



The Corporation of the City of Courtenay

Staff Report

To: Council

File No.: 2260-20

From: Manager of Procurement, Risk and Real Estate

Date: February 25, 2026

Subject: Habitat for Humanity – Land Disposition – 2140 Lake Trail Road

PURPOSE:

To seek Council's approval to transfer the City-owned property located at 2140 Lake Trail Road to Habitat for Humanity.

BACKGROUND:

The City-owned property at 2140 Lake Trail Road was acquired by the City in 2011 as part of an amenity contribution associated with the Arden Road Developments rezoning. As part of that rezoning, the applicant explicitly identified the residential lot as being intended for transfer to Habitat for Humanity Vancouver Island North Society for the purpose of delivering affordable housing. The acquisition of the property was therefore tied to a specific housing outcome, rather than intended for long-term municipal land banking. Since the transfer to the City, Habitat for Humanity has periodically requested that the City complete the disposition in order to advance planning and construction of an affordable housing project on the site.

Prior Council Consideration

In 2022, Council rose and reported the following motion from the August 29, 2022, regular Council meeting:

THAT Council approve the transfer of the City-owned property located at 2140 Lake Trail Road legally described as Lot A, District Lot 96 Comox District Plan EPP58827, to Habitat for Humanity Vancouver Island North Society for the purchase price of \$1 upon the satisfaction of the following conditions:

- *Submission to the City of a development plan that maximizes the number of units practicable on the property in accordance with the Official Community Plan and to the satisfaction of the Chief Administrative Officer; and,*
- *The registration of a Covenant with the Land Title Office outlining the development plan as approved; and,*

THAT Council approve the use of funds from the City's Affordable Housing Reserve to cover Development Cost Charges, other permit charges, and offsite service costs related to the approved development plan.

Policy Context and Housing Outcomes

Under the City's current Official Community Plan, the subject property is designated "Neighbourhood Centre," which supports medium-density residential development and is consistent with the delivery of multi-unit affordable housing. The disposition of the property to Habitat for Humanity would enable advancement of a non-market housing project aligned with this designation. Previous staff analysis identified tools such as development plan review and registration of a covenant on title as mechanisms to ensure the site is developed in a manner that maximizes housing outcomes and remains consistent with

Council objectives. The proposed disposition represents a contribution of municipal land to further long-standing affordable housing goals tied to the original amenity contribution, rather than a transaction driven by financial considerations.

DISCUSSION:

Intended Use

The intended use of the subject property as an affordable housing site delivered by Habitat for Humanity has remained consistent since the land was secured by the City. This understanding has been reaffirmed through ongoing correspondence and engagement with Habitat. In a letter dated January 22, 2026 (Attachment 1), Habitat for Humanity confirmed its continued interest in the property and its intention to proceed with development in accordance with existing zoning, while maximizing the number of units practicable on the site under existing zoning (expected to be three or four units). Habitat further confirmed that the proposed development is intended to deliver affordable home ownership opportunities for families in Courtenay, consistent with the original purpose of the amenity contribution.

Support for the Development of Affordable Housing

Habitat for Humanity has advised that it intends to proceed with the project under current zoning, rather than pursue rezoning, to facilitate the timely delivery of housing. This approach aligns with the site's "Neighbourhood Centre" designation and supports the City's broader affordable housing objectives. The January 2026 correspondence also references discussions with City staff regarding anticipated timing and implementation considerations. Consistent with prior staff work, mechanisms such as title-based covenants remain available to ensure the property is ultimately developed in a manner that aligns with Council direction and secures the intended housing outcomes.

POLICY ANALYSIS:

The City's Official Community Plan includes the following with respect to the Lake Trail neighbourhood:

Under the direction of the OCP, this area will continue to support medium to higher density residential and mixed uses in order to create a vibrant neighbourhood centre along the city's western boundary. This area is identified as a candidate for local area planning process and plan in order to provide more specific guidance to this centre as the community grows including how best to protect and restore fish habitat and Environmentally Sensitive Areas.

OCP Policy Reference Part B – LU 9c recommends that a local area plan in Lake Trail Neighbourhood Centre be completed.

FINANCIAL IMPLICATIONS:

Staff recommend that funds from the City's Affordable Housing Reserve be used to cover development cost charges, permit fees, and offsite servicing costs associated with the project. While detailed cost estimates are not yet available, based on the availability of existing services, the size and development potential of the lot, and the current balance of the Affordable Housing Reserve (approximately \$1,401,844 as of January 29, 2026), staff are confident that these costs can be accommodated as required. Staff will return to Council with a future report confirming the applicable development cost charges, permit fees, and offsite servicing costs, and seeking Council authorization for the associated expenditure from the Affordable Housing Reserve.

The subject property, 2140 Lake Trail Road has an assessed value of \$316,000 (BC Assessment, July 1, 2025). Should Council approve the transfer of the property to Habitat for Humanity, the City's total

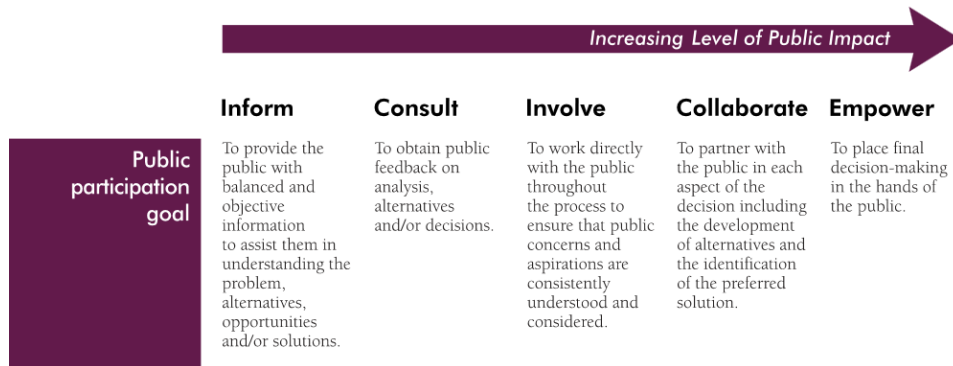
contribution would be the land value (\$316,000) plus the development cost charges, permit charges and offsite service costs.

ADMINISTRATIVE IMPLICATIONS:

The land transfer work is being led by the Financial Services Department. Future reports on the development will be led by the Development Services Department.

PUBLIC ENGAGEMENT:

Staff would inform the public based on the IAP2 Spectrum of Public Participation:



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OPTIONS:

1. THAT Council approve the transfer of the City-owned property located at 2140 Lake Trail Road, legally described as Lot A, District Lot 96, Comox District, Plan EPP58827, to Habitat for Humanity Vancouver Island North Society for the purchase price of \$1, subject to the satisfaction of the following conditions:

THAT the City provide public notice of its intention to dispose of the property and provide assistance in accordance with sections 24, 26 and 94 of the *Community Charter*; and

THAT if feedback is received from the community in response to the notice of disposition and assistance, the land transfer be paused and staff be directed to report back to Council with a summary of the feedback and any recommended next steps prior to completion of the transfer; and

THAT a covenant be registered on title, pursuant to section 219 of the Land Title Act, requiring that a minimum of three dwelling units be constructed on the property; and

THAT subject to the completion of the notice requirements and, if applicable, Council's consideration of any community feedback received, the Director of Financial Services be authorized to execute all documents necessary to complete the transfer.

AND THAT Council direct staff to return with a future report outlining the confirmed development cost charges, permit fees, and offsite servicing costs associated with the development of 2140 Lake Trail Road, and to seek Council authorization for the expenditure of those costs from the Affordable Housing Reserve.

2. THAT Council provide alternative direction to staff.

ATTACHMENTS:

1. Habitat for Humanity Letter
2. Land Title Search

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Concurrence: Geoff Garbutt, M.PI., MCIP, RPP, City Manager (CAO)