

DATE: September 28, 2018

FILE: 6410-20/CV RGS Amendments
RGS 1C 17

TO: Chair and Directors
Regional District Board

Supported by Russell Dyson
Chief Administrative Officer

FROM: Regional Growth Strategy
Steering Committee

R. Dyson

**RE: Regional Growth Strategy Steering Committee 3L Developments Inc.
Amendment Proposal**

Purpose

The purpose of this report is to provide the Comox Valley Regional District (CVRD) Board with the Regional Growth Strategy (RGS) Steering Committee's recommendations on 3L Developments Inc.'s RGS amendment application to create a new Settlement Node.

Recommendation from the RGS Steering Committee:

THAT the application by 3L Developments Inc. to amend the Regional Growth Strategy in order to create a new settlement node be denied.

Executive Summary

- The RGS Steering Committee met on September 20, 2018 and September 27, 2018 to review reports from the Technical Advisory Committee (TAC) (Appendix A) that assessed the relative need for, and impacts of, a new Settlement Node as proposed by 3L Developments Inc.
- At their September 27, 2018 meeting, the Steering Committee endorsed TAC's recommendation to deny the application to create a new Settlement Node (Appendix B).
- The Steering Committee recommends that the board deny 3L Development Inc.'s application.
- The foundational principle underlining the recommendation is that a new Settlement Node is not needed at this time relative to housing unit supply, population projections and demographic trends in the Comox Valley.
- The board is under no obligation to continue processing 3L Development Inc.'s application relative to the *Local Government Act* (RSBC, 2015, c. 1) (LGA), BC Court of Appeal decision, or the Board's Consultation Plan: all process requirements have been met.

Prepared by:

A. Mullaly

Alana Mullaly, M.Pl., MCIP, RPP
Senior Manager of Planning
and Protective Services
CVRD

Concurrence:

R. Dyson

Russell Dyson
Chief Administrative Officer
CVRD

Concurrence:

R. Kanigan

Richard Kanigan
Chief Administrative
Officer
Town of Comox

Concurrence:

Concurrence:

S. Topham***J. Ward***

Sundance Topham
Chief Administrative Officer
Village of Cumberland

John Ward for David Allen
Chief Administrative Officer
City of Courtenay

Stakeholder Distribution (Upon Agenda Publication)

| | |
|-----------------------|---|
| 3L Developments Inc. | ✓ |
| Village of Cumberland | ✓ |
| Town of Comox | ✓ |
| City of Courtenay | ✓ |

Background/Current Situation

The Steering Committee provides this report per the Board's Consultation Plan. At this point in the standard amendment process, the board is asked to make a decision on whether or not to continue the standard amendment review of 3L Development Inc.'s application. The Steering Committee recommends that the application be denied (and that no further review ensue).

Policy Analysis

The purpose of an RGS, per the *Local Government Act* (RSBC, 2015, c. 1) (LGA) is:

“to promote human settlement that is socially, economically and environmentally healthy and that makes efficient use of public facilities and services, land and other resources” (LGA, s.428).

Options

The board has the following options:

1. Accept the Steering Committee's recommendation and deny the application by 3L Developments Inc. to create a new Settlement Node.
2. Grant first reading to an amending bylaw that would establish a new Settlement Node.
3. Refer the matter back to the Steering Committee and TAC with direction on next steps.

The Steering Committee recommends option 1. If the board seeks to advance this application to bylaw readings and further public consultation, Appendix C contains a possible text and map amendment.

Financial Factors

Costs incurred to date (e.g. staff time, public open house, advertising) have been borne by the RGS service. As the application by 3L Developments Inc. was made prior to the adoption of the RGS Fees and Charges Bylaw, no application fees are applicable.

If the board does not agree with the Steering Committee's recommendation, the costs of continued processing (e.g. staff time and implementation of the Board's Consultation Plan) will be borne by the RGS service.

Legal Factors

This report has been prepared in accordance with the LGA. The decision to advance an application for RGS amendment rests entirely within the board's purview. There are no legal obligations to

continue processing the subject application. All requirements of the BC Appeal Court have been met.

Regional Growth Strategy Implications

The RGS implications are described in detail in the attached TAC reports (Appendix A). Briefly, however, the Steering Committee notes that a standard amendment to an RGS is regionally significant with regional impacts. In this case, an amendment to create a new Settlement Node would have impacts on:

- Regional infrastructure commitments;
- Planned development in existing core settlement areas; and
- Regional growth management framework.

The RGS is intended to direct the majority of new residential growth to existing Core Settlement Areas. The RGS is the enabling framework to set the conditions for the market to respond and provide housing supply. This is happening and is evidenced in the dwelling unit supply numbers contained in TAC's September 26, 2018 report (Appendix A). A policy decision to direct growth away from existing Core Settlement Areas will have a direct correlation on the financial feasibility of existing and planned infrastructure as well as approved development projects and private investments in the existing Core Settlement Areas. Further, this will impact the Settlement Expansion Areas (i.e. the urban fringe areas that either have further development capacity once incorporated and publicly serviced or will require public servicing for existing development in future) in respect to the financial feasibility of public servicing requirements of existing residential development.

Intergovernmental Factors

The Steering Committee comprises the Chief Administrative Officers of each RGS service participant (i.e. CVRD, Comox, Cumberland, and Courtenay). A planning representative for each jurisdiction comprises the TAC. As a standard amendment, there is a referral process to "affected local governments", being each member municipality, adjacent regional districts and the provincial Ministry of Municipal Affairs and Housing.

Citizen/Public Relations

This report has been prepared in accordance with the Board's Consultation Plan. A public open house was held on September 6, 2018. Approximately, 240 citizens attended and received presentations from CVRD staff and a 3L Developments Inc. representative. The main focus of the open house was a question and answer period. A summary of the topics raised at the open house is appended to this report (Appendix D). All written comments received to date on the application are attached in Appendix E. If the board opts to grant first reading to an amending bylaw, the review process will continue. Provision is made within the consultation plan for a second open house and public hearing (November). If the application progresses, CVRD staff will continue to accept written feedback and will present to a future board meeting. The CVRD has created a webpage on the CVRD website, specific to this application: there, citizens can access all application material, staff reports and communications material.

Attachments: Appendix A – "TAC reports dated September 19, 2018 and September 26, 2018"
Appendix B – "September 27, 2018 Steering Committee Meeting Minutes"
Appendix C - "Possible Text and Map RGS Amendment"
Appendix D – "September 6, 2018 Public Open House Summary"
Appendix E – "Public Comments Received"



DATE: September 19, 2018

FILE: 6410-20/Amendments
RGS 1C 17

TO: Steering Committee
Regional Growth Strategy

FROM: Technical Advisory Committee
Regional Growth Strategy

**RE: Regional Growth Strategy Standard Amendment Recommendation
3L Developments Inc.**

Purpose

To provide the Regional Growth Strategy (RGS) Steering Committee with a recommendation from the RGS Technical Advisory Committee (TAC) regarding 3L Developments Inc.'s application to create a new Settlement Node in Electoral Area C – Puntledge-Black Creek.

Recommendation from the Technical Advisory Committee:

THAT having reviewed the application by 3L Developments Inc. to create a new Settlement Node ("Riverwood") the Technical Advisory Committee recommends that the Steering Committee recommend to the Comox Valley Regional District Board that the application be denied.

Executive Summary

- The TAC convened on September 12, 2018 to review the application by 3L Developments Inc. to create a new Core Settlement Area, specifically a Settlement Node, in order to develop their proposed "Riverwood" community, comprising 1,100 new residential lots.
- The TAC considered the application in the context of the RGS' goals and policies.
- The TAC considered the impact of the proposed new Settlement Node on the growth management framework of the RGS, specifically impacts on the existing Core Settlement Areas.
- The TAC considered the impact of the proposed new Settlement Node on the adjacent rural areas.
- The TAC notes that the application material supplied by the applicant does not adequately consider the regional significance of the proposal.
- The TAC recommends that the Steering Committee recommend to the Comox Valley Regional District (CVRD) Board that the application by 3L Developments Inc. should be refused.

Prepared by:

Concurrence:

Concurrence:

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Concurrence:

K. Rogers

Ken Rogers, MCIP RPP
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Stakeholder Distribution (Upon Agenda Publication)

| | |
|------------------------|---|
| RGS TAC | ✓ |
| RGS Steering Committee | ✓ |

Background/Current Situation

The TAC met on September 12, 2018 to review and discuss the application by 3L Developments Inc. (3L) to create a new Settlement Node in the context of the RGS goals and policies. The TAC considered the related impacts of designating a new Core Settlement Area on the growth management framework of the RGS, as well as the adjacent rural settlement, resource, and agricultural areas. The TAC provides this report to the Steering Committee to assist it in preparing a recommendation to the CVRD Board on 3L's RGS amendment application.

Policy Analysis

The purpose of an RGS, per the *Local Government Act* (RSBC, 2015, c. 1) (LGA) is:

“to promote human settlement that is socially, economically and environmentally healthy and that makes efficient use of public facilities and services, land and other resources” (LGA, s.428).

Options

The Steering Committee can accept the TAC's recommendation and instruct CVRD staff to prepare a report to the board. Alternatively, if the Steering Committee wishes to recommend first reading of an amending bylaw to enable advancement of 3L Developments Inc.'s proposal, it can direct CVRD staff to prepare a report and amendment bylaw accordingly.

Financial Factors

Financial factors related to the recommendation contained in this report pertain to staff time. As Bylaw No. 274, being the “Comox Valley Regional District Regional Growth Strategy Fees and Charges Bylaw, 2014” was not in effect at the time of 3L Developments Inc.'s application, no fees can be levied. All application review costs to date, and any costs going forward related to this application will be incurred to the RGS service (i.e. regional service apportioned to each electoral area and each municipality).

Legal Factors

On August 14, 2018, the CVRD Board adopted a consultation plan (Appendix A). In accordance with that plan, the next decision point for the board is October 2, 2018. At that time the board will consider whether to advance the application to first reading of a bylaw. Note that there are no outstanding requirements of the Supreme Court order: the board has fully complied with the direction to accept 3L's application and consider whether or not to initiate an amendment and determine the type of amendment (i.e. minor versus standard). There is no obligation to undertake any further process steps under the order or LGA. The board has full discretion to decide whether to introduce an amendment for first reading, deny the application or provide alternative direction to staff.

Regional Growth Strategy Implications

The RGS establishes eight goal areas with related objectives and supporting policies, all of which are relevant to the application to create a new Settlement Node.

RGS Goals/Policy Areas:

1. *Housing: Ensure a diversity of housing options to meet evolving demographics and needs*

The TAC has assessed 3L's application and considered population projections, demographic trends, affordability and housing supply relative to achieving the above goal statement.

Population numbers:

The RGS states that population increase in the CVRD (i.e. municipalities and electoral areas) is projected to rise 31 per cent from 2011 to 2031, mostly due to in-migration (versus natural occurrence). Between 2011 and 2016 (census years), Cumberland saw the greatest percentage increase of 10.4 per cent which equalled approximately 355 new citizens. Courtenay saw a percentage increase of 6.2 per cent or the addition of 1500 citizens and Comox saw a percentage increase of 2.9 per cent or 300 new citizens. In the three electoral areas, combined, over the same period, a percentage increase of 3.3 per cent (or 762 citizens) was captured. Population projections for the electoral areas were calculated in 2014 as part of the preparation of the rural Official Community Plan (OCP) (Bylaw No. 337 being the "Rural Comox Valley Official Community Plan Bylaw No. 337, 2014"). Projected population in the electoral areas, combined, is 0 per cent. This suggests that there is a very limited need for increased housing in the electoral areas (i.e. lands outside of the existing settlement nodes of Union Bay, Saratoga and Mt. Washington). This is wholly consistent with the RGS and its key growth management principle that 90 per cent of new growth in the CVRD should be directed to existing Core Settlement Areas.

Demographic trends:

Median age is increasing rapidly as existing population ages and new seniors move to the CVRD. The demographics show that the population of the CVRD is older than the rest of the province, particularly in the rural areas. The "baby boomers" continue to represent the largest and fastest growing demographic in the CVRD, essentially creating an inverted population pyramid.

If demographic trends continue, the majority of in-migration will be citizens over the age of 65: this is key in respect to the type of housing units that will be required to serve the population. To date, limited housing choice has been identified as a challenge in the CVRD insofar as single-family housing represents the majority of housing options. The movement to enable infill development in the form of multi-family units, smaller units, and accessory units (e.g. secondary suites, carriage houses) is a prudent policy and regulatory choice. We are already seeing the impact of an aging population on our housing market and the related demand for housing options that are proximate to

the amenities that core settlement area infill locations can provide (e.g. biking infrastructure, walkability to neighbourhood scale retail and services, transit routes).

Residential land and housing supply:

To meet the projected demand for housing in the next 20 years, the RGS forecasts that a 22 per cent increase in supply is needed. 22 per cent equates to 432 new dwelling units per year. Available and projected supply exceeds this requirement. (Note that this does not equate to 432 new single detached dwelling units per year: demographic trends illustrate that the form of those units is almost, if not more, important than the number). TAC offers the following numbers as indicators of supply:

| Jurisdiction | Units in Zoning and/or Development Agreement | Units in Subdivision | Building Permits Issued in 2017/2018 for New Units |
|-----------------|--|----------------------|--|
| Electoral Areas | 3099 | 43 | 206 |
| Courtenay | | 340 | 480 |
| Comox | 732 | 162 | 77 |
| Cumberland | 4227 | 103 | 137 |
| Total | 8058 (plus Courtenay's number) | 648 | 900 |

As was the case when the RGS was adopted, it remains true that current development proposals demonstrate the capacity to supply housing for the next twenty years. This is important: directing growth away from existing Core Settlement Areas in order to enable the establishment of a new Settlement Node will have a direct correlation on the financial feasibility of existing and planned infrastructure (which also affects the already identified “reserve areas”, being the settlement expansion areas).

Affordability:

It is misleading to consider housing purchase price and abundant supply as the sole arbiters of housing affordability. The argument that urban fringe housing is more affordable than housing in existing communities seriously overlooks the affordability of secondary suites and other infill housing options for citizens. Housing at the urban fringe (and certainly in the rural area) tends to have higher utility and transport costs for residents: important factors in the overall assessment of affordability. Although for decades Canada Mortgage and Housing has defined housing affordability as housing that does not cost more than 30 per cent of a household's gross monthly income, increasingly transport costs are also being considered as a key component of housing affordability. The argument is that mortgage or rent payments are only one factor in assessing the true affordability of housing. Transport costs represent a significant component of a household's ability to own/rent a home in a given location.

The applicant has argued that their proposed Greenfield development is automatically more affordable than development in existing Core Settlement Areas. This is because the conversion of raw, rural land is cheaper in respect to initial capital costs for a developer when compared to serviced land in Core Settlement Areas. TAC suggests that this is a narrow assessment of true affordability for citizens. Housing unaffordability results from a combination of population and economic growth plus constraints on urban infill (e.g. zoning regulations that deter infill) and policies that enable sprawl into rural and fringe areas (e.g. higher servicing and transport costs).

Insofar as the above serve as indicators in measuring progression towards ensuring a diversity of housing options, the TAC finds that establishment of a new Core Settlement Area is not warranted at this time. Current population projections, demographic trends, affordability and supply

considerations do not support the development of up to 1,100 units in the rural settlement area adjacent to the City of Courtenay.

Goal 2: Ecosystems, Natural Areas and Parks: Protect, steward and enhance the natural environment and ecological connections and systems

The subject properties contain riparian areas, wooded corridors and critical watersheds (confluence of the Browns and Puntledge Rivers) that provide habitat corridors and important eco-services. The creation of a new Settlement Node in this location will impact these features, systems and services and the wildlife and people that depend on them. The TAC wishes to counter the assertion by 3L that Greenfield development is intrinsically more supportive of protecting the natural environment and the ecological systems found therein than either development of existing Core Settlement Areas or rural industrial use of the lands. In fact, compact, infill development can have significantly greater environmental benefits than Greenfield development insofar as infill development takes pressure off rural and fringe areas for urban and rural sprawl thereby helping to protect the ecological functions of those rural lands.

If the Steering Committee is inclined to recommend that the board advance this application to bylaw readings, the TAC recommends that the applicant be required to provide an environmental impact assessment such that the site layout can be undertaken in accordance with the RGS' principle of precaution, being:

“Where the environmental outcomes of a specific development proposal will significantly impact sensitive ecosystems err on the side of caution and require documentation as to impact, mitigation and restoration or limit the action to avoid significant impact.”

In respect to natural areas and parks, the applicant has stated that in exchange for an amendment to the RGS to create a new Settlement Node, it will donate 50 per cent of its land for park purposes. If the Steering Committee is inclined to recommend that the board advance the application to bylaw readings, the TAC recommends that the Board obtain a legal agreement from the owner that identifies the specific lands (i.e. BCLS site plan), and the terms of the applicant's dedication (e.g. timing, method of protecting the lands). This should be done prior to bylaw adoption.

As the Steering Committee knows, there are opportunities to acquire land for park and/or conservation purposes through land development applications other than an RGS amendment. Specifically, if the applicant seeks subdivision or development permit under the current Rural Twenty zoning (or seeks to amend the zoning under the RGS rural settlement area framework), opportunities for acquisition and/or “return to Crown” will arise.

Goal 3: Local Economic Development: Achieve a sustainable, resilient and dynamic local economy that supports businesses and the region's entrepreneurial spirit.

The TAC considered the impacts on rural economic development opportunities that arise from the conversion of rural working lands to residential lands with urban/suburban densities.

No part of the subject properties remain within Private Managed Forest class (those that were, were removed in 2012 and 2017). Merchantable timber has largely been removed from the properties. Staff understands that remaining stands are located within riparian areas and their related steep slopes. These are rural working lands: the present RGS and OCP designations reflect their past rural resource use as does the Rural Twenty zoning of the lands (zone permits silviculture, agriculture, wood processing, sawmills, resource extraction, crushing and screening). The RGS notes that although historic economic drivers in the rural resource sector have declined, long-term opportunities for value-added rural industry remain. For example, local food processing, specialty forest products and value-added resource manufacturing.

Speculation on rural land drives rural land prices up and moves us away from being able to support resource-based employment opportunities in the rural areas (a key principle of the RGS).

Speculation on rural land becomes one more contributing factor in the barriers to bringing rural land into agricultural production, resource extraction and value-added resource manufacturing. The application does not address the impact of removing a large, intact rural parcel from the rural land base.

Goal 4: Transportation: Develop an accessible, efficient and affordable multi-modal transportation network that connects Core Settlement Areas and designated Town Centres, and links the Comox Valley to neighbouring communities and regions.

The proposal to create a new Settlement Node in a rural area that is outside of the Comox Valley transit service area, as well as not being linked by public road or other public right-of-way to existing commuter corridors detracts from this goal. The application states that 3L will provide 9km of public trails. Details have not been provided, however, and therefore TAC cannot assess whether a 9km section(s) of trail would connect the proposed Settlement Node to existing Core Settlement Areas on the south side of the Puntledge River (connectivity is an RGS principle) or to existing or planned active transportation routes.

Goal 5: Infrastructure: Provide affordable, effective and efficient services and infrastructure that conserves land, water and energy resources.

3L proposes a new community to be served by a private utility operator. In their application, 3L states that “there will be no infrastructure costs to the Regional District as (the) project will be totally self-sufficient in terms of water and sewer”. 3L has stated that they have not yet made applications to the provincial ministries responsible for authorizing private utility establishment and operation. TAC cannot therefore comment on whether there will be a role for the CVRD. TAC does note, however, that in recent years the CVRD has taken over multiple services that were originally constructed as private utilities (e.g. Parnell Water, King Coho Sewer, Watutco Water (in progress), Jackson Drive Sewer, Greaves Crescent Water). The costs related to service area establishment and the ongoing costs of maintenance and improvements are borne by service area participants (not the general tax base as asserted by 3L, as is the case in municipalities).

In respect to water service, the RGS directs the majority (90 per cent) of growth to the core settlement areas where publicly owned water servicing systems already exist. Further the plan encourages smaller lot development and higher density development in Core Settlement Areas in order to make efficient use of water servicing infrastructure. Similarly, the plan directs growth to Core Settlement Areas where sewer servicing exists. 3L does not identify whether the proposed Settlement Node will receive solid waste collection, or like it proposes for water and sewer, whether a private contractor will collect and dispose of the proposed community’s waste. TAC also notes that approximately 115 hectares of the land under application is located outside of the Courtenay Fire Protection District. The applicant has not addressed fire protection.

In the absence of details about the proposed utilities, TAC considered the impact of creating a new area that will require utilities (be they private or public) on the financial viability of existing and planned infrastructure in the existing Core Settlement Areas. A policy decision to direct growth away from existing Core Settlement Areas and their town centres in order to establish a new, Greenfield community, will set conditions to undermine private and public investments in existing Core Settlement Areas. Public infrastructure programs depend on population density to provide services in line with an acceptable cost to the public. The infrastructure policies of the RGS promote stable infrastructure spending that will maximize public investment. Policies that promote compact development that support existing services (and offset the costs to existing citizens) and focus

investment, provide greater economic certainty to citizens, developers, and the local governments that serve them both.

Goal 6: Food Systems: Support and enhance the agricultural and aquaculture sectors and increase local food security.

The TAC suggests that converting rural land to suburban/urban residential land removes opportunities to bring rural land into agricultural production or related value-added food industry opportunities. Further, introducing up to 1,100 new residential dwellings in the rural area risks creation of urban/agriculture interface conflict with existing agricultural land that is already contributing to achieving goal 6.

The RGS identifies agricultural sector's reliance on groundwater relative to the impact of residential demand for groundwater as a potential source of interface conflict. The plan states that *"all local governments will ensure appropriate buffers and transition zones between working landscapes and residential areas to minimize negative impact from residential development on farm and resource land."* (Policy 6A-1). Presently, the Puntledge river corridor provides a natural topographical buffer between the settlement expansion area lands to the south (i.e. reserve growth areas) and the majority of the subject properties in the rural settlement area. Removing land from the rural land base does not contribute to the necessary conditions that support regional food security operations. 3L's proposed Settlement Node does not contribute to achieving the RGS' food systems goal.

Goal 7: Public Health and Safety: Support a high quality of life through the protection and enhancement of community health, safety and well-being.

The RGS identifies several contributing factors that influence health outcomes (i.e. access to clear air and water, affordable housing, recreation opportunities, education, access to healthy food). RGS policies pertaining to these factors are intended to support community health and well-being. The primary health and safety focus of the RGS relative to quality of life is the strong linkage between active transportation strategies and long-term health outcomes of the populace. Household transport costs are directly tied to the proximity of employment, services, schools and other institutions that household's access. Directing growth to areas that are proximal to employment, services, schools and other social institutions, will have a positive impact on the creation of active transportation options as well as establishing shorter driving distances. It is widely held that non-drivers (recall the CVRD's demographics) have more independent mobility in urban areas. Further, physically, economically, and socially disadvantaged citizens have more independence, more economic opportunities and better health outcomes in compact, connected neighbourhoods than in automobile-dependent fringe areas.

Goal 8: Climate Change: Minimize regional greenhouse gas emissions and plan for adaptation.

Compact development can reduce the amount that people drive and increase transportation options thereby establishing the conditions to proactively reduce vehicular greenhouse gas emissions. While 3L's application focuses on the LEED standard that future builders will strive to achieve if the project receives all approvals to enable future construction, the policy consideration should be whether the creation of a new Core Settlement area will help us to achieve our climate change goals. TAC suggests that policy that favours Greenfield development in a rural area over compact development options in existing Core Settlement Areas does not.

Impact on managing growth and the role of a five year review:

The applicant has made a number of assertions that refute the RGS and the principles that support it, specifically stating that:

1. Prioritizing servicing of existing communities has resulted in "not creating sufficient land to meet market demands for new growth",
2. "Policies that limit private utilities increase housing prices", and

3. “The majority of the land highlighted for growth areas within existing Settlement Nodes is not actually available for development” (Appendix B).

Ultimately, the applicant has assessed economic development, housing supply, growth projections, and market housing demand through a generic, urban-centred, lens that has not properly considered the Comox Valley including actual development patterns, plans, investment or regulatory frameworks within the Core Settlement Areas. The analysis provided by the applicant (Appendix B) fails to assess a rural perspective and the impact of suburban speculation on the cost of rural land for rural uses. Further, the analysis does not adequately address the economic impact of rural land speculation on the financial viability of existing Core Settlement Areas. Instead, the analysis is singularly focussed on advancing the interests of Greenfield development.

If, as the applicant states in their application, densities in the existing Core Settlement Areas should be considered for transferring elsewhere, the TAC suggests that this assessment should be done within the context of an RGS five year review. Having, in August 2017, resolved that a five review was not warranted, the TAC suggests that at the next opportunity for a five year review (e.g. 2022), the board may consider whether the Core Settlement Area boundaries need to be revisited. This timing could align with the 5 year financial plan and each jurisdiction’s related Development Cost Charge program (i.e. assess the implementation and absorption rates of developments, and their related public infrastructure, currently underway and in the ‘queue’).

Intergovernmental Factors

The RGS states that the success of the RGS depends on ongoing cooperation and collaborative planning efforts between the local governments, provincial and federal agencies and the public. The plan calls for maintaining a collaborative, agreement-seeking, regional strategic planning program directed towards achievement of the long-term objectives of the Regional Growth Strategy.

The TAC and Steering Committee are regional, representing, at a staff level, each of the member municipalities and electoral areas. The standard amendment process includes a formal referral for acceptance to all member municipalities and adjacent regional districts of any amending bylaw that the board intends to adopt. Per the board’s consultation plan, this formal referral will be undertaken following second reading of an amending bylaw (if the application progresses to bylaw readings). RGS amendment bylaws require approval of the Minister of Municipal Affairs and Housing.

The RGS recognizes that as K’ómoks First Nation’s (KFN) treaty negotiations are ongoing, an implementation agreement could serve as a useful tool to help identify land interests of the KFN. The RGS provides for servicing agreements and partnership opportunities between KFN and the CVRD in advance of treaty settlement.

Citizen/Public Relations

This report will be available to the public. There is significant public interest in this application and the TAC anticipates that interest to continue. An open house, held on September 6th, 2018 drew approximately 240 people. Staff proposes to attach all written feedback received to date on the application to the Steering Committee’s report to the board (October 2nd board). The board’s consultation plan (Appendix A) sets out the mechanisms and timing of public consultation. If the board advances the application to first reading of an amending bylaw, a second public open house will be held on November 13, 2018 and subsequent public hearing on November 29, 2018. Members of the public have been directed to the CVRD website and CVRD planning staff for information about the application and the amendment process.

Attachments: Appendix A – “Consultation plan”
Appendix B – “Mark Holland’s September 13, 2018 letter”



APPROVED
Consultation Plan

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| Subject: Regional Growth Strategy Standard Amendment Consultation Plan – 3L Developments | File: 18-000068 |
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Purpose

To outline methods/strategies regarding consultation for a Regional Growth Strategy Standard Amendment – 3L Developments Inc.

Target audience(s):

- **Comox Valley Regional District Board**
- **Residents of the region**
- **Stakeholders:**
 - Village of Cumberland
 - Town of Comox
 - City of Courtenay
 - K'omoks First Nation
 - We Wai Kai Nation/Laich-Kwil-Tach Treaty Society
 - Wei Wai Kum First Nation/Kwiakah First Nation
 - Homalco Indian Band
 - 3L Developments Inc.
 - Regional District of Nanaimo
 - Strathcona Regional District
 - Qa-thet Regional District (formerly Powell River Regional District)
 - Alberni-Clayoquot Regional District
 - School District No. 71 (Comox Valley)
 - Comox Valley Regional District (Comox Strathcona Waste Management)
 - Comox Strathcona Regional Hospital
 - Ministry of Municipal Affairs and Housing
 - Ministry of Indigenous Relations and Reconciliation
 - Crown Indigenous Relations and Northern Affairs

Project background:

- 3L Developments Inc. requested that the board initiate an amendment to the Regional Growth Strategy (RGS) in order to consider its “Riverwood” proposal as a new settlement node and requested that the application be considered as a minor amendment (versus standard amendment).
- Decision was made by the Comox Valley Regional District (CVRD) board on July 24th to proceed with a standard amendment process.

Spokesperson: Alana Mullaly, Acting General Manager of Planning and Development Services

Key speaking points:

- The CVRD board has initiated a standard amendment process for 3L Developments Inc.’s application to create a new settlement node.
- As part of this process the public is encouraged to have their say at the public hearing and to attend the open house to learn more about the process and application.

- For details regarding the process and to learn more about 3L Developments Inc.'s application please visit www.comoxvalleyrd.ca/rgs.

Guiding principles:

- Communications included in all project team meetings and in key project-related discussions.
- Project to have budget sufficient to cover communications strategies.
- All materials and communication will follow the CVRD style guide.

Budget: \$4,900 excluding GST

Communication Objectives: 3-5 objectives

1. To educate stakeholders regarding the RGS, the amendment process and 3L Development Inc.'s application.
2. To gather feedback from the public regarding the 3L Development Inc. application.
3. To ensure the amendment process is transparent to all stakeholders.

Communication/Engagement Strategies:

| Component | Description | Responsibility | IAP2 Spectrum | Budget | Due Date |
|-----------|---|--|---------------|------------|-----------------------|
| 1. | Update CVRD website | Update the CVRD website and ensure information current throughout entire process. Content: Alana/Jennifer Updating: Communications Approvals: Alana | Inform | Staff time | Ongoing |
| 2. | Notice of Initiation to affected local governments | Letter to affected local governments Planning | Consult | Staff time | July 25, 2018 |
| 3. | Board-adopted consultation plan | Statutory consultation plan to provide opportunities for early and ongoing consultation Content: Planning Approval: Board | Consult | Staff time | Board August 14, 2018 |
| 4. | Notice of initiation and application information to stakeholders, including First Nations and Ministry of Indigenous Relations and Reconciliation | Website updates and information package to stakeholders, including K'omoks First Nation and Ministry of Indigenous Relations and Reconciliation; Letter to other First Nations | Consult | Staff time | August 15, 2018 |

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| 5. | Technical Advisory Committee and Steering Committee joint meeting with 3L Developments Inc. | Opportunity for 3L Developments Inc. to present proposal to TAC and SC and discuss process | Alana | Inform | Staff time | August 15, 2018 |
| 6. | Infographic development | Develop infographic of process | Infographic: Colleen Lucas Design | | Info-graphic: \$600 | August 31, 2018 |
| 7. | Open House (CVRD hosted with 3L presentation) | Information meeting on RGS, amendment process, and 3L Development Inc.'s application | All TAC and SC to attend | Inform | Venue booking: \$350 Staff time | September 6, 2018 |
| 8. | Technical Advisory Committee meeting | Review options and provide recommendation to steering committee | Content: Technical advisory committee | | Staff time | Week of September 10, 2018 |
| 9. | Steering Committee meeting | Review options and provide recommendation to CVRD board | Content: Planning Approval: Steering committee | | Staff time | Week of September 17, 2018 |
| 10. | CVRD board – First reading | First reading of amendment at CVRD board | Planning | Consult | Staff time | Board October 2, 2018 |
| 11. | Proposed bylaw to be sent to stakeholders identified in LGA s. 434 | Send bylaw to stakeholders for comment | Planning | Consult | Staff time | October 9, 2018 |
| 12. | Meet with stakeholder upon request | To discuss bylaw and obtain feedback | Planning | Consult | Staff time | Ongoing |
| 13. | Public open house | Public open house in the CVRD Boardroom. (CVRD staff can work with the TAC members if municipality wishes to host their own open | Event Planning: Planning Display Boards: -Content: Planning -Design: Communications Advertising: | Consult | Total: \$2,800 Ads: \$2,400 (print ads and Face-book | October/ November 2018 |

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| | | house in own jurisdiction). | -Design: Communications -Book: Communications Pamphlet: -Content: Planning -Design: Communications | | boosted posts) Display Board: \$58/ Board (\$300--400) | |
| 14. | RGS orientation to new board on 3L process and application | Orientation to new board prior to 3L public hearing to provide information on process and 3L application | Planning | Inform | Staff time | November 27 th |
| 15. | Public hearing advertisements | Two ads in support of a public hearing in the Comox Valley Record | Content: Planning Design/Distribute: Beverly | Inform | Legal ad costs | November 15 & 22, 2018 |
| 16. | Public hearing | Public hearing for citizens to provide feedback. Display boards from open house present along with mechanisms for feedback (e.g. comment forms) | Planning | Consult | Staff time | November 29, 2018 |
| 17. | Technical Advisory Committee meeting | Incorporate feedback from open house and public hearing into recommendations for steering committee | TAC/CVRD planning staff | Consult | Staff time | Week of December 4, 2018 (following public hearing) |
| 18. | Steering Committee meeting | Prepare recommendations to board on bylaw and next steps | SC/CVRD planning staff | Consult | Staff time | Week of December 10 th |
| 19. | Engagement roll up report | Roll up feedback provided by public and provide to board | Full Report: Planning | Inform | Staff time | December 18 Board |

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|-----|--|--|----------|---------|------------|-------------------|
| | | to assist with decision making | | | | |
| 20. | CVRD board – Second reading | Second reading of amendment at CVRD board | Planning | Consult | Staff time | December 18 Board |
| 21. | Refer to affected local government and minister for acceptance | Following second reading provide materials to affected local governments and minister for acceptance | Planning | Consult | Staff time | January 2019 |
| 22. | CVRD board – Third reading (upon acceptance by all affected local governments) | Third reading of amendment at CVRD board-accepted by all local governments | Planning | Consult | Staff time | April 2019 |
| 23. | CVRD board – Final adoption | Final adoption of amendment at CVRD board – if accepted by all local governments | Planning | Consult | Staff time | April 2019 |

Approval History

| | |
|-----------------|-----------------|
| Board Approved: | August 14, 2018 |
| Amended: | |



Sept 13, 2018.

6410-20 / CV RGS Amendment
RGS 1C 17

A. Mullaly

Alana Mullaly RPP

Senior Manager of Planning and Protective Services

Planning and Development Services Branch

Comox Valley Regional District

600 Comox Road

Courtenay, BC, V9N 3P6

Re: Follow up information from Public Open House on September 6, 2018

Alana:

This document outlines some information to address some of the high priority issues that were raised in the public open house on Sept 6, 2018 regarding the Riverwood RGS amendment application.

The choice: preservation or resource extraction

Many residents addressed the park and environmental preservation issues in the discussion in the open house on September 6, 2018. What was not very clear in the presentation by staff was that the rural areas are intended for rural and resource uses -and this means typically clearing, resource extraction and similar uses. There appears to be a misunderstanding in the community that there is an option to not have it developed but have it stay the way it is.

The land owner states that it is his intention to finish logging the site and to pursue gravel extraction as well, wherever feasible if the proposed project is not approved. Gravel extraction requires additional approvals but it is his intent to try to realize value out of the lands. This resource extraction is the intent of the rural designation in the RGS and as such, is in line with policy intent.

Even if resource extraction is not pursued by the current land owner and instead he sells large estate lots in accordance with the RGS, it is highly likely that the land may then face resource by others or it may be fenced and made inaccessible to the public. While the RGS implicitly envisions a bucolic rural residential image, the reality is that governments have little control over clearing on private rural land and that is to be expected in this situation.

In staff's communications to the Board, we request that staff make this information clear – that the only way to preserve the land in a park-like, conservation manner with public protection and access, is to support this proposal – which gives 50% of the land to the public in exchange for the proposed development rights to the other 50% of the land.

The choice is not between development or no development, it is between a clear cut or a park. The RGS has policies that support both of these options, but the outcomes are significantly different.

The private utility

There is a policy in the RGS to typically not support private utilities and the District has begun absorbing some existing water and sanitary utilities in local improvement areas into the public utility system. The benefit of this approach is that the responsibilities for health and safety in servicing is totally within the purview of the local government. In addition, this policy provides further controls within the local government to control new development.

There are other private utilities in the region, including Saratoga Beach, Mt Washington and others, and other developers such as Kensington are looking at them too. Many of these have plans for the District to take over them when other properties plan to connect.

The challenge with this policy is that many existing areas need those services and as such, the District prioritizes the upgrades of existing areas with their infrastructure investment. This results in the servicing not creating sufficient land to meet market demands for new growth, which means that the prices of region's housing will continue to rise because land is much more expensive and difficult to assemble in existing areas for several reasons:

- Most land owners do not want to sell;
- It is very difficult to assemble sufficient land to develop a critical mass to make projects viable; and
- The surrounding neighbours oppose much additional density in their neighbourhoods.

Therefore, inadvertently, policies that limit private utilities increase housing prices in a growing region like the CVRD. The prices for land and homes are now increasingly causing social and economic problems in the CVRD because of the rising cost of land for new homes.

By allowing private utilities with the intent to have them incorporated into the public utility system in the future and/or when the public utility system reaches out to connect with them, the CVRD can, at no cost to itself at this time, allow new development to occur in a way where users, not the general taxpayer, pay for the utility, and the local government's policy of upgrading infrastructure in existing areas remains on track.

A further challenge with utilities is in their management, maintenance and long-term reliability. There are often problems with some private systems in local improvement districts, as they can have directors who are not experts and subscribers who do not want to raise utility costs to pay for necessary upgrades and replacements. In this regard, there is a significant difference between Corix as an owner/operator of a utility and a local improvement district, with a local board of citizens managing the system. Corix is a large utility company owned by the BC Government Employees Pension Fund and are thereby seen as a strong reliable company and investment for the future.

While there are challenges with all infrastructure systems, there is significant evidence in the benefits of these systems in their ability to support neighbourhood services. There are also many opportunities to integrate or transfer ownership of the private utility in the future to the public system, if desired. Corix



has extensive experience in transferring ownership to public utilities, typically for the capital cost of the infrastructure.

Water supply and First Nations

The landowner undertook analysis that indicates that the amount of water that would be drawn from the river is a tiny fraction of 1% of the lowest flow volumes and as such, independent of the fact that the low flow levels are controlled by Hydro, it would not impact the river. The water license has not yet been applied for but that would be part of the subsequent approvals phases, especially for subdivision and servicing.

3L is also committing to efforts to reduce water consumption in the Riverwood community.

3L developments have had many discussions with the K'omoks First Nation (KFN) and have an agreement regarding water supply. KFN have rights to a significant amount of water from the Comox Lake / river system but have no ability to get water treated and to their lands adjacent Riverwood. In their agreement, KFN will provide the water for both Riverwood and their lands, and Riverwood will provide the infrastructure for treatment and conveyance through their water utility. Without this system, KFN faces formidable challenges in getting water to their lands to support economic development.

General environmental impacts

All development has impact on the natural ecosystems within which it occurs. All existing and growing areas in the Comox Valley used to be natural but the previous ecosystems were removed to allow for development. The RGS envisions significant ongoing impact to the environment in all its current and future growth areas.

The Riverwood area likewise will experience significant environmental changes in its future, in any option. As a rural / resource development area, its current forests are likely to be removed with associated impacts and efforts to extract gravel may be pursued. Under the proposed development plan, the Riverwood neighbourhood would preserve 50% of the land in perpetuity including the river corridors and other sensitive areas. As such, regarding the physical environment on the lands, the Riverwood proposal has the best environmental performance of its current probable options.

The size and location of the park proposed for the neighbourhood was established through and environmental study conducted by Biologists with FishFor Contracting (now Strategic Natural Resource Consultants in Campbell River). The methodology for evaluating the most sensitive land to be preserved in the proposed park area included:

- Areas to be conserved based on levels of sensitivity including habitats that support possible species in peril or at risk as well as the imperative to protect surface waterways, riparian areas and wetlands; and
- Areas to be restored.

The sensitive habitat areas and the riparian areas were combined into a logical land protection pattern, resulting the design of the neighbourhood and the park area.

Additional environmental studies will be undertaken if the project moves forward, in support of rezoning and development permit approvals.



Regarding climate emissions from transportation, the Riverwood neighbourhood is significantly closer to the employment, educational and shopping centres of Courtenay and Cumberland than many areas currently in the RGS, including Kensington and Sage Hills. As such, emissions from transportation would be lower per capita for settlement in Riverwood than in many other areas.

Regarding emissions from buildings, the landowner of Riverwood has committed to promoting green building standards in development on the site. Securing these commitments would occur at later stages in the approvals process for the site, but it is an important value in the project.

Transportation

A transportation study for the project was completed by Bunt & Associates. It evaluated the existing and proposed traffic patterns with various scenarios. The focus of the study was on the initial plan for the site, that had slightly fewer units than currently envisioned, and in all of its scenarios, there were limited to no major offsite road improvements required.

As the current proposal has added new land and envisions a slightly higher density, this initial traffic study reflects the reality of the first phases of the project, and additional traffic studies and possibly road enhancements may be required in the late stages of the project.

Overall regional growth patterns and amendments

The final issue to address is the issue of the RGS pattern and amendments to it. The majority of work on the RGS was undertaken nearly a decade ago, with its final approval a few years later. At that time, there was a lot of confidence that the large projects of Kensington and Sage Hills would be commencing development imminently. Both are located far south of the main settlement areas of Comox, Courtenay and Cumberland, and nearly a decade later, neither has started construction, in large part due to the infrastructure issues associated with the area.

Many areas, much closer to the main urban centres in the region were left out of the RGS, including Riverwood.

In addition, there are significant areas within the RGS that are highlighted for more development that have not seen development, despite a significant rise in prices and demand. The lesson from these patterns is that an RGS does not determine what develops or when. Individual land owners make those decisions and the financial logic of any given piece of land is complex and frequently parcels within growth areas are not feasible to develop.

The supply of land determines the price of land in response to various levels of demand. The cost of construction is the same in most communities in Canada regardless and therefore the difference in the cost of housing between Courtenay and Vancouver lies in the cost of land. The supply of developable land and density is entirely under the purview of the local government.

It is the responsibility of planners to manage the land supply so as to not create a scarcity of land that drives up land prices and thereby creates a land affordability problem – and many social and economic problems that then emerge from that issue.



Recent VIREB statistic show that the RGS and its associated OCP and other policy implementation, have launched a critical problem with land and housing prices in the region. During the years of implementing this RGS, land values have gone up a startling amount.

- in 2014:
 - The average home price was approximately \$350,000.
 - The inventory (available supply) of land and homes for sale was extensive, including:
 - Lots -128
 - Acreages – 80
 - Single family – 482
 - The average sale time for inventory was 7.9 months.
- In 2018:
 - The average home price was approximately \$520,000 – an increase of 35-40%.
 - The inventory of land and homes for sale had shrunk significantly (causing the price increase) to:
 - Lots- 25
 - Acreages – 29
 - Single family – 216
 - The average sale time for inventory in 2018 has often been as short as 3 months.

There is significant capital and builders available in the region and the growth rate has not increased significantly during that time. What has happened is that the RGS and its supporting OCPs, infrastructure plans and other policies have shrunk the available and developable land supply and are in the process of creating a major housing affordability problem that will have significant negative impacts on the local community, society and economy long term. This same pattern has occurred in many jurisdictions with the same approach to growth management.

This pattern should be of significant concern to the District and the community. The forces underpinning this problematic housing issue are not going to recede since the cornerstone problem is availability of affordable land for a broad range of home builders to acquire. Unless that core issue is changed, the problem will persist and become worse.

However, the problem is not solved by opening up any or all land for development in the region, but rather by changing the geometry of the regional growth concept.

The current spatial growth control model is based on a pattern of general ovoid-shaped town centres with rural areas in between – and this model is the cause of the problem. Within any of these ovoid areas, the actual affordable and available land or density for development is a very small fraction of what planners believe is available in the plan. Most land owners are not ready to sell because they live or work on their properties, and as such, the majority of the land highlighted for growth areas within existing settlement nodes is not actually available for development.

In many cases, even if the land is for sale, it is not for sale at a price that supports redevelopment because the cost of the land per unit that might be approved is too high for a project to be feasible. This is the case with most “gentle infill” projects – putting duplexes and triplexes, laneway houses and similar small sale infill housing in single family areas. If the cost of a single-family home site is \$500,000, even if a



triplex is approved, that is over \$160,000 in land costs per triplex unit, making the resulting unit likely too expensive in most cases.

In some cases, one owner will own significant areas of land in a community but only bring on development very slowly as suits their personal interests. In a region like the Comox Valley, a few land owners (individuals, families, corporations) can own a significant amount of the greenfield land that is available in the growth strategy (such as Trilogy, Kensington, Sage Hills, Crown Isle, others) and thereby a few individuals have inordinate control over the region's actual growth process because an RGS or OCP gives them that power.

Where infill development is supported in a plan, the reality of infill development must be considered. It takes a long time to get new infill homes approved and they typically come in only a few at a time and then it can only be so dense, because the opposition to development in these areas is significant because residents want little change, traffic or tall buildings in their view sheds. In addition, while there is a scarcity of land, the growth rate is slow and steady, so no bank will lend a developer the money to build a very tall or large building because it will take too long to get presales or sell the building out.

Therefore, the question arises around how to bring on a lot of land but to do so in a way that meets regional, sustainability and community goals. The answer lies in the spatial pattern of growth that is selected.

A better geometry for growth management is not ovoid settlement centres, but rather multiple corridors that connect all existing areas and reach out into the surrounding areas in a way that promotes efficient linear infrastructure and transit. This approach leads to a "corridor urbanism" model.

Along these corridors are a wide range of densities and land uses around a continuing or necklace of mixed use neighbourhood centres. This opens up a significant amount of land across a region to keep land prices low and thereby housing prices more affordable, but it also achieves the sustainable goals of compact "linear" development with efficient infrastructure and transit orientation. The "compact" nature then is based on the integrity of the corridor, rather than the distance to a hypothetical town centre, because the core centre is opened up to stretch along the corridor. The corridor growth pattern has people living and working approximately 500m on either side of a main street network. As such, a linear, sustainable sequence of neighbourhoods opens up over time. The natural areas on either side of these corridors can be protected, keeping a much more integrated and complete ecosystem in the region than the current model does.

In this context, the Riverwood neighbourhood proposal fits much better in a sustainable regional growth network than some areas already in the RGS, as Riverwood extends existing developed areas in a corridor fashion to better connect Courtenay and Cumberland along existing road networks, while protecting a significant amount of the natural space along the way.

In this context, while as a proposal it asks to amend the current RGS, the results of approving Riverwood will be to better achieve the goals of the RGS and the Comox Valley Sustainability and at the same time, contribute to trying to stabilize land and house prices.

Finally, the RGS has a formal amendment process that thereby declares implicitly that amendments are to be entertained and taken seriously. Plans, including the RGS, are the product of the time at which they were drafted and are subject to the significant limits to knowledge, ideas and understandings of future



realities that existed at that time. They also are not drafted with any analysis of the actual financial feasibility of development in any of the areas in which they propose development, or due diligence on many other issues. They also do not compel or bind any land owner to develop in the way envisioned in the plan.

As such all plans need to be revisited on a regular basis. It is critically important that plans not become, in the minds of the community or local government, a “bible” or sacred text that cannot be changed. Rather they should be a reference point from that point in time to refer to when considering changes at any future point in time. To discourage amendments on principle causes significant problems in reality over time.

Conclusion

This document has provided additional information, highlighted aspects of existing information in the RGS amendment application and provided perspectives and supporting documents with the intent of addressing the issues raised in the public open house on September 6, 2018. It is submitted to assist staff and the Directors in assessing the issues associated with this application.

I will be pleased to discuss any aspect of this application or supplementary information with you at any time.

Respectfully,

A handwritten signature in black ink, appearing to read 'Mark Holland'.

Mark Holland RPP

President - Holland Planning Innovations Inc.



DATE: September 26, 2018

FILE: 6410-20/CV RGS Amendments
RGS 1C 17

TO: Steering Committee
Regional Growth Strategy

FROM: Technical Advisory Committee
Regional Growth Strategy

**RE: Population and Land Supply Information
3L Developments Inc., Regional Growth Strategy Standard Amendment**

Purpose

This report is intended to provide the Regional Growth Strategy (RGS) Steering Committee with additional detail regarding population estimates and residential unit supply relative to the application by 3L Developments Inc. to amend the RGS in order to create a new Settlement Node.

Recommendation from the Regional Growth Strategy Technical Advisory Committee:

This report is provided for information.

Executive Summary

- The Technical Advisory Committee (TAC) reconvened on September 25, 2018 to review the direction from the Steering Committee to provide more information on population projections, and housing/land supply.
- TAC has compiled a series of charts, included in the body of this report, providing high level population projections and housing/land supply based on development applications that have been recently approved either through phased (or master) development agreement, subdivision, or building permit.
- TAC's numbers do not include an assessment of all development capacity within the Comox Valley Regional District (CVRD) (i.e. zoned and/or serviced lands).
- The TAC also reviewed two studies, provided by 3L Developments Inc. on September 13, 2018, and confirms that TAC's September 19, 2018 recommendation to the Steering Committee that the amendment application to create a new Settlement Node, be denied, remains.

Prepared by:

A. Mullaly

Alana Mullaly, MCIP RPP
Senior Manager of
Planning and Protective
Services
CVRD

Concurrence:

I. Buck

Ian Buck, MCIP RPP
Director of
Development
Services
City of Courtenay

Concurrence:

Marvin Kamenz, MCIP RPP
Municipal Planner
Town of Comox

Concurrence:

K. Rogers

Ken Rogers, MCIP RPP
 Manager of
 Development Services
 Village of Cumberland

Stakeholder Distribution (Upon Agenda Publication)

| | |
|------|--|
| None | |
|------|--|

Background/Current Situation

The TAC (with the exception of the member from the Town of Comox) met on September 25, 2018 to discuss the direction from the RGS Steering Committee to provide further information on population projections and related housing supply. The TAC also reviewed two studies, provided by the applicant on September 19, 2018, specifically:

1. Riverwood Residential Transportation Assessment – Final Report, prepared by Bunt and Associates Engineering Ltd. and dated October 30, 2009.
2. Ecology and Wildlife Summary, Riverwood Development, prepared by FishFor Contracting Ltd. and dated December 18, 2009.

Policy Analysis

The purpose of an RGS, per the *Local Government Act* (RSBC, 2015, c. 1) (LGA) is:

“to promote human settlement that is socially, economically and environmentally healthy and that makes efficient use of public facilities and services, land and other resources” (LGA, Section 428 (1)).

Options

This report is provided for information to the RGS Steering Committee to assist the Committee in making its recommendation to the CVRD Board.

Financial Factors

Financial factors related to the preparation of this report pertain to staff time.

Legal Factors

The TAC offers this report to the RGS Steering Committee in accordance with the Board’s approved consultation plan (i.e. preparation for the October 2, 2018 Board meeting regarding possible first reading of an amendment bylaw).

Regional Growth Strategy Implications

In respect to RGS Goal Statement No. 1: *“Ensure a diversity of housing options to meet evolving regional demographics and needs.”*

Note that the province is in the process of introducing legislation to amend the *Local Government Act* in order to require all local governments to prepare “housing needs reports” at least once every five years. The legislation will require local governments to collect data on current and projected population; household income; significant economic sectors and currently available/anticipated housing units as well as type of units. The reports are intended to identify the number and type of housing units required over a five year period.

Once in place, the legislation will require a local government that is considering amending a Regional Growth Strategy or Official Community Plan to consider its housing needs report(s) as part of its decision-making process. CVRD staff intend, through the 2019 budget process to request that consulting funds be added to the RGS service in order to undertake an assessment that could be used by all four jurisdictions. The regular collection of this data is useful in monitoring RGS implementation.

In the meantime, however, TAC has compiled the following information in order to show current and projected population estimates, housing unit supply and demand (as reflected by real estate sales). TAC is confident that these numbers can be relied upon for the present purposes (i.e. high level assessment of whether or not a new core settlement area is needed relative to population growth and new supply in existing core settlement areas).

Population Chart:

| 2017 Sub-Provincial Population Estimates | | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Jurisdiction | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Comox | 13,785 | 13,579 | 13,645 | 13,797 | 14,452 | 14,573 | 14,425 |
| Courtenay | 24,596 | 24,602 | 24,524 | 24,716 | 25,149 | 25,951 | 26,185 |
| Cumberland | 3,436 | 3,463 | 3,488 | 3,503 | 3,506 | 3,548 | 3,699 |
| Electoral Areas | 22,600 | 22,505 | 22,477 | 22,432 | 20,681 | 21,316 | 21,857 |
| CVRD Total | 64,417 | 64,149 | 64,134 | 64,448 | 63,788 | 65,388 | 66,166 |

Source: BC Stats

Estimates represent the annual mid-point population. Municipal boundaries per July 1. Above released January 2018.

Based on the 2016 census data for the Comox Valley, the following demographic trends are highlighted:

- Of the 40,275 citizens that are within the 15 – 64 year old age bracket, 29 per cent are over 50 (11,875).
- 51 per cent of the Comox Valley’s population is aged 50 and over.

Based on the 2016 census data for the Comox Valley, the following housing unit types and household composition trends are highlighted:

- Of the 29,570 private households in the Comox Valley, 68 per cent are living in single detached dwellings (does not include mobile homes).
- The average household size in the Comox Valley is 2.2 persons.

Based on the 2016 census data for the Comox Valley, the following income trends are highlighted:

- In 2015 \$, the median after-tax income of households is \$56,286.
- In 2015 \$, the median after-tax income of two or more person households is \$69, 675.
- In 2015\$, the average after-tax income of households is \$65,641.

Based on the above trends, single detached dwellings remain the largest housing unit type, although slightly less than the 80% identified in the RGS (based on 2006 data). It is reasonable to infer that as the “baby boomers” continue through the population pyramid as our largest demographic, alternative housing types will be required to meet demand (e.g. infill, multi-family).

In assessing relative supply, the TAC provides the following data. The numbers below are intended to provide a high level “snapshot” of potential housing unit supply. These numbers reflect active

development applications (or units committed to by local government in the form of phased development or master development agreements).

| Jurisdiction | Units in Development Agreements | | Units in Subdivision | Building Permits Issued in 2017/2018 for New Units |
|------------------|---------------------------------|-------|----------------------|--|
| | SFD** | MF | | |
| Electoral Areas* | 3,039 | 60 | 43 | 206 |
| Courtenay | 128 | 70 | 340 | 480 |
| Comox | 464 | 268 | 162 | 77 |
| Cumberland | 989 | 2,831 | 103 | 137 |
| Total | 4,620 | 3,285 | 648 | 900 |

*Settlement nodes of Union Bay and Saratoga only

**Numbers in Electoral Areas and Cumberland include provision for secondary suites in some of the SFD.

The above numbers do not include latent supply (i.e. existing zoned lands that have not been developed to their full density). The TAC acknowledges that not all of the above units will necessarily be brought to market within the short-term (i.e. next five years). However, the salient point is that the RGS has created a policy framework that has enabled growth in the Core Settlement Areas. It is this projected supply that should largely inform decisions about creating a new core settlement area at this time. Private market conditions will largely determine how supply is released. 3L Developments Inc. has not provided any rationale as to how or why their market decisions would be any different than any other developer. In fact, at the September 6, 2018 open house, 3L Developments Inc. stated that 15 - 20 units would be brought to market in year one of an approved project. It is not clear how this will have any impact on “stabiliz(ing) land and house prices” as stated in 3L Developments Inc.’s September 13, 2018 letter.

Insofar as real estate listings can indicate available supply, 3L Developments Inc. cites Vancouver Island Real Estate Board (VIREB) statistics and claims that a comparison between 2014 and the first half of 2018 listings and sales demonstrates that RGS policy has constrained supply thereby increasing sales prices. This simplistic assessment is challenging on several levels. At the very least however, VIREB has supplied staff with their statistics from 2014 and the first half of 2018. It is not apparent how 3L Developments Inc. determined their numbers using VIREB data. By August 2018, 66 residential lots (single detached) had been listed for sale with a VIREB licensed agent (statistics do not account for any private listings). This is up 3 per cent over the whole of 2017. Note again, that based on population, the RGS identifies that in order to provide adequate supply to meet demand, 432 new dwelling units (all types) are required per year: with 900 building permits issued in the Comox Valley for new dwelling units in 2017 and 2018 (to date), we are on track.

Ultimately, the single detached housing price increases that the Comox Valley saw between 2014 and 2018 are entirely on par with the increases seen in adjacent communities including Campbell River, Parksville/Qualicum and Nanaimo. Is not at all apparent, as 3L Development Inc. suggests, that the increase is directly and entirely related to the RGS policy framework. TAC’s assessment of 3L Developments Inc.’s data is not intended to diminish the very real affordability challenges that Comox Valley residents face. Rather, it is important not to speak anecdotally about affordability. It better serves the community to undertake a detailed, Comox Valley-specific look at the factors that influence affordability and determine how policy can support rather than detract from affordable housing options. TAC suggests that the housing reports referenced above are an appropriate mechanism through which to undertake that detailed data collection and analysis.

Lastly, in respect to the location of land supply, in their letter of September 13, 2018, 3L Developments Inc. states that the spatial pattern contemplated by the RGS (i.e. nodes versus strip corridors) has created a housing affordability problem. With the exception of Sage Hills, the core settlement areas were established around existing communities with additional development capacity (relative to greenfield land and serviced infill opportunities). Settlement expansion areas were identified on the fringes of municipalities to reserve land for future land supply needs once incorporated into a municipality. When looking at the “geometry” of the municipalities and the settlement expansion areas, TAC suggests that in fact the geometry of the RGS does establish a clear picture of how land supply can be increased in a phased and orderly manner that reflects existing settlement patterns and achieve asset management goals.

Goal Statement No. 5: *“Provide affordable, effective and efficient services and infrastructure that conserves land, water and energy resources”.*

In respect to planned investment in the core settlement areas, the TAC notes the following examples of significant regional infrastructure projects (water and sewer):

- Comox Valley Water Treatment project
- Greenwood and Hudson Trunk Regional Sewer Line projects
- HMCS Quadra Forcemain Replacement project
- Sewage Treatment Plant upgrades

3L Developments Inc. is proposing a new settlement node that will be serviced by a private utilities (water and wastewater). No further information has been provided. 3L Developments Inc. states, in their September 13, 2018 letter to staff, that: *“There are also many opportunities to integrate or transfer ownership of the private utility to the public system, if desired”.* TAC suggests that based on the extent of regional infrastructure commitments that have been made to service existing Core Settlement Areas, the Board should approach, with caution, any suggestion that the future integration or transfer of currently non-existent private utilities is at all feasible (let alone desirable). The RGS is premised on enabling growth in the core settlement areas that is serviced publicly in part to avoid any future need to integrate or transfer private utilities that have either failed or become unmanageable for the private operator (or the citizens that must pay for the utility). As noted in TAC’s September 19, 2018 report, the CVRD has had multiple experiences with conversion of private utilities and all have carried with them challenges.

Underlining the above, TAC suggests that key to the Board’s consideration of the proposed RGS amendment is the recognition that if growth is directed away from the existing Core Settlement Areas (i.e. to a new 1,100 unit residential development) there will be an impact on existing and planned infrastructure projects (i.e. regional district service is paid for only by the population that receives the service).

Intergovernmental factors

The TAC and Steering Committee are regional, representing, at a staff level, each of the member municipalities and electoral areas. The standard amendment process includes a formal referral for acceptance to all member municipalities and adjacent regional districts of any amending bylaw that the board intends to adopt.

Citizen/Public Relations

This report will be available to the public. Public consultation will be undertaken in accordance with the board’s consultation plan.



RGS
Steering Committee
Minutes

Minutes of the Regional Growth Strategy Steering Committee meeting held on September 27, 2018 in the Comox Valley Regional District boardroom, 550B Comox Road, Courtenay BC, commencing at 8:32 am.

File: 6410-20 / CV RGS Amendments
RGS 1C 17

Present: Russell Dyson, Chief Administrative Officer, Comox Valley Regional District (chair)
Sundance Topham, Chief Administrative Officer, Village of Cumberland
John Ward, Acting Chief Administrative Officer, City of Courtenay
Richard Kanigan, Administrator, Town of Comox
Alana Mullaly, Senior Manager of Planning and Protective Services, Comox Valley Regional District

Recording: Sylvia Stephens, Branch Assistant, Comox Valley Regional District

TOPIC

The committee met to review the Regional Growth Strategy Technical Advisory Committee's finalized residential land and housing supply statistics as requested at the September 20, 2018 Regional Growth Strategy Steering Committee meeting.

RECOMMENDATION

R. Kanigan/S. Topham: THAT having reviewed the application by 3L Developments Inc. to create a new Settlement Node (Riverwood), the Regional Growth Strategy Steering Committee recommends to the Comox Valley Regional District Board that the application by 3L Developments Inc. to amend the Regional Growth Strategy in order to create a new settlement node be denied.

CARRIED

ADJOURNMENT

Time: 9:24 am

Recorded By:

S. Stephens

Sylvia Stephens
Branch Assistant Planning and
Development Services Branch

Certified Correct:

R. Dyson

Russell Dyson
Chief Administrative Officer

Bylaw No. 557
Comox Valley Regional District

STATUS

Title: Comox Valley Regional District Regional Growth Strategy
Bylaw No. 120, 2010, Amendment No. 2

Applicant: 3L Developments Inc.

File No.: RGS 1C 17

Purpose: To amend the Comox Valley Regional District Regional
Growth Strategy Bylaw No. 120, 2010

Participants: Baynes Sound – Vancouver Island portion (Electoral Area A);
Lazo North (Electoral Area B); Puntledge – Black Creek
(Electoral Area C); City of Courtenay; Town of Comox;
Village of Cumberland



Comox Valley Regional
District Board:

Date:
Decision:

Read a first time

Date:

Public hearing

Date:

Read a second time

Date:

Accepted by resolution

Date:

Read a third time

Date:

Adopted

Date:

Schedule A

Section One Text Amendment

1. Part 4.5.1, “Core Settlement Areas, MG Policy 1.1 – Definition of Core Settlement Areas” be amended by inserting the following text at the end of the third paragraph (*Settlement Nodes*):

“As an exception, Riverwood, is a new greenfield community in Electoral Area C – Puntledge-Black Creek. Riverwood is the only settlement node with no existing development within its boundaries although it is immediately adjacent to developed *rural areas* and *settlement expansion area* lands. Riverwood does not have any existing transportation or servicing infrastructure and has been created to facilitate a development proposal. ”

2. Part 4.5.1(1.(b)) “Settlement Nodes” be amended by deleting the following:
“*Settlement Nodes* have been identified to accommodate compact forms of development but are not contiguous with Municipal Areas. *Settlement Nodes* consist of defined areas around Union Bay, Saratoga and Mt. Washington. These *Settlement Nodes* are established through local planning policy documents around existing communities with significant planned capacity to accommodate new growth. Each *Settlement Node* is unique and will develop based on its particular characteristics and Local Area Plan. New *Settlement Nodes* can only be created through amendment to the RGS.”

And inserting:

“With the exception of Riverwood, *Settlement Nodes* were identified through the development of the RGS to accommodate compact forms of development but are not contiguous with *Municipal Areas*. The *Settlement Nodes* of Union Bay, Saratoga and Mt. Washington are defined areas, established through local area plans around existing communities with significant planned capacity to accommodate new growth. Riverwood is a greenfield community with no existing development or servicing that was identified through a site specific amendment to the RGS. *New Settlement Nodes* can only be created through amendment to the RGS.”

3. Part 4.5.1(1.(b)) “Settlement Nodes” be amended by adding the following text after the “Mt. Washington” paragraph:

“RIVERWOOD

Located in Puntledge-Black Creek – Electoral Area C – Riverwood is a proposed greenfield, primarily residential, development, with private utility services. 3L Developments Inc., the developer, has stated that it will provide 265 acres of land along the Puntledge and Browns Rivers as public park land. The dedication of this public land should occur prior to any related enabling changes to the Rural Comox Valley Official Community Plan.”

4. Glossary be amended by deleting the following definition of “Settlement Nodes”:
“*Settlement Nodes* reflect the planned settlement areas in Union Bay, Saratoga Beach and Mt. Washington, as establish (sic) through existing Local Area Plans. They are areas where there is planned growth to accommodate urban forms of development, but they are not contiguous with *Municipal Areas*”

And inserting the following definition in its place:

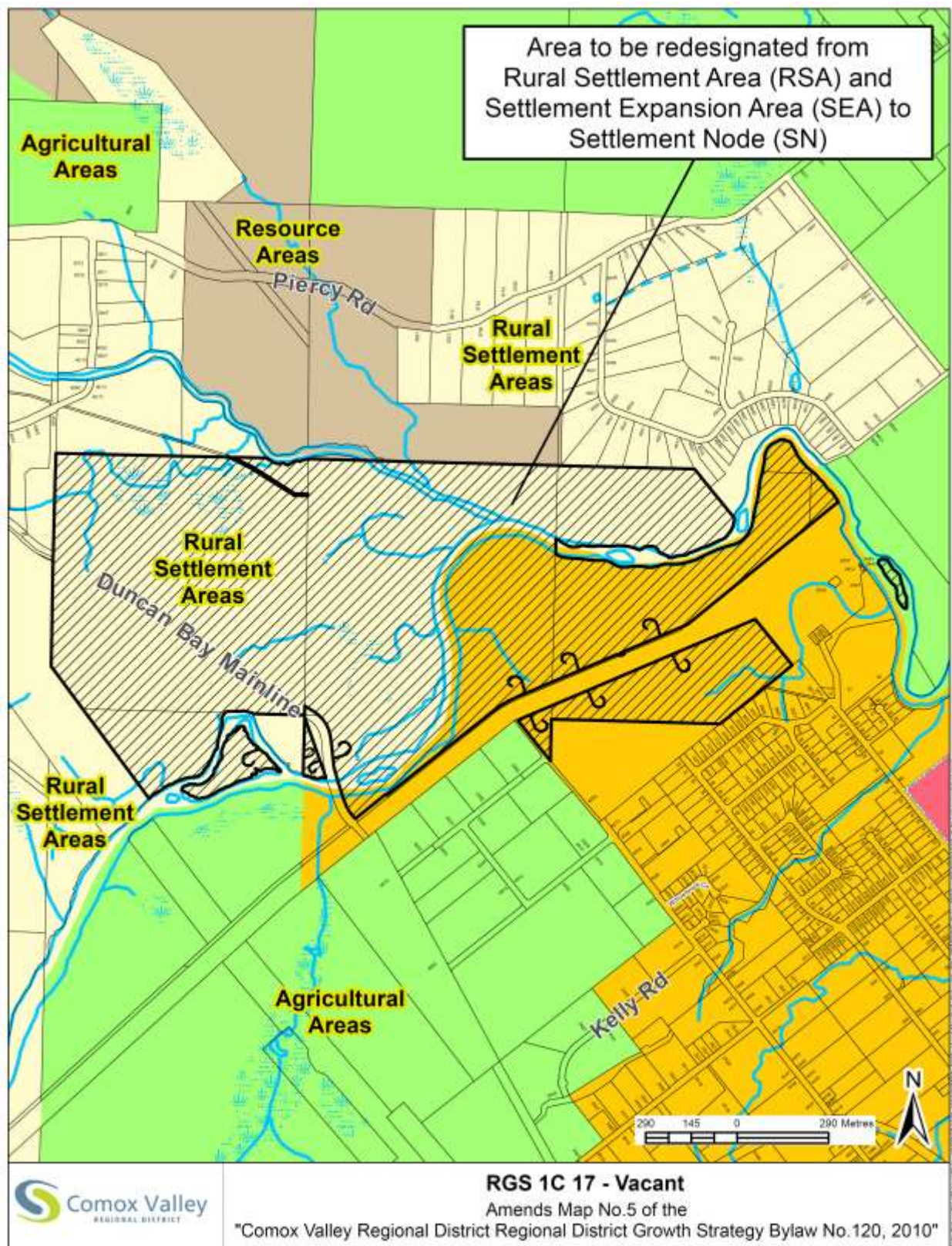
“With the exception of “Riverwood”, *Settlement Nodes* reflect the planned settlement areas in Union Bay, Saratoga Beach and Mt. Washington, as established through existing Local Area Plans. They are areas where there is planned growth to accommodate urban forms of development, but they are not contiguous with *Municipal Area*. Riverwood is a greenfield residential community with no planned public servicing, yet is adjacent to *Settlement Expansion Area* lands on the fringe of the City of Courtenay.”

Section Two Map Amendment

The land use designation on Map 5 of Bylaw No. 120 being the “Growth Management Map, Schedule A of Bylaw 120, being the “Comox Valley Regional Growth Strategy, 2010” is amended for land described as:

That part of the North West $\frac{1}{4}$ of Section 10, Township 9, Comox District, Plan 552G, lying west of Puntledge River except that part in Plan VIP70188 and EPP24391; The South West $\frac{1}{4}$ of Section 15, Township 9, Comox District, Plan 552G, except that part shown coloured red on Plan 79RW and except that part in Plan VIP70188; That part of the North $\frac{1}{2}$ of Section 14, Township 9, Comox District, Plan 552G lying to the south of the north bank of the Puntledge River; That part of the South East $\frac{1}{4}$ of Section 14, Township 9, Comox District, Plan 552G lying to the west of the east bank of the Puntledge River except those parts in Plans 8304 and 9343; The South West $\frac{1}{4}$ of Section 14, Township 9, Comox District, Plan 552G except that part in Plan 9343 and except that part shown coloured red on Plan 829RW; Lot A, Sections 10 and 15, Township 9, Comox District, Plan EPP23059

From ‘Rural Settlement Area’ (RSA) and ‘Settlement Expansion Area’ (SEA) to ‘Settlement Node’ (SN), as shown on attached Appendix 1.



Appendix "1"

Part of Schedule A of Bylaw No. 557 being the "Comox Valley Regional Growth Strategy Bylaw No. 120, 2010, Amendment No. 2."

Amends Map 5 of Bylaw No. 120 being the "Growth Management Map" Schedule A to Bylaw 120, being the "Comox Valley Regional Growth Strategy, 2010."



Issued September 12, 2018

**Summary from Comox Valley Regional District
and 3L Developments Inc. Open House (held September 6, 2018)**

An open house was held on September 6, 2018 at the Florence Filberg Centre in Courtenay, BC to consider an application to amend the Comox Valley Regional Growth Strategy (RGS). The application, known as Riverwood, is made by 3L Developments Inc. to establish a new settlement node in a portion of Electoral Area C. The open house began at 7 pm, ended at 9:20 pm and included presentations by CVRD staff and 3L Developments Inc. representatives followed by a question and answer session. Approximately 240 people attended the open house and approximately 35 people spoke about the project. This summary describes the topics presented during the open house.

- Affordable housing
- Economic opportunities
- Environmental impact
- First Nation interests
- Parkland
- Public utilities
- Regional Growth Strategy principles
- Road access

Following this open house, staff from the CVRD, City of Courtenay, Town of Comox and Village of Cumberland will review the application and information provided at the open house and make a recommendation to the CVRD Board of Directors at its October 2, 2018 meeting. Written submissions from the Open House will also be provided to the Board of Directors and posted on the CVRD website.

Contact:

Alana Mullaly, Acting General Manager of Planning and Development Services
250-334-6000