

DATE OF MEETING: July 27, 2020  
TO: Mayne Island Local Trust Committee  
FROM: Narissa Chadwick, Island Planner  
Southern Team  
COPY: Robert Kojima, Regional Planning Manager  
SUBJECT: Rezoning Application –Preliminary Report  
Applicant: Mayne Island Housing Society  
Location: 375 Village Bay Road

## RECOMMENDATION

1. That the Mayne Island Local Trust Committee direct staff to proceed with processing application MA-RZ-2020.1 (MIHS).
2. That the Mayne Island Local Trust Committee request that the proponent prepare and provide to staff:
  - A report prepared by a professional hydrogeologist with relevant experience demonstrating proof of potable water and identifying downstream impacts.
  - A professionally prepared site plan
  - Professionally prepared building renderings
  - Documentation relating to the feasibility of septic disposal
  - Documentation identifying the nature and management of the affordable housing units to be used in drafting a housing agreement
  - A pro forma providing a financial summary of the development plan.
3. That the Mayne Island Local Trust Committee request staff to report back following receipt of the requested information.

## REPORT SUMMARY

The purpose of this report is to provide background on proposed bylaw amendments and seek direction from the Mayne Island Local Trust Committee (LTC) to proceed or not to proceed with the application MA-RZ-2020.1 (MIHS).

The application would amend the Mayne Island Official Community Plan No. 144, 2007 (OCP and Land Use Bylaw No. 146, 2008) by rezoning about a third of the subject property from Rural (R) to zoning which will support 10 multi-family residential rental housing. This type of zoning does not currently exist on Mayne Island. If rezoning is approved, the applicant intends to subdivide the land to create a new parcel for the multi-family residential rental housing zone and create two lots out of the remaining Rural (R) land for the current owner.

The above recommendation to proceed and seek further information from the applicant is supported as:

- Affordable housing has been identified as a key concern on Mayne Island;
- The proposed land use is consistent with housing-related policies of the Islands Trust Policy Statement (ITPS) and the Official Community Plan (OCP);
- The property is located in an area appropriate for increased density given its features and proximity to commercial amenities.

## BACKGROUND

This project is an initiative of the Mayne Island Housing Society (MIHS). The MIHS is a not for profit organization incorporated under the Societies Act in 2018. It was granted charitable status through the Canada Revenue Agency in August 2019. The purpose of the Society is “To relieve poverty by providing affordable housing for low or modest income residents of Mayne Island”.

For the past two years the MIHS has been seeking the donation of a property to build multi-family rental accommodation. They have recently reached an agreement with the owner of the subject property to donate a portion of his land to the society that would be dedicated to rental housing. The MIHS identifies that 70% of the units will be priced below market rates. Considering the OCP’s amenity zoning guidelines (2.10), the applicant is proposing, through subdivision, to create three lots. One lot will be zoned to accommodate the rental accommodation. The current owner would keep the other two lots which would remain Rural (R), but with site-specific zoning that would allow subdivision.

Figure 1 identifies the location of the property. Figure 2 is a preliminary concept site plan.

**Figure 1 – The Subject Property**

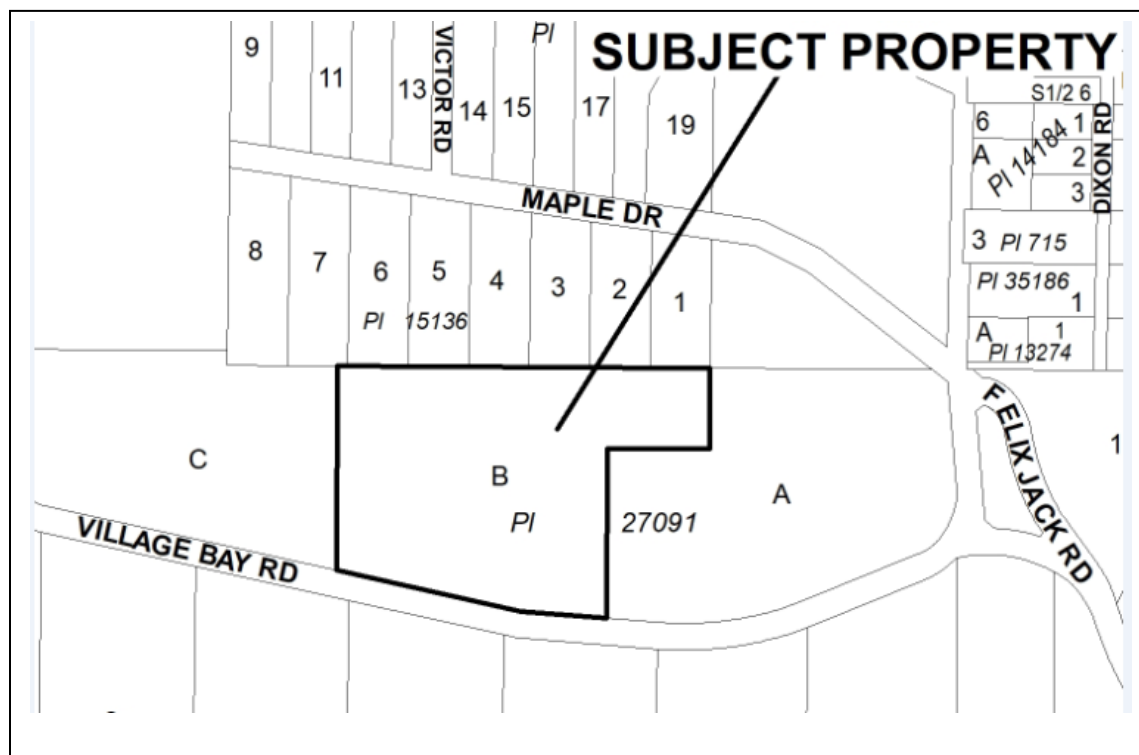
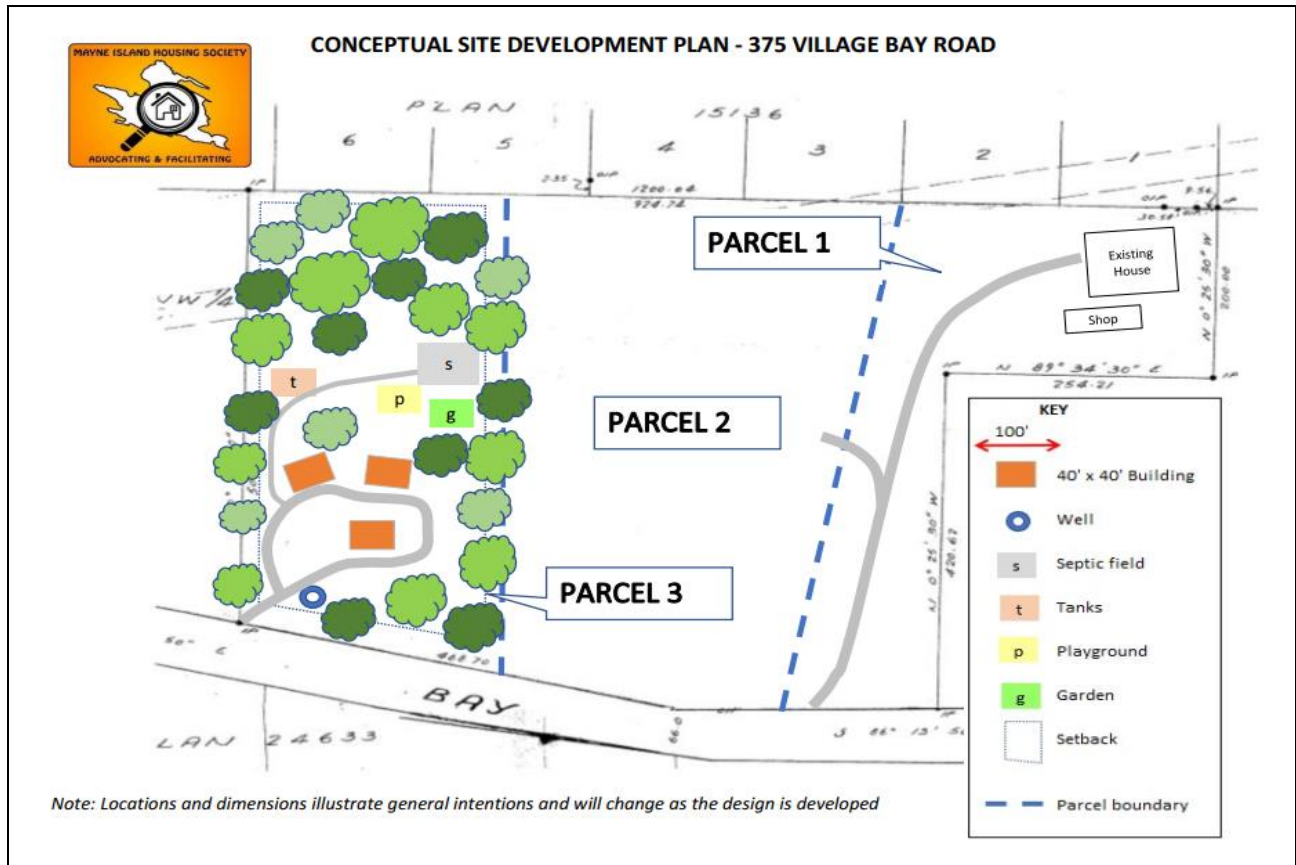


Figure 2 – Conceptual Site Development Plan



The application process is at a very preliminary stage. Before preparing draft bylaws and scheduling a community consultation staff are recommending that the applicant provide:

- Hydrogeologist report identifying proof of potable water and downstream impacts (addressing potential impacts on nearby wells)
- Professionally prepared site plan
- Professionally prepared building renderings
- Documentation relating to the feasibility of septic disposal
- Documentation identifying the nature and management of the affordable housing unit (which would contribute to the development of a housing agreement)
- A pro forma detailing financial management projects for the buildout and management of the affordable housing units

Once the documentation is provided, staff would report back to the LTC, and the LTC could consider proceeding with preparation of bylaws.

## ANALYSIS

### Policy/Regulatory

#### **Islands Trust Policy Statement:**

The most relevant policy of the Islands Trust Policy Statement (ITPS) is as follows:

#### **4.4 Freshwater Resources**

4.4.2 Local trust committees and island municipalities shall, in their official community plans and regulatory bylaws, address measures that ensure:

- neither the density nor intensity of land use is increased in areas which are known to have a problem with the quality or quantity of the supply of freshwater,
- water quality is maintained, and
- existing, anticipated and seasonal demands for water are considered and allowed for.

#### **5.8 Healthy Wellbeing**

*5.8.6 Local trust committees and island municipalities shall, in their official community plans and regulatory bylaws, address their community's current and projected housing requirements and the long-term needs for educational, institutional, community and health-related facilities and services, as well as the cultural and recreational facilities and services.*

#### **Official Community Plan:**

The subject property is currently zoned **Rural (R)** in the OCP. If rezoning is approved, a bylaw amendment would be required to amend Schedule B (Land Use Designations) of the OCP to create a new site specific rental housing zone.

Relevant OCP policies include:

#### **1.2 Broad Community Objectives**

*(5) To support a diverse and vital community structure through effective housing policies for affordability, long term rental opportunities and special needs while maintaining flexibility for a range of dwelling types.*

#### **2.1.4 Rural (Policies)**

*2.1.4.4 Affordable housing is encouraged through joined or multiple housing units which may be considered by site specific rezoning of a parcel subject to compliance with Section 2.10 (Amenity Zoning Guidelines) of this Plan.*

#### **2.10 Amenity Zoning Guidelines**

*2.10.2 The following community amenities represent a list of potential community amenities which may be acceptable for consideration under this sections:*

- xi) the provision of affordable and special needs housing, and*
- xii) the provision of any other amenity which is similar in nature to the foregoing and/or is consistent with the objectives and policies of the OCP.*

The proposed rezoning could also be seen to be in keeping with the OCP objectives:

*“to encourage a land use pattern that results in a more compact, complete and connected community, with new residential development occurring in areas accessible to existing transportation and services”.*

### **3.2.1 Watersheds and Groundwater**

*3.2.1.2 Development should not be permitted in areas where groundwater limitations have been identified.*

#### **Land Use Bylaw:**

The subject property is currently zoned **Rural (R)**. This zoning allows one dwelling unit per lot and one additional dwelling unit for every 4 hectares (10 acres) of lot area greater than 4 hectares (10 acres). One cottage per permitted dwelling is allowed.

#### **Housing Agreement**

Staff recommend that a housing agreement also be adopted if the rezoning is approved. Section 483 of the *Local Government Act* authorizes an LTC to enter into a housing agreement, which defines terms and conditions agreed to by the local government and the owner regarding the occupancy of the housing units identified in the agreement. The purpose of a housing agreement is to ensure that a development provides affordable rentals or home ownership in the long term, as intended. It is the LTC's only tool to enforce affordable housing terms, such as rent amounts, increases, fees, sale prices etc. A draft housing agreement would be prepared concurrently with the OCP and LUB bylaws if the application proceeds.

#### **Provincial Policy**

This project is an opportunity to use new Local Government Act rental zoning provisions:

*481.1 (1)A zoning bylaw may limit the form of tenure to residential rental tenure within a zone or part of a zone for a location in relation to which multi-family residential use is permitted.*

#### **Islands Trust Conservancy:**

The Islands Trust Conservancy does not appear to have any direct interest in the property. This will be confirmed through additional consultation.

## **Issues and Opportunities**

**Water** – The quality and quantity of groundwater is a concern in all Local Trust Areas including Mayne Island. Staff are recommending that prior to proceeding further the applicants be requested to obtain a report prepared by a professional Hydrogeologist, with relevant experience to determine the quality and quantity of potable water available to support the proposed uses on the site, and to assess potential impacts on adjacent wells (i.e 'well interference'). Such a report will play a critical role in determining the feasibility of the project and should be provided early in the review.

**Rural Character** – The development being proposed will be the first of its kind on Mayne Island. The type of density being proposed may raise concerns that it may not suit the rural character of the island. These concerns may be mitigated by through design and siting.

**Smart Growth** – One of the objectives of the OCP is to support Smart Growth principles. The location of the proposed development, walking distance from the commercial centre of the island, supports smart growth principles which encourage density close to amenities.

**Environmental Considerations** – No sensitive ecosystems are identified on the property by Islands Trust mapping. Given this, staff are not recommending a professional report at this time. However, the LTC may request one if there are features noted during site visits that would warrant a professional assessment. On June 22<sup>nd</sup> the MIHS invited a member of the Mayne Island Conservancy to do a site visit and provide their recommendations on how to reduce the impact of the development on existing conservation values. The Conceptual Site Development Plan (Figure 2) incorporates some of these recommendations such as siting in existing degraded areas (e.g skid roads and loading zone). The MIHS has indicated (see Attachment 3) interest in protecting, as much as possible, sensitive ecological areas as mature trees.

**Proposed Rental Rates** – The MIHS has indicated (see Attachment 3) that they will be renting 70% of the units at submarket value and 30% at market value (see proposed rental rate distribution in the table below). MIHS’s plan to include market housing raises questions related to the extent to which the proposal can be considered a community amenity and whether the 70% of submarket housing is sufficient. While “rental housing” in itself could be considered a community amenity, the LTC should turn its mind as to whether the proposal is consistent with the intent of the amenity provisions of the OCP. Staff are also recommending that the LTC request that the applicants provide a pro forma to staff to review to support the proposed mix of market and non-market units.

|           | <i>Sq Feet</i> |   | <i>Submarket</i> | <i>Market</i> |
|-----------|----------------|---|------------------|---------------|
| 1 Bedroom | 525            | 3 | 3                | 0             |
| 2 Bedroom | 725            | 5 | 4                | 2             |
| 3 Bedroom | 925            | 2 | 1                | 1             |
| 10 units  |                |   | 70%              | 30%           |

**Housing Needs** - The Capital Regional District’s Housing Needs Report identified (based on 2016 Statistics Canada census data) that 8% of the Mayne Island population were renting at that time. This is 7% lower than the average of 15% for the Southern Gulf Islands (SGI). The number of rental households on Mayne dropped from 85 in 2006 to 40 in 2016. The cost of housing in the SGI is identified to be above what is considered affordable (30% of total income or less) for the majority of low to moderate income earners. However, the data indicates that on Mayne Island in 2016, 0% of the 40 renter households were paying more than 30% of their income on housing. This data indicates that the need for affordable rental housing on Mayne may not be as critical as on other SGI. It is important to keep in mind is that the number are derived from census data and may not capture all households. Also, data will likely have changed over the past four years.

**Management of Rental Property** – The MIHS indicates that the property will be owned and managed by MIHS. Operational management will be delegated to a part time property manager, under contract with the MIHS. Property management practices and policies will be developed with consultants and will include: application forms, eligibility for housing, waitlist management, residential tenancy lease, tenancy rules and move in/ move out procedures. The MIHS envisions a tenant group assisting with management of some areas of the housing development such as the community garden, and maintaining the grounds. Staff are recommending that the LTC request that MIHS provide documentation of the proposed tenant selection criteria and management plans for incorporation into a housing agreement.

## Consultation

### Statutory Requirements

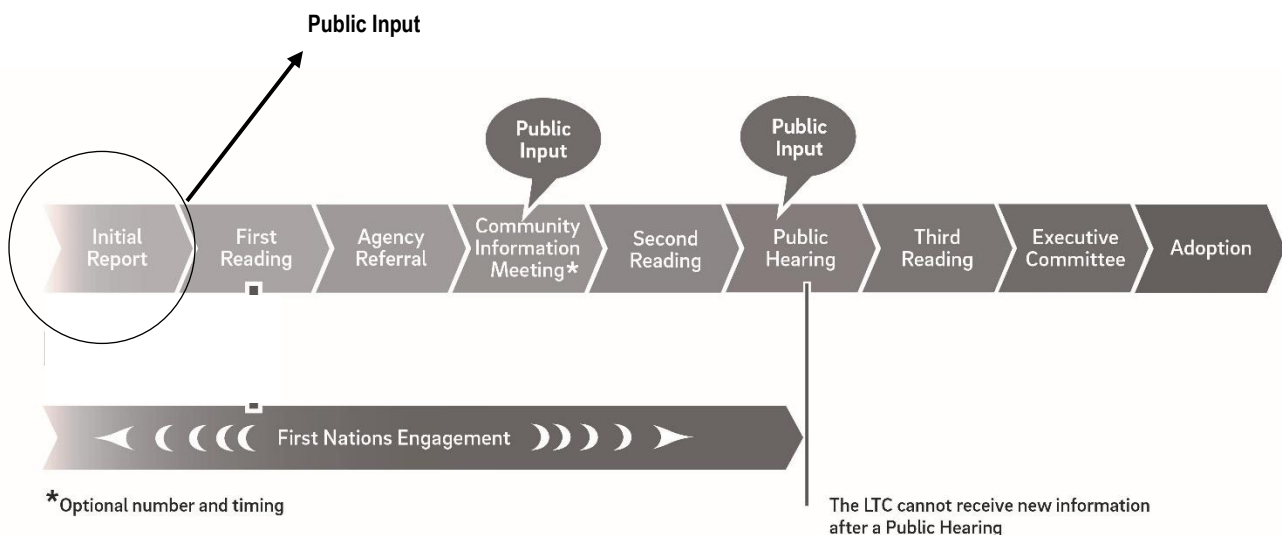
In accordance with regular statutory requirements, a public hearing is required and it is normal practice to hold at least one Community Information Meeting (CIM) prior to that. Should the LTC choose to proceed with the application, staff is recommending scheduling of public consultation before draft bylaws are considered by the LTC for First Reading.

The public hearing may be scheduled after the community consultation and First Reading of the bylaws. Public hearing notice would be posted as per statutory and bylaw requirements in advance of any public hearing.

Public input can be provided and considered at any time into the process up until the conclusion of the public hearing.

### Timeline

A draft process timeline is identified below. The general process may also be updated at any time.



### Agencies

Once the draft bylaw is prepared it will be referred to relevant agencies.

### First Nations

As identified in the provincial Consultative Area Database (CAD), the area of proposed rezoning lies within the traditional territories of the following First Nations:

- Stz'uminus First Nation
- Lake Cowichan First Nation
- Halalt First Nation
- Lyackson First Nation
- Penelakut Tribe

- Malahat Nation
- Semiahmoo First Nation
- Te'mexw Treaty Association
- Pauquachin First Nation
- Tsartlip First Nation
- Tseycum First Nation
- Cowichan Tribes
- Tsawwassen First Nation
- Tsawout First Nation

If the LTC decides to proceed with the application, meaningful engagement between the Islands Trust and these First Nations will be required. The Province will also be required to meet their consultative obligations as a decision to rezone would trigger an OCP bylaw amendment which would need ministerial approval.

Staff have conducted a desktop review that indicates there are potential archaeological sites within 100 m of the proposed development area. Therefore, land owners should seek clarification on the location of any sites in relation to development, review the provincial archaeological branch website, and be guided by the Islands Trust Chance Find Protocol.

### **Rationale for Recommendation**

1. Proceeding with the application is supported as:
  - Affordable housing has been identified as a key concern on Mayne Island. However, the LTC should turn its mind to the fact that only 70% of the ten units being proposed will be priced at below market rates. The need for this type of housing should also be considered.
  - The proposed land use is consistent with housing-related policies of the Islands Trust Policy Statement (ITPS) and the Official Community Plan (OCP).
  - The property is located in an area appropriate for increased density given its features and proximity to commercial amenities.
2. Staff requires the additional information, as indicated in this report, to be provided in order to fully assess the proposal.

### **Next Steps:**

Should the LTC decide to proceed with the application the next steps are as follows:

1. Applicants provide requested information
2. Staff review and address any omissions
3. Staff report back to LTC and, if supported, the LTC resolves to direct staff to prepare draft bylaws and schedule public consultation
4. Housing agreement and draft bylaws prepared
5. Public Consultation
6. Consideration of first reading and community information meeting and public hearing scheduled
7. Bylaws referred to agencies and FNs.



8. Community Information Meeting
9. Public Hearing
10. Further readings

## **ALTERNATIVES**

The LTC may consider the following alternatives to the staff recommendation:

### **1. Request further information**

The LTC may request further information prior to making a decision.

Resolution:

*That the Mayne Island Local Trust Committee request that the applicant submit to the Islands Trust*

\_\_\_\_\_.

### **2. Deny the application**

The LTC may deny the application.

Resolution:

*That the Mayne Island Local Trust Committee proceed no further with application MA-RZ-2020.1 (MIHS).*

### **3. Hold the application in abeyance**

The LTC may choose to hold the application in abeyance pending specified conditions.

Resolution:

*That the Mayne Island Local Trust Committee hold application MA-RZ-2020.1 (MIHS) in abeyance pending.....*

### **4. Request Staff to Draft Bylaws**

The LTC may choose to have draft bylaws prepared along with the analysis of the information received by the applicant.

Resolution:

*That the Mayne Island Local Trust Committee request staff to report back with draft bylaws following receipt of the requested information.*

|               |  |               |
|---------------|--|---------------|
| Submitted By: | Narissa Chadwick RPP, Island Planner     | July 13, 2020 |
| Concurrence:  | Robert Kojima, Regional Planning Manager | July 17, 2020 |

#### **ATTACHMENTS**

1. Site Context
2. Maps, Plans, Photographs
3. MIHS Proposal for 375 Village Bay Road

## ATTACHMENT 1 – SITE CONTEXT

### LOCATION

|                   |   |
|-------------------|---|
| Legal Description | LOT B, SECTION 7, MAYNE ISLAND, COWICHAN DISTRICT, PLAN 27091 |
| PID               | 002-552-256   |
| Civic Address     | 375 Village Bay Road, Mayne Island BC, V0N 2J2                |

### LAND USE

|                      |  |
|----------------------|--|
| Current Land Use     | Rural (R)                              |
| Surrounding Land Use | Rural (R), Settlement Residential (SR) |

### HISTORICAL ACTIVITY

| File No. | Purpose |
|----------|---------|
| N/A      |         |
|          |         |

### POLICY/REGULATORY

|                                      |   |
|--------------------------------------|---|
| Official Community Plan Designations | Rural (R)                                 |
| Land Use Bylaw                       | Rural (R)                                 |
| Other Regulations                    | N/A                                       |
| Covenants                            | BC Hydro and Power Authority Right of Way |
| Bylaw Enforcement                    | N/A                                       |

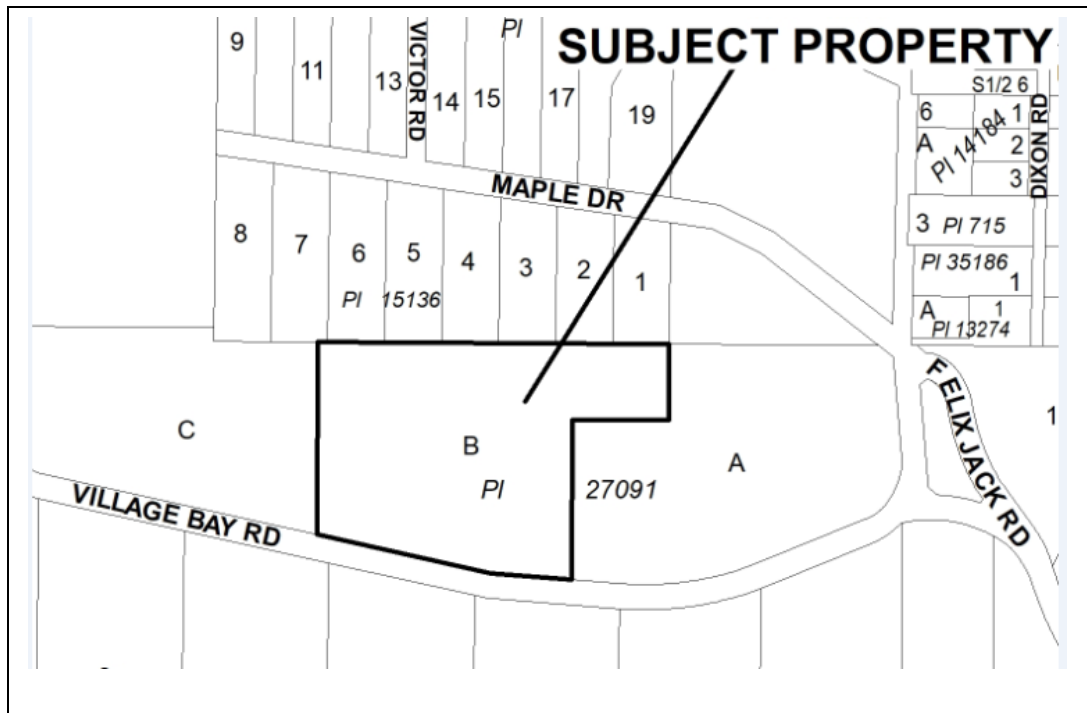
### SITE INFLUENCES

|                                |  |
|--------------------------------|--|
| Islands Trust Conservancy      | There are no Islands Trust Conservancy covenants or properties in the direct area; therefore no referral has been made to the Board.   |
| Regional Conservation Strategy | The proposal does not impact the objectives and priorities of the Islands Trust Fund regional conservation plan.   |
| Species at Risk                | No known occurrences.  |
| Sensitive Ecosystems           | There appear to be no sensitive ecosystems   |
| Hazard Areas                   | N/A  |
| Archaeological Sites           | There are no known archeological sites on the property. However there is archeological potential identified within 100 metres of the property. Notwithstanding the foregoing, and by copy of this report, the owners and applicant should be aware that there is still a chance that the lot may contain previously unrecorded archaeological material that is protected under the <i>Heritage Conservation Act</i> . If such material is encountered during development, all work should cease and Archaeology Branch should be contacted immediately as a <i>Heritage Conservation Act</i> permit may be needed before further development is undertaken. This may involve the need to hire a qualified archaeologist to monitor the work. |

|  |  |
|--|--|
| Climate Change Adaptation and Mitigation | There is the potential for slight increase in carbon footprint given the potential increase in vehicle traffic. However, given that the development is close to commercial amenities some of this potential may be abated. There is potential for minor loss for carbon sequestration due to the removal of trees for development. |
| Shoreline Classification                 | Not Applicable   |
| Shoreline Data in TAPIS                  | N/A  |
|  |  |
|  |  |

## ATTACHMENT 2 – MAPS AND PLANS

Map 1 – Subject Property

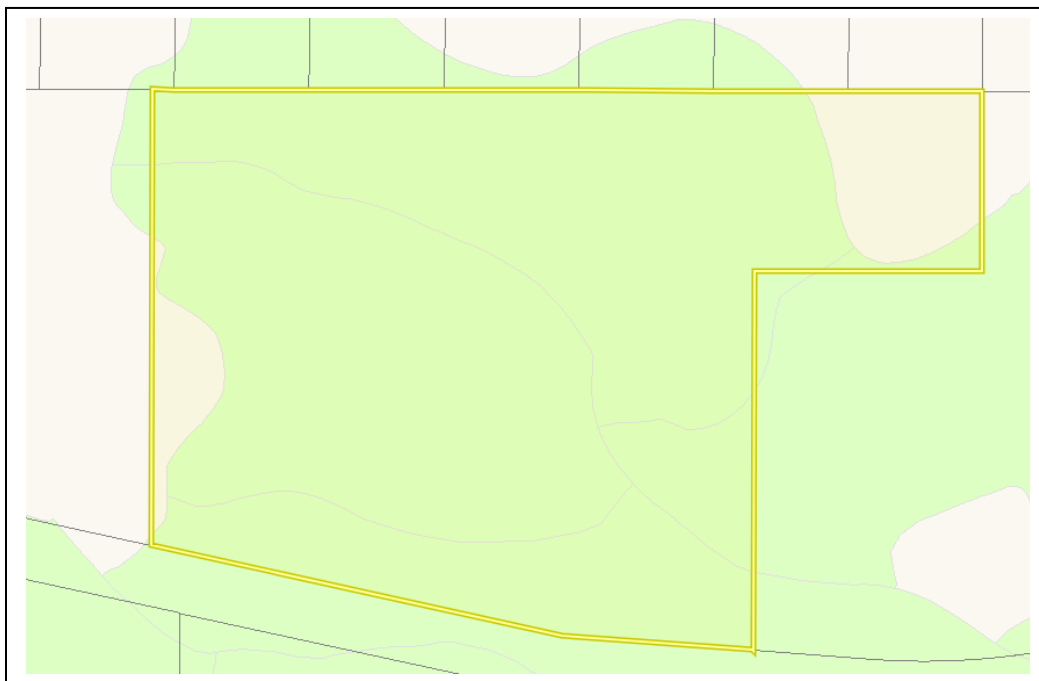


Map 2 – Orthophoto



### Map 3 – Ecosystem

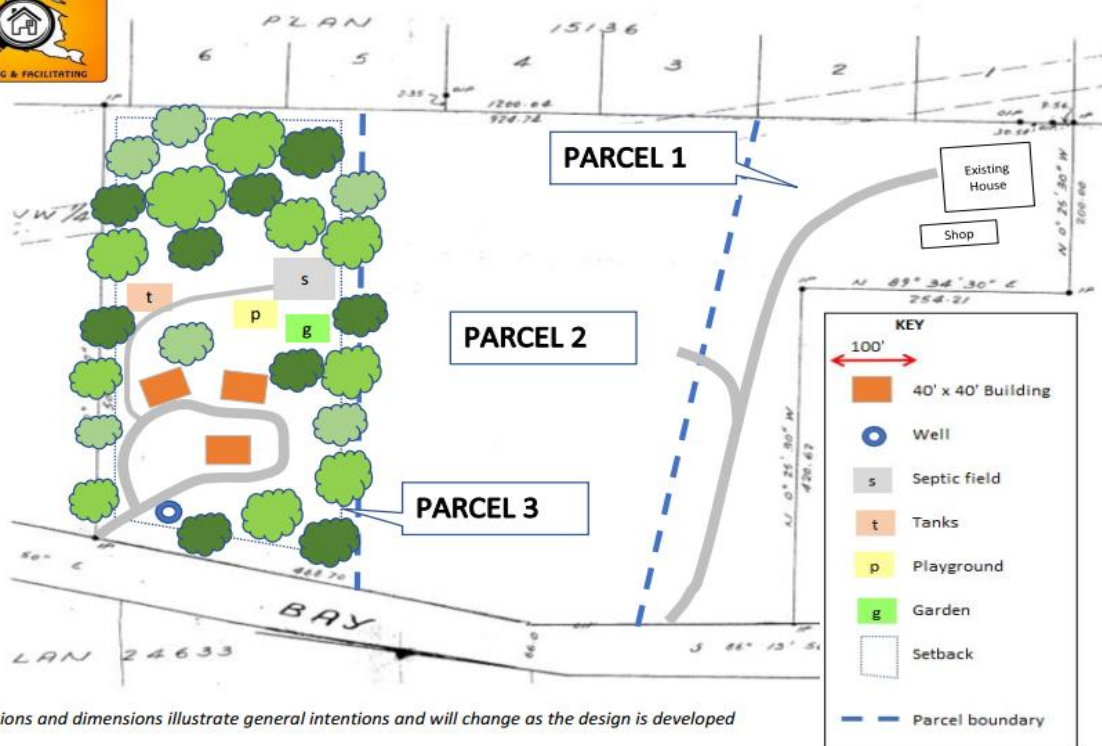
The green shading indicates mature forest.



### Map 4 - Conceptual Site Development Plan



#### CONCEPTUAL SITE DEVELOPMENT PLAN - 375 VILLAGE BAY ROAD



## **MIHS Proposal for 375 Village Bay Road**

The Greater Vancouver housing situation has been called a crisis. A recent CRD survey described the Southern Gulf Islands housing availability as “critical.” That same survey described affordable housing on Mayne as “dire.” Mayne Island has no purpose-built rental housing, only a few cottages and basement suites.

### **The General Purpose of Rezoning**

**The Mayne Island Housing Society Purpose** is to relieve poverty by providing affordable housing for low or modest income residents. **The Goal** of the Housing Society is to increase both the quantity and the quality of affordable rental units in our community.

By working with senior levels of government and funding agencies, the MI Housing Society is able to finance and construct affordable rental housing for Mayne Island residents. These funding agencies have strict regulations and requirements for construction purposes, requirements that we are obliged to follow. As a community service, housing must be available at a range of rates with a minimum number of units for low income earners and others at modest market rates. Depending on the source of funding specific agencies such as BC Housing or CMHC may stipulate further requirements.

In addition, the MIHS is committed to providing a range of rental units for both working people and seniors and those with families. The Housing Society has prepared a ratio of the rental units for the proposed 10 unit development in compliance with agency requirements, as follows:

#### **1. Proposed Rental Rates**



|           | <i>Sq Feet</i> |   | <i>Submarket</i> | <i>Market</i> |
|-----------|----------------|---|------------------|---------------|
| 1 Bedroom | 525            | 3 | 3                | 0             |
| 2 Bedroom | 725            | 5 | 4                | 2             |
| 3 Bedroom | 925            | 2 | 1                | 1             |
| 10 units  |                |   | 70%              | 30%           |

Nestled into the forest, these modest yet attractive rental units are flexible in design to provide access and accommodation for everyone including those with limited abilities. This is equivalent to 70% at submarket rates and 30% at market value allowing this project as a whole

to be economically viable so our rugged pro-forma budget remains strong even after allowing for vacancies and unexpected contingent expenses.

Although the land is undeveloped, it has been logged at least three times during its colonial history and according to a June 2020, survey by the Mayne Island Conservancy, the land consists of Douglas fir forests

*of mixed successional stages, including some mature forest characteristics and some early successional vegetation. Site degradation from past logging operations appears limited to skid roads and loading sites. There is a remnant overstory composed primarily of western red cedar with the occasional large diameter Douglas fir. Some mature forest characteristics are present such as large diameter coarse woody debris and large standing dead trees. The regenerating lower canopy is dominated by Douglas fir and grand fir. Big-leaf maples occur on occasion, and red alder is common in the wetter sites. The shrub layer is well developed and diverse, with sword fern, salal, and salmon berry the most common. Herbaceous vegetation is well developed in the wetter sites.*

Following the report recommendations, the proposed development will incorporate the existing compacted logging roads into the driveway and construction area. While sensitive ecological areas such as the mature trees will be protected as much as possible and wetter sections will be protected as they “*contribute significantly to freshwater management (surface water filtration and groundwater recharge), and to carbon storage.*”

Consequently, the buildings will be located approximately in the centre of the property where the land is most heavily compacted by logging roads. The surrounding areas also happen to contain dense growth of young trees and shrubs thereby creating natural privacy screening. The smaller sections of wetland will be preserved in their natural state “*as if they contain pristine gardens.*” This property is a landscaper's dream with a range of vegetation including some magnificent Douglas Fir and maple trees along with healthy undergrowth and ample water, lends itself to both open areas for recreation and shady woodland paths.

In addition, the MIHS is well aware of the proposed Village Bay Road Pathway that will be constructed by the CRD. A portion of that pathway will cross the south side of the property that currently supports a healthy stand of mature Douglas Fir and Cedar. The Society will be pleased to collaborate with the CRD to ensure a safe pathway for residents and visitors with minimal disturbance to the endangered forest zone.