



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: November 13, 2024

Subject: Development Permit Area Amendments for Small-scale Multi-unit Housing – Consultation Plan

PURPOSE:

For Council to receive the report and endorse the Consultation Plan for the proposed OCP amendments to the justification and objectives of DPA)-2 (Intensive Residential Form and Character DPA for Duplexes, Detached Secondary Residences, Heritage Neighbourhoods, Bare Land Strata's, and Mobile Home Parks) and DPA-1 (Form and Character DPA for Commercial, Industrial, Mixed-use Developments & Multi-family with Three or More Units) to address provincial legislation regarding Small-scale Multi-unit Housing (SSMUH).

BACKGROUND:

The Province enacted Bill 44 (*Housing Statutes (Residential Development) Amendment Act*) in 2023, which required, among other things, that municipalities permit up to four dwellings on urban residential lots. To support this work, a Provincial Policy Manual & Site Standards document was released in order to guide the zone's details. The City responded to this requirement by adopting the R-SSMUH zone that permits up to four dwellings per 300 m² lot.

The policy manual additionally provides policy direction on complementary municipal tools, such as DPAs. It generally discourages form and character DPAs for smaller developments (up to six units) but acknowledges that local governments have discretion over what density of housing qualifies as "intensive residential" under the Local Government Act (LGA), s.488(1)(e) and thereby may choose to retain or adopt this type of DPA for fewer than six units.

DPA-2 Intensive Residential Form and Character Development Permit Area currently applies to developments with dwelling units of fewer than six dwelling units including units such as: duplexes, detached secondary residence, and within heritage neighbourhoods, as well as and bare land strata's and mobile home developments of any size. Staff are proposing to amend the DPA-2 to remove duplex and accessory dwelling (units (ADU) and replace with three or more dwelling units.

DPA-1 currently applies to commercial, industrial, mixed-use developments & multi-residential which has significantly more extensive set of guidelines than DPA-2 given it is tailored to larger buildings and developments. Staff are proposing to amend DPA-1 delete three or more dwelling units and replace with five or more.

Under the Local Government Act, Development Permit Areas are designated within the OCP and the corresponding guidelines may be either included in the OCP or a Zoning Bylaw. Courtenay's DPAs are designated within OCP Bylaw No. 3070, 2022 and the guidelines are contained within Zoning Bylaw No. 2500, 2007. As such both bylaws will require amending.

DISCUSSION:

Scope of Proposed Amendments to Form and Character Intensive Residential DPA-2

The provincial manual highlights types of DPA requirements that can 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). The proposed amendments to DPA-1 and DPA-2 below align with provincial policy direction:

DPA-1

Proposed amendments apply to multi-residential developments with five or more units (currently it applies to three or more units) as well as continue to apply to commercial, industrial, and mixed-use developments.

DPA-2

Proposed amendments being considered are listed below but are not limited to these based upon engagement and further research:

- removing the requirement for a form and character development permit to be issued prior to obtaining a building permit for properties with fewer than three dwellings, including in areas in heritage neighbourhoods;
- reclassifying three- and four-unit developments as intensive residential;
- removing or softening guidelines that potentially impose significant spatial or financial constraints (such as garages facing away from streets which likely requires additional driveway area and reduces buildable area for housing);
- reviewing guidelines to meet goals of suitable landscaping, screening between properties, off-street parking and overall street character and reviewing applicability of guidelines from DPA-1 (such as downward-facing lighting and bird-friendly glazing);
- amending the City's intensive residential DPA to better-suit these developments and provincial direction for facilitating home construction and affordability.

Bare land strata's and mobile home developments are currently subject to development layout and landscaping design guidelines within DPA-2 and these are proposed to remain.

Heritage areas within DPA-1 and DPA-2 will continue to have special guidelines, but only apply to three or more residential units. This is a modification to align with provincial requirements and guide book and results in not requiring development permits for single detached houses in heritage neighbourhoods. The Local Government Act guides how Heritage Alteration Permits can be utilized for dwellings when located in Heritage Conservation Areas. DPA-2 informs form and character identified for identified heritage neighbourhoods (Old Orchard and 40 Homes) for new construction only and not for alternations. Staff will further evaluate heritage buildings. guidelines with the OCP update required by December 2025.

Following Council's consideration of the OCP and Zoning Bylaw amendments, a guidebook of SSMUH designs will be prepared for development industry and general public use in the preparation of development proposals and building permit applications.

Consultation approach

The R-SSMUH zoning applies to 61% of the properties in Courtenay. Opportunities to understand and provide input into design approaches to new infill housing is expected to have broad public appeal. Public interest groups would include development industry as well as the general public.

Staff recommend providing broad consultation opportunities to the general public in the form of establishing an online Social Pinpoint page that will inform the amending bylaw process and engagement opportunities such as in-person public open house, video presentation online, surveys; a What We Heard Report will be produced to inform the proposed bylaw amendments and council reports.

Development industry meetings are already routinely held with development services staff and the next one will focus on the DPA amendments in order to provide targeted consultation to this particular sector.

The LGA specifies what other government bodies shall be considered for consultation. Development services staff maintains regular communication with regional local government planning departments and the Healthy Built Environment Coordinator (Island Health). Staff will engage with these government agencies in the formulation of the DPA guidelines. Attachment 1 identifies outlines the proposed consultation plan.

With respect to K'ómoks First Nation, a detailed engagement plan will be developed through following direct contact with the Nation to determine their level of interest in the proposed DPA amendments and determine how they would like to be involved in the proposed DPA amendments that require an OCP amendment and Zoning Bylaw amendment.

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POLICY ANALYSIS:

Section 475(1) and 476 in the *Local Government Act* states 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.

For the purposes of Section 475 subsection (1), the local government must:

- 1) consider whether the opportunities for consultation with one or more of the persons, organizations and authorities should be early and ongoing, and
- 2) specifically consider whether consultation is required with the following:
 - (i) the board of the regional district in which the area covered by the plan is located, in the case of a municipal official community plan;
 - (ii) the board of any regional district that is adjacent to the area covered by the plan;
 - (iii) the council of any municipality that is adjacent to the area covered by the plan;
 - (iv) first nations;

- (v) boards of education, greater boards and improvement district boards;
 - (vi) the Provincial and federal governments and their agencies.
- 3) Consultation under this section is in addition to the public hearing required under section 477.

The consultation requirements to amend the OCP will also include consultation for the proposed Zoning Bylaw amendments.

Bill 44 requires that all local government OCPs be updated by the end of 2025 in order to ensure adequate land supply for 20 years of housing as identified in adopted Housing Needs Reports. By this same deadline, local government Zoning Bylaws must be updated in order to zone for the identified housing needs.

OCP Bylaw No. 3070, 2022 has a number of policies on form and character DPAs that will be examined as part of the wider OCP update for December 2025.

FINANCIAL IMPLICATIONS:

Required engagement materials will be produced by Ekistics for use in consultation process and staff is allocating \$5,000 for material productions. All together engagement, materials production and legal review will cost approximately \$11,000. Funds for this consultation plan and proposed amendment to the OCP will come from Community and Sustainability Planning division advertising, legal services and OCP special projects budget.

ADMINISTRATIVE IMPLICATIONS:

Development Services department staff are responsible for initiating, planning, scheduling, and all other associated activities related to the consultation of the identified DPAs. Internally the project will require support from Communications Division to utilize city social media, webpages, media and newsprint where required.

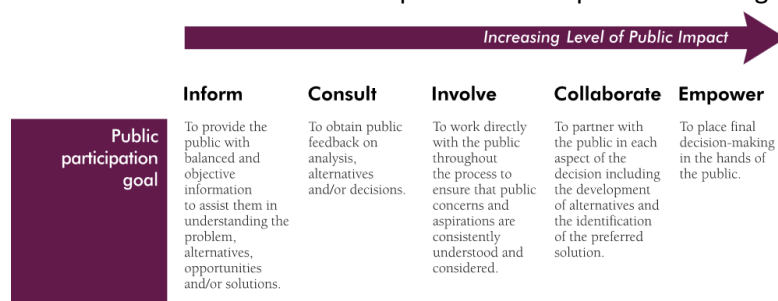
STRATEGIC PRIORITIES REFERENCE:

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:

Staff will inform and consult the public and the particular intergovernmental agencies:



Attachment 1 to this report is the proposed Consultation Plan. The proposed amendments to the DPA-1 and DPA-2 will require an amendment to both the OCP and Zoning Bylaw. The amending bylaws will be prepared for Council's consideration after the conclusion of the consultation plan. MOTI will be required to approve the zoning bylaw amendment as it will affect more than 10 properties and many of these properties are located near a controlled intersection.

Staff anticipate initiating the Social Pinpoint page to be live and that the public interest, targeted development industry and intergovernmental agencies consultation will be completed by mid December 2024.

A staff report with bylaw amendments for first and second reading for both the proposed OCP and Zoning Bylaw amendments will be provided to Council early in the new year. This would be followed by public notification period and publication standards for the public hearing of the OCP amendments, in accordance with section 466 of the Local Government Act, section 94 of the Community Charter and City of Courtenay Development Procedures Bylaw No.3106, 2023.

OPTIONS:

1. 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.
2. THAT Council provide alternative direction to staff.

ATTACHMENTS:

1. Communication and Consultation Plan

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