



STAFF REPORT TO COMMITTEE

DATE OF REPORT October 4, 2024
MEETING TYPE & DATE Electoral Area Services Committee Meeting of October 16, 2024
FROM: Development Services Division
Land Use Services Department
SUBJECT: Zoning Amendment Bylaw No. 4568 (CD-1 Comprehensive
Development 1 Zone/Paldi)
FILE: 3900-30

PURPOSE/INTRODUCTION

The purpose of this report is to introduce proposed Bylaw No. 4568, to modify the existing CD-1 Paldi Comprehensive Development 1 Zone in the Electoral Area F – Cowichan Lake South/Skutz Falls Zoning Bylaw No. 2600, with the main purpose of refining permitted residential density distribution across the seven subject properties.

UPDATE: *This report was originally presented to the Electoral Area Services Committee (EASC) on June 5, 2024. At their June 12, 2024, meeting, the Board referred the proposed bylaw amendment to staff for further discussions with the property owners.*

The property owners did not present any agreements or joint proposals; therefore, staff recommend that the proposed bylaw proceed to referrals. One minor change has been incorporated, to permit commercial uses on two additional “Village” properties fronting Paldi Road (PIDs: 013-819-071 and 002-491-125).

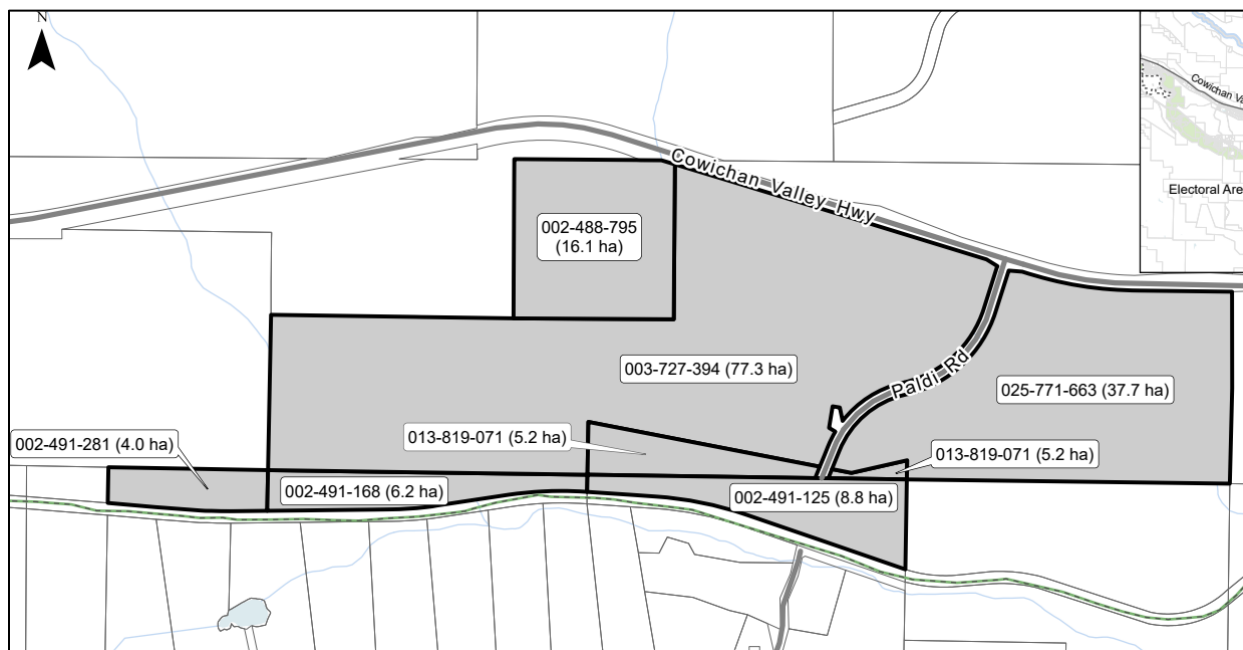
RECOMMENDED RESOLUTION

That it be recommended to the Board:

1. That Bylaw No. 4568 – Electoral Area F – Cowichan Lake South/Skutz Falls Zoning Amendment Bylaw [CD-1 Comprehensive Development 1 Zone (Paldi)], 2024, be referred to the following external agencies and First Nations:
 - a. Ministry of Transportation and Infrastructure;
 - b. Ministry of Land, Water, and Resource Stewardship:
 - i. Water authorizations (water licensing);
 - ii. Ecosystems (*Water Sustainability Act*); and
 - iii. Fish Habitat (RAPR).
 - c. BC Hydro;
 - d. Cowichan Valley School District (School District 79);
 - e. Electoral Areas E – Cowichan Station/Sahtlam/Glenora and F – Cowichan Lake South/Skutz Falls Advisory Planning Commissions;
 - f. Sahtlam Volunteer Fire Department;
 - g. Cowichan Tribes;
 - h. Lyackson First Nation;
 - i. Penelakut Tribe;

- j. Halalt First Nation;
 - k. Ts'uubaa-asatx First Nation; and
 - l. Stz'uminus First Nation.
2. That a joint meeting be held for Electoral Areas E – Cowichan Station/Sahtlam/Glenora and F – Cowichan Lake South/Skutz Falls Advisory Planning Commissions regarding Zoning Amendment Bylaw No. 4568.
 3. That staff be directed to report back to the Electoral Area Services Committee on the implementation of the existing covenants on the subject properties.

LOCATION MAP



BACKGROUND

The seven subject properties are located in the general Sahtlam neighborhood and are zoned Comprehensive Development 1 Zone (CD-1) in the Electoral Area F – Cowichan Lake South/Skutz Falls Zoning Bylaw No. 2600 (Attachment A). The CD-1 zone was established in 2007 and applies to approximately 160.5 ha of land in total.

At the time of the rezoning application to create the current comprehensive development (CD) zone, it was envisioned that the seven parcels would be developed as one comprehensive development with single-unit and duplex dwelling residential, multi-unit residential, institutional, and commercial development. A total of 500 residential units are permitted in the CD-1 zone. However, the CD-1 zone left key aspects of the development, such as residential density allocations and parkland dedication, to be resolved at the Development Permit (DP) stage. A Paldi Comprehensive Development Permit Area designation was in place under the former Electoral Area E – Cowichan Station/Sahtlam/Glenora Official Community Plan but was repealed

with the CVRD Bylaw No. 4270 - Cowichan Valley Regional District Official Community Plan for the Electoral Areas Bylaw, 2021 (OCP). The properties are now owned by three separate owners with differing development plans.

The only development approval that has been issued by the CVRD is Development Permit (DP) No. DP21F05, issued to Elk Ridge Estates Ltd. in November 2021 (PID: 003-727-394 – Figure 1). The DP was issued for Phase 1 of the Elk Ridge development, with 103 single-unit dwelling parcels, and permits Elk Ridge to proceed with site preparation work for their proposed subdivision. This DP is considered active and is limited to site preparation works; an additional DP and Provincial approvals, in addition to meeting servicing and covenant conditions, must occur before any subdivision can be approved. A subdivision application is underway for Phase 1, as well as a separate application to subdivide the historical Paldi cemetery.

Phase 1 of Elk Ridge Estates proposes a total of 103 residential parcels and includes significant park dedication, dedication of the Paldi cemetery and the build-out of servicing infrastructure. A Preliminary Layout Review (PLR) letter for this application was issued by the Provincial Approving Officer on March 8, 2022, and an extension was recently requested. This proposed development remains subject to CVRD review and acceptance of the developer's plans for water, sewer, street lighting and storm water infrastructure, in addition to conditions set out in the PLR letter.

Reagan Singh Mayo and Jackson Mayo (Mayos) have made a subdivision application to the Province for rural lots (PID: 025-771-663) as permitted in the CD-1 zone but are still awaiting provincial approvals before the application can advance. The layout proposed is a subdivision of 13-17 residential lots, all greater than 1 ha in size, with individual wells and septic systems for each lot. A DP application is underway but the presence of riparian areas has restricted the designed layout.

The Village at Paldi Ent. Ltd (Village) proposed a 198-parcel subdivision (plus subdivision of the Temple property) on five properties (PIDs: 002-488-795, 002-491-281, 002-491-168, 013-819-071, and 002-491-125) in 2022, and in 2024 submitted revised subdivision plans with 190 single unit dwelling lots and a total of 100 units of multi-unit dwellings. However, the submitted subdivision applications are incomplete and CVRD fees have not been paid. Development Permit Areas also apply to the properties that will impact the final layout. In addition, community sewer and water infrastructure would be required to facilitate the subdivision of the parcels. To staff knowledge, the property owner intends to request servicing by the same community sewer and water systems that will service Elk Ridge. The Village lands also include the historic Paldi Temple, required by covenant to be dedicated to a non-profit society at the subdivision phase.

All of the Paldi lands are subject to a number of covenants registered in favour of the CVRD at the time of rezoning. The covenants include requirements for park and trail dedication and improvements, fire protection infrastructure (to be determined by a fire service review), and an overall commitment to compliance with LEED Neighbourhood Design principles. Each application for subdivision and development will be reviewed against the requirements of those covenants before any approvals are given.

A zoning bylaw amendment is proposed, with a full replacement of the CD-1 zone, mainly due to the challenge of implementing the current CD zoning for multiple properties with separate owners, in particular the distribution of the permitted residential density. Developing the proposed

amendment also gave staff the opportunity to review and update the entire zone. The amendment is summarized in Table 1 of the Analysis section of this report.

While initiated by staff, the proposed bylaw amendment is being treated like an application subject to the Development Applications Referrals Policy. Property owners were given notice that a bylaw amendment was under development and that they could submit a joint proposal for the density distribution - they did not provide a proposal.

OFFICIAL COMMUNITY PLAN / POLICY CONSIDERATIONS

Zoning and Official Community Plan:

The ability of the CVRD to allocate density for multiple parcels throughout the CD-1 zone (now owned by three different owners) is challenging, given that the zoning bylaw does not specify/regulate density on a site-wide basis in terms of the number of dwellings per hectare, legal descriptions or by dividing the area into sub-zones, each with its own allocated density.

The former OCP for the area included a Development Permit Area which contained a map of permitted densities and uses. Staff sought a legal review of the zone and determined that it is advisable to allocate the density in the zone.

The current OCP Bylaw No. 4270 Local Area Plan Designation is Paldi Comprehensive Development, intended to “create a functioning village on the site of the historic Paldi Village”, to permit a range of uses, while protecting the natural environment, and cultural assets such as the Paldi Sikh Temple and the Paldi Cemetery. Paldi Comprehensive Development Objectives are listed in Attachment A; however, the LAP does not contain any Policies for this designation, stating they are “to be considered in the modernization”.

The proposed Land Use Designation in the draft MOCP is Village Core (which supports a range of uses including multi-unit dwellings and ground floor commercial, and a density range of up to 100 units per hectare), and is within the proposed Growth Containment Boundary. Paldi is included as a Local Area Plan Area for Electoral Area F, along with Honeymoon Bay and Mesachie Lake.

Servicing Infrastructure:

As outlined, all three owners are at different stages of the development process, with Elk Ridge currently planning for the significant community infrastructure required to service the development. Currently, Elk Ridge proposes infrastructure which will provide enough sewer and water capacity for the entire 500 residential units allowed in the CD-1 zone. A report regarding water, sewer, drainage and street lighting service areas for Phase 1 of Elk Ridge Estates was brought to the [July 5, 2023, Electoral Area Services Committee Meeting](#) and the resolution accepting Certificates of Sufficiency and conditions to be met prior to considering service establishment bylaws was approved at the July 12, 2023, CVRD Board Meeting (conditions for service area consideration are provided in Attachment A of this report). Significant work is still required by the applicant to satisfy those conditions.

In April 2023, Elk Ridge Estates and Cowichan Tribes executed a Water Resource Equal Precedence and Infrastructure Agreement, stating that Elk Ridge will construct infrastructure to service Cowichan Tribes residential development on a nearby parcel.

A conditional water licence was issued to Elk Ridge, with CVRD as co-applicant, on March 15, 2024, (see Attachment D for the Licence, including the Licence Plan and Monitoring Objectives). The licence requires an approved monitoring plan to meet the monitoring objectives, and that the licence be transferred to an approved water purveyor (CVRD) prior to any water diversion. The licence is phased, allowing approximately 206 dwelling units with suites in the first phase (Phase 1 of Elk Ridge and an equal amount for Cowichan Tribes). The full licence could eventually permit diversion of 492,750 m³ per year (maximum daily diversion of 2700 m³ per day), serving up to 1000 dwellings with up to 500 secondary suites, plus commercial use up to 100,000 ft², dependent on monitoring outcomes showing no negative impacts to surface water and groundwater resources.

COMMISSION / AGENCY / DEPARTMENTAL CONSIDERATIONS

Development Services has been coordinating with the Utilities Division on the potential service area creation, Parks & Trails on the potential park dedications, Emergency Management on draft terms for a fire service review, and Environmental Services on the water licence referral.

Staff has communicated to Cowichan Tribes staff that a draft amendment is being developed.

Staff will continue to coordinate internally with other CVRD divisions.

Staff recommend referrals to the following external agencies and First Nations:

- Ministry of Transportation & Infrastructure;
- Ministry of Land, Water, and Resource Stewardship:
 - Water authorizations (water licensing)
 - Ecosystems (*Water Sustainability Act*)
 - Fish Habitat (RAPR);
- BC Hydro;
- Cowichan Valley School District (School District 79);
- Electoral Area F – Cowichan Lake South/Skutz Falls Advisory Planning Commission;
- Sahtlam Volunteer Fire Department;
- Cowichan Tribes;
- Lyackson First Nation;
- Penelakut Tribe;
- Halalt First Nation;
- Ts'uubaa-asatx First Nation; and
- Stz'uminus First Nation.

PLANNING ANALYSIS

The draft amendment bylaw has been developed to clarify the potential locations and distribution of residential density, due to the current situation with multiple property owners of multiple properties, as well as to generally improve the interpretation and consistency with other current CVRD zoning bylaws and the current OCP, and consideration of the draft MOCP and comprehensive zoning bylaw projects. Amenity provisions in the current zone are proposed to be removed as they are already contained in covenants registered at the time of rezoning. Table 1 below compares current and proposed zones.

Table 1:

	Current Zone	Proposed Zone
Parkland dedication &	5.14.2. 7% parkland dedication, including all Streamside Protection and	Removed – secured through covenant

environmental protection	Enhancement Areas, excluding trails, to be dedicate	
Other community amenities:	5.14.3. Minimum 0.2 ha community amenity site to be dedicated for used as firehall, school, neighbourhood police station or other community facility	Removed – secured through covenant
Commercial, Institutional and Public Uses	5.14.3. - no locations specified - 22 uses permitted; includes institutional & public uses	5.14.1 to 5.14.3. - permitted on Elk Ridge parcel and two Village parcels fronting Paldi Road* - some uses removed (i.e. equestrian supply); names of uses updated for consistency throughout bylaw - institutional & public uses moved to new separate section (5.14.4.), permitted on all parcels - “mixed use” permits commercial uses on the ground floor only, and residential on the second and third storey; and residential density is subject to the density provisions in new section 5.14.7 * Note: original DPA (see Att. B) anticipated commercial development on the Mayo parcel east of Paldi Road; current Elk Ridge master plan has a commercial ‘village’ with a central square park, and multi-unit dwellings proposed on the western portion of their parcel, and a resort and townhomes on the northern portion of the parcel, near the Hwy 18 turn-off. Current Village plans also show potential commercial/mixed use/multi-family on two parcels fronting Paldi Road.
Residential Uses	5.14.1. - Location to be determined through DP 5.14.5 - Min. 20% and max. 60% of all dwelling units will be single detached dwellings on small lots (not more than 1,000 m ²) or residential units above commercial uses in mixed-use buildings. - Min. 40% of all units will be on lots larger than 1,000 m ²	5.14.7. and 5.14.8 - Density determined by current parcel area; may be combined if parcels are consolidated. - no percentage split required - min. parcel size: - 700 m ² if serviced by community water <u>and</u> sewer; - 4,000 m ² if serviced by community water; - 1 ha if not serviced. - attached suites permitted; detached suites permitted only on parcels over 1 ha - parcel coverage updated, by parcel size - minimum setbacks updated; new 7.5 m setback for an attached garage or carport

Some of the covenants appear to require amendments due to the changed development layout – such as parks and trail dedication and their development – as well as the presence of more riparian areas than were known at the time of the original rezoning, but the onus is on the property owners to submit a covenant amendment request. Any covenant amendment requires consent from all property owners and the CVRD Board must approve it. It has been challenging to determine the current status of the covenant requirements due to the lack of coordination amongst the property owners and continuously changing development plans, but staff recommend that a subsequent report be provided to the EASC on the covenant implementation.

OPTIONS

Option 1 (recommended; proceed with external referrals):

That it be recommended to the Board:

1. That Bylaw No. 4568 – Electoral Area F – Cowichan Lake South/Skutz Falls Zoning Amendment Bylaw [CD-1 Comprehensive Development 1 Zone (Paldi)] 2024, be referred to the following external agencies and First Nations:
 - a. Ministry of Transportation & Infrastructure;
 - b. Ministry of Land, Water, and Resource Stewardship:
 - i. Water authorizations (water licensing);
 - ii. Ecosystems (*Water Sustainability Act*); and
 - iii. Fish Habitat (RAPR).
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2. That a joint meeting be held for Electoral Areas E – Cowichan Station/Sahtlam/Glenora and F – Cowichan Lake South/Skutz Falls Advisory Planning Commissions regarding Zoning Amendment Bylaw No. 4568.
3. That staff be directed to report back to the EASC on the implementation of the existing covenants on the subject properties.

Option 2 (Request Additional Information):

That it be recommended to the Board that the preliminary staff report for Bylaw No. 4568 – Electoral Area F – Cowichan Lake South/Skutz Falls Zoning Amendment Bylaw [CD-1 Comprehensive Development 1 Zone (Paldi)], 2024, be referred back to staff for the following information [*requested information to be provided by the Board*], prior to further consideration.

GENERAL MANAGER COMMENTS

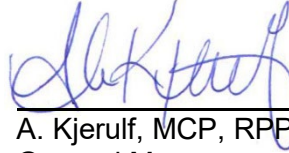
N/A

Prepared by:



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Reviewed for form and content and approved for submission to the Committee:

Resolution:

☒ Corporate Officer

Financial Considerations:

☒ Chief Financial Officer

ATTACHMENTS:

Attachment A – Background Table

Attachment B – Maps

Attachment C – Covenants

Attachment D – Water Licence

Attachment E – Draft Zoning Bylaw No. 4568