



STAFF REPORT TO COMMITTEE

DATE OF REPORT April 3, 2024
MEETING TYPE & DATE Electoral Area Services Committee Meeting of April 17, 2024
FROM: Development Services Division
Land Use Services Department
SUBJECT: Application No. RZ23A03 (Stonebridge)
FILE: RZ23A03

PURPOSE/INTRODUCTION

The purpose of this report is to provide an update on the application to consolidate and update zoning for the Stonebridge lands in Mill Bay.

The CVRD Board considered a [preliminary report](#) on this file on [November 8, 2023](#), and referred the application to external agencies for feedback prior to considering potential bylaws. External agency feedback has been received, and is addressed throughout this report.

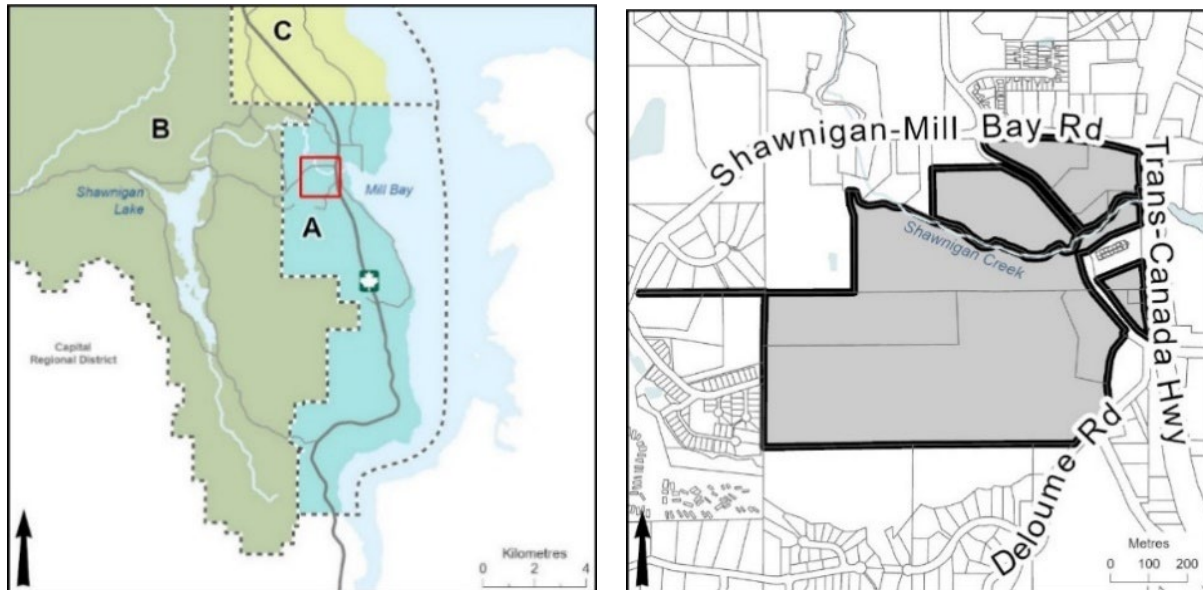
At this time, the CVRD Board is being asked to provide direction to staff to work with the applicant and provide a draft updated parks and amenities covenant.

RECOMMENDED RESOLUTION

That it be recommended to the Board for Application No. RZ23A03 (Stonebridge):

1. That the Board require that a public information meeting be held at the applicant's expense prior to a public hearing being held;
2. That staff work with the applicant to provide the draft terms of an updated parks and amenities covenant in preparation for the public information meeting;
3. That prior to consideration of first reading of OCP and zoning amendment bylaws, staff provide updated comments from the Ministry of Transportation and Infrastructure (MOTI) on MOTI review and recommendations from Traffic Impact Assessments for the north portion and south portions of the proposed Stonebridge development; and
4. That staff provide a report to the Electoral Area Services Committee regarding potential amendments to development permit guidelines for form and character.

LOCATION MAP



BACKGROUND

The subject properties for Application No. RZ23A03 are located in Electoral Area A – Mill Bay/Malahat, and include PIDs: 010-208-089, 025-942-310, 000-278-131, 009-488-286, 009-487-247, 009-487-221, 009-528-601, 004-173-287, 029-533-601 and 009-497-803.

The application consists of three key elements:

1. Rezoning the subject properties to a new Comprehensive Development zone.
2. Amendments to the Official Community Plan to re-designate some of the lands to *Commercial (Mixed Use)* and to *Stonebridge Comprehensive Development Designation*.
3. Updating and consolidating the community amenity covenant associated with the Stonebridge lands.

CVRD staff estimate that based on the land area and existing zoning, the total number of dwelling units that could be constructed is approximately 753 dwelling units and 176 congregate care (seniors housing) units, for a total of 929 units. The applicant proposes zoning that would allow potential build-out of 1,000 units.

The proposal includes:

- Zoning regulations that would allow for multiple fully-serviced show homes to be built on larger lots (capable of further subdivision);
- A reduction in minimum parcel size for single-unit lots from 450 m² to 300 m²;
- A reduction in the minimum parcel sizes for duplex lots from 700 m² to 500 m²;
- A reduction in the minimum lot size for senior congregate care facilities from 10,000 m² to 1,000 m²;

- An expansion in areas where multi-family dwellings can be constructed;
- A reduction in the minimum lot size & width for lots with secondary suites (in duplexes and single-unit dwellings);
- A reduction in some minimum parcel line setbacks;
- Permitting “Drive-thru” uses on parcels within ‘Area 4’, located east of Barry Road and ‘Area 5’ within the Pioneer Square re-development; and
- An option for workforce housing within ‘Area 4’ of the proposed zone that can transition to a Hotel during or after the estimated 15-year build out.

OFFICIAL COMMUNITY PLAN / POLICY CONSIDERATIONS

Official Community Plan for the Electoral Areas Bylaw No. 4270 (HOCP):

Attachment B provides a breakdown of the zoning, size, current OCP designation, proposed OCP designation, and location of each lot under application.

Development Permit Areas:

The subject property is currently subject to the following Development Permit Areas (DPA): DPA-1 [Riparian Protection](#); DPA-2 [Sensitive Ecosystem](#); DPA-4 [Aquifer Protection](#); DPA-5 [Wildfire Hazard](#); DPA-9 [Intensive Residential](#); DPA-10 [Multi-Family Residential](#); DPA-11 [Commercial and Mixed-use](#) and DPA-13 [Energy and Water Conservation; Greenhouse Gas Emissions Reduction](#).

South Cowichan Zoning Bylaw No. 3520:

The subject property is split into eight distinct zones: [CD-8](#) – Village Comprehensive Development 8 – Stonebridge South [CD-9A](#) – Village Comprehensive Mixed Use 9A [CD-9B](#) – Village Comprehensive Residential 9B [RM-3](#) – Medium Density Multiple Family Residential 3 [R-2](#) – Village Suburban Residential 2 [C-5](#) – Village Commercial 5 [CD-6](#) – Village Comprehensive Development 6 – Congregate Care [P-1](#) – Parks 1.

COMMISSION / AGENCY / DEPARTMENTAL CONSIDERATIONSPublic Information Meeting:

In accordance with the Development Applications Procedures Bylaw (No. 4483) the CVRD Board may require that a public information meeting be held. At a public information meeting:

1. Staff describe the nature of the application, applicable CVRD policies and regulations, and the process for approval;
2. Members of the public have an opportunity to ask questions about the application; and
3. The applicant has an opportunity to hear and respond to public questions.

Referrals:

The application was referred to internal divisions, and preliminary comments were presented to the EASC on [October 18, 2023](#). Following the October 2023 meeting the Utilities Division brought forward a report regarding the Mill Springs Sewer System Extension Agreement.

The Utilities Division has updated their comments to reflect the Extension Agreement. For clarity, the Limona and Stonebridge Development affiliated companies have requested 343 Equivalent Units to the Stonebridge and Lodgepole lands.

When/if future phases of development are proposed that surpass 343 equivalent units, development will not be able to move forward until additional equivalent units are secured (and any cost to expand the system would be borne by the developer). The Mill Bay Fire Department has also reviewed the additional information supplied in the January 4, 2024, Advisory Planning Commission (APC) report and has indicated an interest in continued consultation.

External Agency Referrals:

On [November 8, 2023](#), the Board advanced external referrals. Preliminary comments have been received (Attachment C).

The Ministry of Transportation and Infrastructure (MOTI) has indicated that:

- The proposed bylaw amendment will fall under Section 52 of the *Transportation Act* (requiring MOTI approval prior to adoption).
- MOTI is not in approval of the Urban Standard road design that the developer has proposed. All roads within the development must be designed to typical Ministry standard without sidewalks, enclosed ditches, parking stalls and lighting.
 - The developer may request a variance to this standard, but there is no guarantee that MOTI will authorize a variance. Alternative options include re-designing as a strata or establishing a local government service area.
 - *[Note: the applicant has contacted the CVRD Utilities Division to inquire about establishing a service area for drainage and street lighting. In lieu of sidewalks, a multi-functional trail is also proposed with the Parks & Trails Division. These items will be brought to the Board for consideration at a future meeting. In the event that the Board does not establish a service area the development is still possible; however, a more rural road standard will be implemented].*
- MOTI staff have received a *Traffic Impact Assessment* (TIA) for the North portion of the project. A TIA will be required for the south portion of the lands as well.
 - MOTI cannot comment on necessary covenants/easements until the review of the TIA is complete.
 - MOTI has requested a TIA for the entirety of the lands associated with this Rezoning File (MOTI File 2023-05538).

Malahat Nation does not object to the proposed application to consolidate and update zoning at this time. Malahat Nation is participating in ongoing conversations around the carrying capacity of local aquifers and watersheds. The Nation acknowledges and confirms the applicant's statement that there is insufficient water to support the density that is currently permitted under existing zoning, and that while the applicant can submit for reduction of minimum lot sizes to increase potential density through zoning, the constraints of current water usage in the area and these servicing constraints will be the limiting factor on the actual build out of the site.

B.C. Transit and CVRD Transit have suggested that the proposed zoning focus higher densities within 400 metres of existing transit stops (e.g. *Areas 1, 2, 5, and the portion of area 3 between Deloume Rd and the watercourse*), as this improves the utilization of existing infrastructure and services without incurring additional costs to the local government.

Island Health encourages an Integrated Stormwater Management Planning approach to protect property and aquatic habitat, while at the same time accommodating land development and population growth.

Mill Bay Waterworks District (MBWD) has advised that there is insufficient water volume to service this development and further, that the developer will be required as a condition of development to provide a source of water volume (to MBWD) that is sufficient to support the full build-out of the planned development, along with all necessary supporting infrastructure.

The Provincial West Coast Water Authorizations team acknowledges two new groundwater licence applications (file numbers 20016269 and **20024103**) for which the Limona Group (Stonebridge development) is a co-applicant with Mill Bay Waterworks District.

- West Coast Water Authorizations team does not have any objections to the CVRD proceeding with rezoning the lands given the understanding that a CVRD condition of development is that *all* occupied buildings shall be serviced by a community water system and a community sewer system as a condition of use.
- Decisions under the *Water Sustainability Act* (WSA) are independent from zoning decisions. If the proponent does not obtain approvals for water volumes that would sufficiently support their current or proposed build out – they would have to reduce the density of their development to that which can be supported by current water volumes.
- Note: A water licence was granted to Mill Bay Waterworks District on December 14, 2023, for file 20014808 (attached). This licence combines the applications for several files within the bedrock aquifer (20014808, 20007388, 20012563, and **20024103**). The licence includes a phased approach and requires an adaptive water monitoring and operation

The Cowichan Valley School District (SD 79), advises that it is likely that a neighbourhood of 900 or so homes could generate approximately 126 students. Both Frances Kelsey and George Bonner will already be at capacity even without this development. If development continues (in the Mill Bay and Cobble Hill communities) it is likely that the School Board will need to secure an additional school site.

Advisory Commission Referral:

The Area A – Mill Bay/Malahat Advisory Planning Commission (APC) reviewed the application on [January 4, 2024](#), and passed the following motion:

That the APC supports zoning amendment application RZ23A03 (Stonebridge) subject to the following considerations:

- *That the CVRD staff recommendations (as presented in the Oct 18, 2023 EASC report and attached as 'Attachment D' in the APC referral Report) be considered by the CVRD Board;*
- *That the amenities covenant be aligned with the proposed zoning;*
- *That the CVRD, in consultation with the Province, pursue a road allowance at the Shawnigan-Mill Bay Road and Trans- Canada Highway intersection for the purposes of a future merge lane;*
- *That the CVRD consider updating its Development Permit Area guidelines for the Stonebridge project, including guidelines for drive through facilities, commercial development, and multi-unit development.*

At the APC meeting, the applicant provided reference material including conceptual designs, as well as proposed drive through design criteria (Attachment E). Following the APC meeting, the agent provided additional rationale for the CVRD Board (Attachment D):

- The additional rationale confirms that the applicant is amenable to a density maximum of 1,000 residential units; and
- The applicant also requests that DPA-9 be removed from the subject properties. CVRD Staff do not support this request and suggest that DPA-9 Guidelines be revised to help provide clarity for both infill and intensive residential development, as part of the Community Planning Division's work in relation to Development Permit Guideline updates.

The Area A – Mill Bay/Malahat Parks Advisory Commission (PAC) reviewed the application on [February 13, 2024](#), and passed the following motion after considering the existing covenant (Attachment G) and the applicant's proposal to consolidate the zoning requirements within a new amenity covenant (Attachment H) :

That approval of the application be subject to CVRD Parks and Trails approval of covenant modifications proposed by the agent inclusive of:

- *Ensuring that the covenant provides an opportunity for CVRD staff to control park improvements within the Riparian Park;*
- *Ensuring that the CVRD Board consider a balance of programmed space and natural space in parks associated with the Stonebridge development;*
- *Supporting the amendment covenant to allow for a portion, or all of the \$300,000.00 contribution to the CVRD to be credited towards built improvements within the South Lands in lieu of a financial contribution*
- *Including language to tie the \$300,000.00 contribution to the CVRD to the Consumer Price Index (inflationary) from 2024 moving forward; and,*
- *Ensuring the CVRD Board consider tying contribution to the Community Parks Capital Reserve Fund to inflation for future projects.*

PLANNING ANALYSIS

OCP Amendments:

Regarding the proposed amendments to the OCP, the application proposes to re-designate some of the lands to Commercial (Mixed Use) and to Stonebridge Comprehensive Development Designation:

The proposal to modify *Schedule L* by re-designating a portion of PID: 025-942-310 from Residential to Stonebridge Comprehensive Development Designation is shown in Table 1, in Attachment B:

- The [CD-6](#) zone presently permits commercial and personal service uses on the provision that they be accessory to a residential care facility.
- If the OCP Amendment is approved commercial and personal service uses may be stand-alone principal uses. This would permit more of the land to be combined with the commercial plaza (formerly the Pioneer Square Plaza).

The proposal to modify Schedule L by re-designating PIDs: 009-497-803, 004-173-287 and a portion of PID 009-488-286, from Residential to Commercial (Mixed Use) is shown in Table 2, in Attachment B:

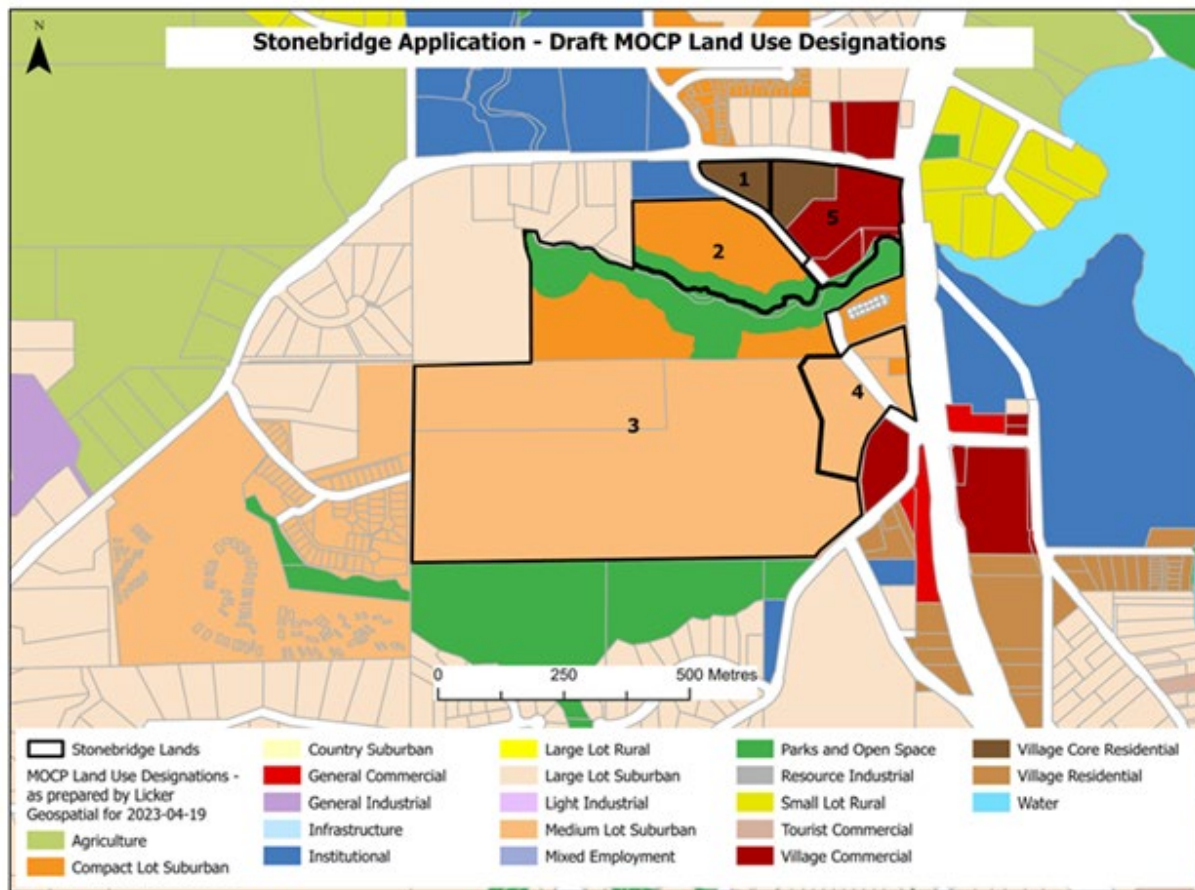
- The [RM-3](#) zone presently permits commercial and personal service uses on the provision that they be accessory to a multi-family dwelling.
- If the OCP Amendment is approved both Commercial and Residential uses may be stand-alone principal uses.

OCP/Zoning Consistency:

Unlike the current Harmonized Official Community Plan (HOCP), the Draft Modernized Official Community Plan (MOCP) includes target densities for the different land use designations. It is important to note that the draft MOCP target densities are inconsistent with existing and proposed zoning for the subject properties exceeding the target densities in the MOCP.

Table 1 – Current HOCP / Zoning vs. Draft MOCP Density Targets

Area	HOCP - Current UPH (zoning)	Draft MOCP - Proposed (UPH)
1	CD-6 permits 80 UPH and a FAR of 0.75	Max: Between 40 and 100 UPH in village Core
2	280 units are permitted in the CD-9A and CD-9B Zones which is roughly 30 UPH	Max 30 UPH for compact lot suburban
3	CD-8 Zone permits 450m ² lots – which is approx. 23 Units Per Hectare	Max 15 UPH for medium lot suburban
4	RM-3 zone permits 35 UPH	Max 15 UPH for medium lot suburban
5	20 UPH are permitted in the C-5 Zone	No UPH limit. Density can be between 0.5 and 1.5 FAR in Village Commercial



The current application proposes a 1,000-unit limit on density; which, depending on how much land is dedicated as park and road, would likely range from 23 to 28 units per hectare site-wide if the full build-out were achieved; however, as the intent of the zoning change is to increase flexibility for housing types throughout the development, some of the sub-areas within the CD-Zone may experience a higher UPH density, while others will be lower (e.g. as purpose built rental and affordable housing providers have indicated interest in area two, it is likely that these areas will have a higher UPH when viewed in isolation).

The Board should be mindful of this as the application proceeds. At the time of zoning bylaw adoption, zoning must be consistent with the OCP in effect – whether this is the current HOCP or future MOCP. If zoning amendments occur in advance of the MOCP being adopted, the MOCP could be amended to accommodate for this change.

Development Permit Area Amendments:

Staff recommend that DPA-9 Guidelines be revised to help provide clarity for both infill and intensive residential development, as part of the Community Planning Division's work in relation to Development Permit Area Guideline updates. Staff recommend that the EASC provide direction to staff to provide a report which includes a draft project workplan and budget for form and character designation and guideline amendments.

Proposed Comprehensive Development Zone:

Staff recommend that a Zoning Amendment Bylaw to the South Cowichan Zoning Bylaw No. 3520 be prepared for consideration of 1st reading, to create a new Comprehensive Development zone for the subject properties.

The proposed zoning includes the following:

1. A definition for parcel width to help ensure that sufficient parking can be balanced with landscaping and building separation;
2. A 'hotel' use with special regulations to allow 'extended-stay' in the proposed zone (that could be used for workforce housing accommodation in the short term);
3. A zoning provision that would enable multiple homes (show homes) to be built on a single lot that is capable of further subdivision;
4. A cap on permitted density to allow for a potential 71-unit increase from existing zoning (max 1,000 units) subject to all occupied buildings in the CD Zone being serviced by a community water system and a community sewer system;
5. Permitting "Drive-thru" uses in Area 4 and Area 5, subject to conditions;
6. Expanding areas where multi-unit dwellings are permitted; and
7. Reducing minimum lot sizes to allow for a range of housing options.

Proposed Covenant:

The general intent of the proposed covenant is to remove the density bonusing provisions from the CD-8 Zone (South Lands) and provide one combined covenant for all of the lands.

The existing covenant only applies to a portion of the lands. The portion of the lands zoned CD-8 is not covered by the covenant and density bonusing provisions are embedded in the zoning bylaw (which requires land dedication, but no built improvements).

The applicant proposes to remove density bonusing provisions from the zoning and update the covenant to include these commitments in a single consolidated amenity covenant. The Area A – PAC was generally supportive of this proposal. Within the consolidated covenant the applicant proposes to:

- Maintain the same Park Fund Contribution for Electoral Area A within the existing covenant. This includes the transfer of greenspace (riparian areas with trail and sign improvements), the transfer for usable park land (e.g. tot lots with amenities);
- Maintain the commitment for the transfer of two parcels to an affordable housing provider;
- Introduce language to tie the \$300,000.00 contribution to the CVRD to the Consumer Price Index (inflationary) from 2024 moving forward;
- Provide some modifications to the schedule for providing Park Fund Contributions to the CVRD; and
- Provide additional clarity regarding protections to the Stonebridge (e.g. replacement and repair thresholds).

Additional Information:

Based on the feedback received during the referral process, additional information is required. Further clarity will be provided following MOTI's review - and approval - of the Traffic Impact Assessment (TIA). Additional information may include:

1. A copy of the approved Traffic Impact Assessment (TIA) for the North Portion and South Portion of the Stonebridge Project; and
2. Confirmation of easements and/or road dedication where deemed necessary to support the recommendations of the TIA.

These and other items may be addressed through a subsequent report to EASC.

Next Steps:

A draft zoning bylaw amendment has been prepared by staff (Attachment A). This is preliminary for the purposes of holding a public information meeting. Changes to the draft may be recommended prior to consideration of first reading. Staff will present draft bylaws for EASC consideration pending TIA approval.

A public information meeting can be held prior to consideration of first reading so that the Board can consider public input before directing staff to draft the appropriate amendment bylaws.

In preparation for the meeting, staff recommend that the developer provide updated terms for a consolidated community amenity covenant in consultation with the Parks & Trails Division and Development Services Division and a Park Area and Amenity Plan (for Stonebridge South) to include in the revised Amenity Covenant.

OPTIONS

Option 1 (Advance the Application):

That it be recommended to the Board for Application No. RZ23A03 (Stonebridge):

1. That the Board require that a public information meeting be held at the applicant's expense prior to a public hearing being held;
2. That staff work with the applicant to provide the draft terms of an updated parks and amenities covenant in preparation for the public information meeting;
3. That prior to consideration of first reading of OCP and zoning amendment bylaws, staff provide updated comments from the Ministry of Transportation and Infrastructure (MOTI) on MOTI review and recommendations from Traffic Impact Assessments for the north portion and south portions of the proposed Stonebridge development; and
4. That staff provide a report to the Electoral Area Services Committee regarding potential amendments to development permit guidelines for form and character.

Option 2 (Request Additional Information): That it be recommended to the Board that the preliminary staff report for Application No. RZ23A03 (Stonebridge), be referred back to staff for the following information [*requested information to be provided by the Board*], prior to further consideration.

Option 3 (Deny): That it be recommended to the Board that Application No. RZ23A03 (Stonebridge), be denied, [*specific reasons to be identified by the Board*]

Option 4 (Deny & Direct a Staff Driven Amendment):

That it be recommended to the Board

1. That Application No. RZ23A03 (Stonebridge), be denied, [*specific reasons to be identified by the Board*]; and,
2. That staff be directed to prepare an amendment bylaw be prepared to correct the error in one of the existing zones by:
 - a. amending Section 11.9B(4) of the *South Cowichan Zoning Bylaw No. 3520*, to clarify that a secondary suite is permitted on parcels 600 m² or larger for single-detached dwellings, and on parcels 700 m² or larger for duplex dwellings.

Prepared by:



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Ann Kjerulf, MCP, RPP, MCIP
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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 – Draft Zoning Amendment Bylaw
Attachment B – Lot Breakdown
Attachment C – Referral Responses
Attachment D – Applicant's Additional Rationale
Attachment E – Applicant's APC Reference Material
Attachment F – Existing Covenant
Attachment G – Applicant's Proposed Covenant Updates