m drive aisle and allows for larger homes and yards within the development area. Each home has a fenced back yard and front sitting area with privacy screen (**Figure 5**). Solid wood six-foot fencing runs along rear and side lot lines, dropping to four feet high in the front yard. This proposed development is consistent with the proposed RM-1 zone. The Tree Density Target of 14 trees is exceeded with over half native species trees. A DPA-1 form and character development permit with landscaping security would be required prior to building permit issuance. At 44 units per hectare, this development fits the Regional Growth Strategy classification of Medium Density (24-74 units per hectare).

Figure 5: Proposed Landscape Plan



POLICY ANALYSIS:

The proposed zone and development 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.
- Affordable Housing Policy AH 6 – Encourage the provision of 3+ bedroom units as part of a mix of unit types in new multi-residential buildings to create more housing choices for families.

The proposed zone and development support the realization of the following Regional Growth Strategy policies:

- Housing Policy 1A-2 – The focus of higher density and intensive developments shall be within the existing Municipal Areas. Within the Municipal Areas densification and intensification of development is required including infill and redevelopment.
- Housing Policy 1C-1 – Provide a diversity of housing types in the Municipal Areas using the following housing type targets for new developments by 2030: These targets are for Municipal Areas in aggregate.
 - 40% Low Density Single unit residential, town homes, semi-detached, secondary suites, 4-24 units per hectare
 - 30% Medium Density Low-rise multi-unit up to four storeys, 24-74 units per hectare
 - 30% High Density Over four storey multi-unit's minimum, 74 units per hectare

Community Amenity Contribution

The OCP's CAC policy seeks to secure 15% of the net increase in permitted units achieved through rezoning as non-market housing. The OCP also details a cash-in-lieu option of \$4,000 per unit upon adoption, rising to \$8,000 per multi-residential strata unit or \$5,000 per rental unit effective January 2025. The applicant has offered \$4,000 per unit for the fifth and subsequent units, for a total contribution of \$32,000 based on the existing zone permitting four units, the scale of the development, and the application having been made prior to January 2025.

PROPOSED CONDITIONS OF REZONING:

The following conditions must be met prior to consideration of adoption of rezoning:

- Section 219 covenant for the Owner to provide cash-in-lieu for frontage improvements up to the centreline on the full frontage of 20th Street, including removal and replacement of pavement, curb, gutter and sidewalk, in an amount approved by the City's authorized delegate, payable prior to building permit issuance.
- Section 219 covenant for contribution to the Affordable Housing Amenity Reserve Fund, payable prior to building permit issuance for 5th and subsequent dwelling units.

FINANCIAL IMPLICATIONS:

If rezoning advances as proposed by the applicant and detailed in this report, Development Cost Charges will be required to be paid by the applicant prior to building permit approval.

ADMINISTRATIVE IMPLICATIONS:

Processing Zoning Bylaw amendments is a statutory component of the corporate work plan and a core duty of the Department of Development Services. Work to date has primarily been carried out by Development Services staff, although other departments have provided referral comments.

Should the Zoning Bylaw amendment be approved by Council, a form and character development permit application will continue to be processed separately and considered by the Director of Development Services. To streamline processing time and minimize modifications after rezoning, staff have already begun substantial work on the development permit application.

STRATEGIC PRIORITIES REFERENCE:

This proposal addresses the following strategic priorities:

- Buildings and Landscape - Update Zoning Bylaw - review maximum building heights
 - Appropriate maximum building height is one of the impetuses for the new zone as R-3 zones provide less height (and storeys) than R-SSMUH, limiting compact design options, and R-4 zones allow more height (and storeys) than might be appropriate in some Urban Residential areas.
- Buildings and Landscape - Review and update land use regulations and bylaws for consistency with OCP
 - The proposed zone strives to suit the Urban Residential land designation and facilitate compact residential development on large lots that are not suited to subdivision into small lots and not suited to four-storey apartment buildings.
- Good Governance - Review and streamline development process and set targets for application processing times
 - Creating a zone that facilitates compact development on larger lots outside core areas streamlines development processes by minimizing the need for time-intensive comprehensive development zone creation

PUBLIC ENGAGEMENT:

The Community Information Meeting requirements for this development have been waived at the discretion of the Director of Development Services per Section 7.2 of *Development Procedures Bylaw No. 3106, 2023*.

As defined in section 464 (2) (b) of the Local Government Act, a local government is not required to hold a public hearing on a proposed zoning bylaw if

- (a) an official community plan is in effect for the area that is the subject of the zoning bylaw, and
- (b) the bylaw is consistent with the official community plan.

As set out above, the OCP contemplates “gentle infill” in the areas designated as Urban Residential in the OCP. Furthermore, the establishment of this zone facilitates the development of different forms of housing in suitable locations, in alignment with other policies in the OCP.

In this specific case, a decision to waive the public hearing was also considered appropriate because a public hearing would have been prohibited if a stand-alone rezoning bylaw had been presented for the proposed 12-unit townhouse development at 1655 20th Street. A stand-alone bylaw would have met the criteria in s. 464(3) of the Local Government Act because it would have been for the sole purpose of permitting a residential development, with at least half of the gross floor area of all buildings and other structures proposed as part of the development consisting of the residential component.

Notification that a public hearing is not being held in accordance with 464(2) b was given in advance of first reading of the proposed *Zoning – Amendment Bylaw No. 3157 (1655 20th Street)* in accordance with section 467 of the *Local Government Act*. Notification consisted of advertisements posted on the City’s website and social media channels for two consecutive weeks in advance of bylaw reading, mailed to residents within 100 metres, and run in the Comox Valley Record April 23 and April 30.

OPTIONS:

1. THAT Council give first, second and third readings to “Zoning – Amendment Bylaw No. 3157 - Medium Density Multi-Residential (RM-1)”.
2. THAT Council give first and second reading to “Zoning – Amendment Bylaw No. 3157 Medium Density Multi-Residential (RM-1)” and direct staff to provide notice for a Public Hearing.
3. THAT Council request additional information from staff through a resolution.
4. THAT Council not proceed with the application.

ATTACHMENTS:

1. Zoning – Amendment Bylaw No. 3157 – Medium Density Multi-Residential (RM-1)
2. Comparison Table
3. Applicant’s Written Project Description
4. Plans and Elevations

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