



The Corporation of the City of Courtenay

Briefing Note

To: Council

File No.: 6480-20-2501/OCP00022

From: Director of Development Services

Date: July 30, 2025

Subject: Official Community Plan – Project Interim Update

PURPOSE:

For Council to receive for information land designation and zoning capacity analysis of Courtenay's Official Community Plan Bylaw No. 3070, 2022 (OCP) and Zoning Bylaw No. 2500, 2007 and housing policy requirements of the OCP in accordance with Bill 44 provincial housing legislation requirements; and to receive information on the status of the OCP review including updated project timeline.

BACKGROUND:

In response to the new provincial housing legislation introduced under Bill 44 (*Housing Statutes (Residential Development) Amendment Act, 2023*), all municipalities in British Columbia are now required to review their Official Community Plans (OCPs) and Zoning Bylaws to demonstrate that they have the necessary housing policies and zoned land capacity to meet the 20-year housing needs identified in their latest Housing Needs Report. Where non-compliant with the legislation, municipalities must update said bylaws by December 31, 2025. The intent of this requirement is to ensure communities are planning proactively to accommodate expected population growth and housing demand, by aligning land use policy with local housing needs.

The City of Courtenay adopted its Housing Needs Report (HNR) in August 2024, which identifies a net need for 8,351 additional housing units between 2021 and 2041. This need is further distinguished amongst several classes of housing, including: affordable housing; rental housing; accessible housing for seniors and those with special needs; family housing; shelters for individuals experiencing or at risk of homelessness; and housing located in proximity to active and public transportation options.

To assist staff in meeting the new provincial requirements, the City of Courtenay retained a consulting team led by B&A Studios to complete the required analysis and prepare updates to the City's OCP. As part of this work, the consulting team has conducted a comprehensive review of Courtenay's OCP land designation capacity and current zoned land capacity. This review identifies whether existing zoning and land use policy can accommodate and support the number and type of homes anticipated over the next two decades in alignment with provincial requirements, as described further below.

DISCUSSION:

To understand Courtenay's ability to meet the need identified in the HNR, consultants from B&A and City staff undertook a detailed analysis of the residential development potential of each property located within Courtenay as well as recent housing approvals.

Land Designated and Zoned Capacity for Additional Housing

The zoned capacity analysis calculated the maximum development density permitted on each parcel in the city according to their current zoning designation under Zoning Bylaw No. 2500, 2007 and compared this against what exists on each property today. The resulting calculations identified the potential for as many as 31,091 additional housing units if every property in Courtenay were to be built out to their maximum potential.

However, not every parcel is expected to achieve its full permitted capacity by 2041. To understand the potential for change, the consulting team prepared a comparative estimate of the likelihood that a given site will be redeveloped (or developed in the case of vacant land). This estimate builds upon the method used in Courtenay's Complete Communities Growth Assessment report, which considers factors such as site size, the age of existing buildings, and the difference between the value of improvements on the property versus the value of the land itself.

While this analysis is not a predictor of development and does not include economic conditions such as financial feasibility or market potential, it does provide a general idea of which properties are better suited to redevelop based on current conditions. The analysis was further refined to exclude sites that feature possible constraints to development (i.e. heritage designations, steep slopes, parcels in the floodplain, parcels within the buffer areas of environmentally sensitive areas, and lands located within the Agricultural Land Reserve). In doing so, the analysis takes a conservative approach to estimating development potential.

The resulting output identified 2,123 unconstrained parcels totalling an approximate 387 hectares considered to have a high likelihood of redevelopment, representing a zoned potential for 8,636 net additional residential units. In addition, the analysis identified 59 sites zoned for Comprehensive Development (CD) (approximate 110 hectares) with a high likelihood of redevelopment that feature the presence of some constraints that are otherwise considered likely to proceed given the detailed site planning associated with the CD zone. These sites have the potential to add a further 1,339 net residential units, resulting in a net zoned capacity for 9,975 units (Table 1).

Table 1: City of Courtenay Zoned Residential Unit Capacity Analysis, Parcels with High Likelihood of Redevelopment Only (Source: B&A Studios based on data from BC Assessment and City of Courtenay).

	Parcels	Net Residential Unit Potential
All Unconstrained Zones	2,123	8,636
Constrained CD Zones	59	1,339
Total Zoned Potential	2,182	9,975

Courtenay's Capacity to Meet Housing Needs

In addition to the capacity analysis findings above, the City has approved 1,673 residential units, net of demolitions, since the completion of the most recent Census in May of 2021. These units count towards the achievement of housing needs as measured from 2021.

Based on the analysis of recent housing development approvals, zoned land and land use policy support, as summarized in Table 2, Courtenay currently has sufficient land designated and zoned to accommodate the 20-year housing need identified in the latest Housing Needs Report.

Table 2: Zoning Capacity Analysis to meet Housing Need (20-year) (Source: B&A Studios based on data from BC Assessment and City of Courtenay).

	Net Units
Dwelling Units Delivered Since 2021	1,673
Plus: Zoned Capacity (<i>likely redevelopments</i>)	9,975
Less: HNR Need identified (2021-41)	8,351
20-year Zoned Capacity Surplus	3,297

Policies to Encourage a Mix of Housing Options

In addition to ensuring municipalities have sufficient zoned capacity to meet the identified quantity of housing, the Province also requires that all OCPs must include housing policies that address the range of housing types identified in the HNR.

As part of the 2022 OCP Update, Courtenay proactively included policies that respond to many of these needs under the Thematic Policies chapters for Affordable Housing (AH) and Social Infrastructure (SI), supplemented by many complimentary policies throughout the OCP Bylaw document (e.g. Streets and Transportation (ST)) (Table 3).

Table 3: OCP Bylaw No. 3070, 2022 housing policies organized by Housing Needs Report categories.

Housing Types	OCP Sections	Policy Examples
Affordable Housing	AH 13-21, SI 15	Leverage municipal sites, tiered below-market incentive program, weighted housing wheelhouse to guide City level of effort, density bonus policy, negotiated units as part of rezonings, partnerships, collaboration with regional housing corporation, senior government advocacy, dedicated staff
Rental Housing	AH 9-12	Limit strata conversion, utilize Residential Rental Tenure Zoning, renter relocation plan, limit short-term rental impacts
Special Needs Housing	Managing Growth, SI 13	Regional cooperation for recovery centres, supportive care/housing will be supported in most land use designations
Housing for Seniors	AH 5, SI4	Universal accessibility policy, accessible policy plans
Housing for Families	AH 6-8	Mix of unit types through advocacy to changes to building code, developer negotiations, public education, policy
Shelters to Address Homelessness	SI 26	Regional exploration of suitable locations for emergency shelters
Proximity to Transportation	Managing Growth, ST 8	Overall direction of the OCP to focus growth and plan land use in proximity to active and public transportation, Urban Growth Concept Framework, multi-modal transport design for new developments

As the work on the OCP update proceeds, a number of these policies will be refined and expanded to reflect the full suite of planning tools granted to municipalities via recent legislative changes brought about by Bill 44 and other amendments to the *Local Government Act*.

POLICY ANALYSIS:

The *Local Government Act* (LGA) requires that municipalities review their OCPs and Zoning Bylaws and where amendments are required to comply with provincial housing legislation, to have those amendments adopted by December 31, 2025.

Section 473.1 of the LGA identifies the specific **requirements of an OCP** as relates to a housing needs report, and planning for housing. These include “statements and map designations for at least the 20-year total number of housing units required to meet anticipated housing needs, which total number is included in the most recent housing needs report...” (S. 473.1 (3)) and “housing policies of the local government

respecting each class of housing needs required to be addressed in the most recent housing needs report...” (S. 473.1 (4)).

Section 481.7 of the LGA identifies the specific **requirements of a zoning bylaw** as relates to the OCP and HNR as follows “A council of a municipality... must... permit the use and density of use necessary to accommodate at least the 20-year total number of housing units required to meet anticipated housing needs, which total number is included in the most recent housing needs report...” (S. 481.7 (1)).

The *Guidance-Proactive Planning* document published March 14, 2025 by the Ministry clarifies how to comply with the housing policies section in the OCP (Attachment 1): “Local governments must ensure their OCP includes policies that address each of the seven classes of housing need listed above. There is flexibility in how such policies are structured—multiple policies can address a single class of housing need, and a single policy can apply to multiple classes of housing need. Beyond the seven specified classes, local governments may also want to include policies addressing other types of local housing need.” (Pg. 11).

In calculating zoning capacity, the provincial guidance document provides suggested best practices for municipalities but allows that “...municipalities have the flexibility to identify their own methods and to determine where density is best located in their communities, while also considering future growth beyond the 20-year number.” (Pg. 13).

City staff have met with Ministry of Housing and Municipal Affairs staff to discuss the findings presented in this briefing note and confirm that the information presented on OCP land designated and zoning bylaw capacity as well as OCP affordable housing policies are sufficient to meet the minimum requirements of the applicable LGA sections. While no formal submissions are required to be presented to the Ministry to confirm this, Ministry staff welcome receipt of this briefing note following Council’s consideration for their own records which City staff will forward.

The findings from the OCP Bylaw No. 3070, 2022 and Zoning Bylaw No. 2700, 2005 analysis demonstrate that the City’s required bylaws meet minimum provincial requirements. However, there are a number of improvements to both bylaws that are needed in order to more effectively achieve the diversity of housing needs. For example, the provincial guidance document further identifies the value of going beyond minimum provincial requirements, by planning also for complementary land uses, amenities, services and infrastructure required for complete communities, outlining the core elements of an affordable housing strategy (inclusionary zoning, density bonus zoning, and residential rental tenure zoning), as well as policy to enable authorities granted through recent expanded works and services and sustainable transportation infrastructure legislation (Bill 16). This is consistent with the existing scope of the OCP update which, while targeted to housing, includes more detailed implementation policies to support the existing OCP, review of all existing policies for consistency with new legislation, inclusion of residential density ranges within the land use designations, review of development permit areas and establishment of standardized local area planning content, method and framework.

Additionally, the 2005 Zoning Bylaw No. 2700 requires significant modernization which would be required even outside of any legislative requirements, and as directed by the 2022 OCP.

The ongoing work programs of updating the OCP and Zoning Bylaws will continue with an amended timeline. Adoption of OCP amendments is proposed to occur in February or March of 2026. The Zoning Bylaw will be amended in two phases with the first phase proposed to be amended by the end of 2025, focused on housekeeping amendments to improve clarity and use of the document (including general

regulations section, definitions, consolidation discrepancies). The second phase of the Zoning Bylaw amendment would be adopted early in the new year alongside the OCP and include a thorough review of all zones to support more aligned delivery of the OCP vision as well as new planning tools such as inclusionary zoning and density bonusing.

FINANCIAL IMPLICATIONS:

Through a competitive bid procurement process, B&A Studios Inc., in partnership with Aplin Martin Consultants and City Squared Consulting have been retained to work directly with staff and lead the technical review and consultation of the OCP update. The overall budget for the OCP in the 2025 budget is \$250,000 with \$85,000 provided through Local Government Housing Initiatives Capacity Funding provided by the Province in 2024.

ADMINISTRATIVE IMPLICATIONS:

The OCP update project is being delivered with combination of staff resources from Development Services Department and external consultants. Given that OCP policies implicate all departments, regular input and support from all City departments is ongoing and required in the development and implementation of the OCP update. The communications department is also involved in promotions.

The amended project timeline includes the following:

- Phase 1 (March – April): Background Review & Engagement Plan (complete)
 - Stage 1 Communications and Consultation: Engagement Planning
 - Council approval of Communications and Consultation Plan
- Phase 2 (April – July): Technical Analysis & Policy Review (nearly complete)
 - Stage 2A Communications and Consultation (May-June): Project Introduction and Interest-holder Outreach (complete)
 - Stage 2B Communications and Consultation (June – July): Public Engagement (nearly complete)
 - Council receipt of OCP Interim Update
- Phase 3 (August – March): Update & Adoption
 - Stage 3A Communications and Consultation (August – September): Online engagement
 - Council receipt of 'What we Heard Report' on public and interest-holder engagement and proposed OCP changes
 - Stage 3B Communications and Consultation (October): Public and Interest-holder Open house including alignment with Zoning Bylaw consultation
 - Stage 4 Communications and Consultation (November-March): Bylaw Adoption Process including Public Hearing
 - Council receipt of 'What we Heard Report' from October engagement and OCP Bylaw for formal bylaw reading process

STRATEGIC PRIORITIES REFERENCE:

This initiative addresses the following strategic priorities:

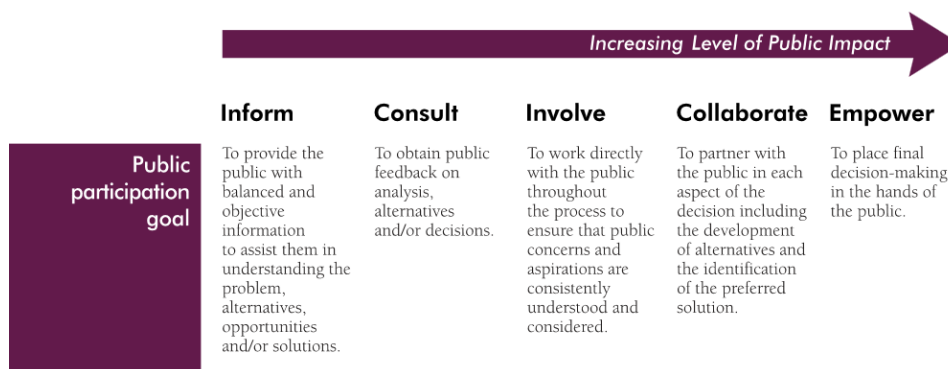
- Buildings and Landscape - Review and update land use regulations and bylaws for consistency with OCP
- Local Economy - Complete a Community Economic Development Analysis, including community engagement and review of land availability

- Good Governance - Establish an OCP Implementation Townhall Forum
- Good Governance - Explore and establish a partnership approach with SD71 on mutual interest topics: active travel and traffic planning, shared facilities, community use of schools, climate, reconciliation, child care and youth engagement
- Social Infrastructure - Develop measures and criteria to track progress for the OCP's four cardinal directions: reconciliation, community well-being, equity, and climate action

PUBLIC ENGAGEMENT:

Council approved the consultation and communications strategy for the OCP update at the April 23, 2025 regular council meeting. The consultation plan is fulsome yet targeted to the scope of the housing legislation exercise, providing consultation opportunities for the public and interest holders that primarily fall within the “inform” and “consult” categories along the IAP2 spectrum of public participation.

Staff presented to KFN Chief and Council on the scope of the OCP update in May and liaise directly with KFN staff on identifying the specific consultation needs as OCP deliverables arise.



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To date public and interest holder communications and engagement has included:

- Launch and regular update to the Engage Comox Valley Social PinPoint webpage (engagecomoxvalley.ca/courtenay-ocp) including opportunity for questions to be posed online and answered by staff.
- Inclusion of announcement of OCP update project and link to project webpage in all Courtenay tax notices (13,789 tax notices).
- Two “OCP Kick-off” virtual public and interest-holder information sessions held at different times on June 16. 31 participants attended across both sessions. Recording posted on project webpage.
- OCP staff team booth at Canada Day eve and Canada Day events, distributing approximately 500 bookmarks inviting people to discuss with staff, learn more and attend upcoming public engagement opportunities.
- Two “Housing and Liveability” topic-specific virtual public and interest-holder engagement workshops held July 15 and 17. 41 participants attended across both sessions. Recording posted on project webpage.
- Two “Complete Communities” topic-specific virtual public and interest-holder engagement workshops held July 28 and 29. (60 registered for both sessions at time of writing this report). Recording will be posted on project webpage.
- Staff level consultation with Department of National Defence regarding federal update to the Comox Airport Zoning Regulations, including changes to height restrictions.

Invitations to all virtual public sessions were sent by email to City’s list of interest-holders and advertised through standard media channels (media release, ads placed in social media posts and boosts, City webpage).

The next phases of public and interest-holder engagement will include:

- Ongoing updates to the project webpage, posting of a ‘question of the week’ and boosting on social media to educate on the process and commonly asked questions as well as encourage online dialog facilitated by staff.
- Staff attendance at community events (specific events being identified).
- Presentation to local development community at next regular development industry meeting.
- In-person public open house in October presenting the key proposed changes to the OCP, including staff and consultant presentation. This session will be preceded by an in-person interest-holder specific session following the same format as for the Downtown Vitalization Local Area Plan open house held in May of this year. Information on the Zoning Bylaw changes for Phase 1 bylaw review will also be presented.
- Letters to all statutory agencies and authorities identified for input to request they identify specific topics to discuss in advance of formal referral that will be sent separately following first reading of the amended OCP Bylaw (Comox Valley Regional District; Town of Comox; Village of Cumberland; School District 71; provincial agencies including Ministry of Housing and Municipal Affairs, Ministry of Transportation and Transit, Water, Land and Resource Stewardship and Island Health; federal agencies including Housing, Infrastructure and Communities Canada and Canada Mortgage and Housing Corporation, Department of National Defence, Transport Canada, and Fisheries and Oceans Canada).
- Referral to Wei Wai Kai, Wei Wai Kum, Kwiakah and Homalco Nations.
- Public hearing early in the new year.

Mayor and Council may be requested to attend a KFN Chief and Council government to government meeting at a future date.

RECOMMENDATION: THAT Council receive the “Official Community Plan – Project Interim Update” briefing note.

ATTACHMENTS:

1. Ministry of Housing and Municipal Affairs Guidance-Proactive Planning document (March 14, 2025)

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