



# 2019 Housing Growth Review

Submitted by:



**DILLON**  
CONSULTING

Dillon Consulting Limited  
510-3820 Cessna Drive  
Richmond, BC  
V7B 0A2

Submitted to:



City of  
**Campbell  
River**

City of Campbell River  
301 St. Ann's Road  
Campbell River, BC  
V9W 4C7

# TABLE OF CONTENTS

<b>1.0</b>	<b>Introduction</b>	<b>1</b>
1.1	Purpose .....	1
1.2	Background .....	2
1.3	Current Policies .....	2
1.3.1	Sustainable Official Community Plan (2012).....	2
1.3.2	Zoning By-law No. 3250, 2006 .....	3
<b>2.0</b>	<b>Engagement</b>	<b>5</b>
2.1	Session #1: Development Industry .....	5
2.2	Session #2: Public and Not-for-Profit Housing Sector.....	5
<b>3.0</b>	<b>Current Housing Market</b>	<b>7</b>
<b>4.0</b>	<b>Projections</b>	<b>8</b>
4.1	Population Projections.....	8
4.2	Housing Projections .....	9
4.3	Housing Trends and Influencers.....	9
4.4	Future Housing Needs.....	10
<b>5.0</b>	<b>Land Availability</b>	<b>11</b>
5.1	Expansion Areas .....	11
5.2	New Development Areas .....	13
5.3	Infill Areas .....	13
5.4	Secondary Suites and Carriage Houses.....	15
5.5	Financial Viability .....	17
5.6	Unit Typology .....	17
5.7	Ownership/Tenancy .....	18
<b>6.0</b>	<b>Conclusions and Recommendations</b>	<b>19</b>
6.1	Policy and Regulatory Changes .....	19
6.2	Urban Containment Boundary .....	21
6.3	Infill Areas .....	22
6.4	Development Permit Areas.....	22
6.5	Urban Overlay Areas .....	23
6.6	Summary.....	23
<b>7.0</b>	<b>References</b>	<b>25</b>

**Graph:**

---

Graph 1: City of Campbell River Population Projections..... 9

**Tables**

---

Table 1: Expansion Area Potential..... 12  
Table 2: Infill Area Potential ..... 13  
Table 3: Ten Year Housing Potential ..... 24

**Appendices**

---

Appendix A     Figures  
Appendix B     Engagement Survey

# 1.0 INTRODUCTION

---

## 1.1 Purpose

The City of Campbell River (the City) is grappling with how to accommodate growth in the most practical and desirable manner. An application to expand the Urban Containment Boundary, the perceived market for large lot single detached homes, the continued steady growth of the City and the desire to follow good planning practices has lead the City to do this study.

The *2015 Residential Market Update* was a comprehensive assessment of the housing market. It was a snapshot of the existing units, the projected growth, the land available for development and the overall regional economic situation. This provides an excellent starting point for the assessment, supported by 2016 census figures and updated housing numbers and land availability. The 2016 Federal Census indicates:

- The City continues to grow at just over 1% per year since 2011;
- The community is relatively young with 63.3% of the population between the ages of 15 and 64, with a median age of 46.8 years<sup>1</sup>;
- The median household income (based on 2015 income) was \$65,086;
- The average household size is 2.3 persons; and
- There are 15,270<sup>2</sup> total occupied private dwelling units in the City.

Campbell River has a younger, more family oriented community than many of the communities on Vancouver Island. Therefore, the City has different housing needs. However, it also needs to accommodate for a variety of income levels and consider the future growth of the over 65 population with trends of people retiring on Vancouver Island.

The consideration of redevelopment and infill housing can be a significant contributor to meet the housing demand, while not generally in a single detached format. Large greenfield single detached home residential developments require significant infrastructure investment, sprawl the community, challenge connectivity and jeopardize the downtown, if not designed and linked properly.

---

<sup>1</sup> While the 2015 Residential Market Update compared Campbell River to other BC municipalities, Dillon believes that comparing Campbell River to other Vancouver Island Communities is more valid – given the ocean orientation, the trend for retirees to come to Vancouver Island and the culture and economy. The median age of Campbell River in 2016 was 46.8. This compares to Nanaimo (45.9), Duncan (46.2), Comox (51.8) and Courtenay (50.4). It is also important to note Parksville (62.7) and Qualicum Beach (65.9) have appealed more to the retired market but share many characteristics with Campbell River.

<sup>2</sup> The 2016 Federal Census identifies 15,922 total private dwellings in the City of Campbell River, and identifies 15,270 total occupied private dwellings.



The concept of expanding the Urban Containment Boundary (UCB) is not an impossible one to consider, but it needs to be strongly supported by justification for the need for the land. It impacts the adjacent residents, the Regional District, the provision of services and affects the tax revenue of each jurisdiction involved.

Running parallel to this Housing Growth Study is the Housing Needs Assessment mandated by the Provincial Government. While the Housing Growth study focuses on the total number and location of housing units, the Housing Needs Assessment will consider not just typology but affordability, accessibility, and appropriateness of future housing. The projections made in the Housing Growth Study will be utilized in the Housing Needs Assessment.

## 1.2 Background

The City of Campbell River sits in a beautiful location on the northern portion of Vancouver Island. Known for salmon fishing and logging industry, the City is transforming itself into a significant family oriented community. While many communities on Vancouver Island cater to the seniors and retired population, Campbell River strives to have a demographic balance that provides an affordable multi-generational community with services and facilities for all.

The City's Official Community Plan established growth policies that provided direction until 2020 at which point the growth strategy would be reassessed. This growth plan reviews the past growth trends, the current housing stock, the population projections and the future housing needs. This will determine how many housing units are required to meet the needs of the future population and how much land will be required to accommodate this housing. While Campbell River has traditionally accommodated primarily single family detached housing units, there is a small proportion of multi-family units. However, housing trends, housing needs, housing prices and land availability are suggesting that more housing units should be in some form of attached or multi-unit development. This report looks at both expansion and infill to determine the optimum mix of housing typologies.

## 1.3 Current Policies

Review of the City's Official Community Plan and Zoning By-laws was completed to ascertain how supportive current policies are for infill development. The following sections summarize the infill opportunities and constraints within the City's existing land-use planning policies.

### 1.3.1 Sustainable Official Community Plan (2012)

The *Sustainable Official Community Plan* (SOCP) identifies objectives and policies to guide decision-making processes in planning the future of Campbell River. The SOCP integrates the policies of an Official Community Plan while addressing social and environmental policies.

Policies in the SOCP are supportive of intensification and infill development, many of which are to be implemented by 2020 to 2060. Some of the infill-supportive objectives and policies identified within the SOCP include:

- Focusing residential growth on infill housing within designated urban areas;
- Supporting a diverse range of housing types, including low-, medium- and high-density multi-family dwellings, secondary suites, row housing, live/work units, and townhouses;
- Ensuring that by 2060, 50% of residents are within a 10-minute walk and 90% of residents are within a 20-minute walk of mixed-use, compact and well connected transit-oriented nodes, and 100% are within a 5-minute walk from a park, trail or natural area;
- Increasing efficiencies and cost-effectiveness by maintaining and expanding existing infrastructure to service new development within the Urban Containment Boundary;
- Revitalizing the City's public realm to attract commercial and residential uses through strategic investment, greening the parks and trails, and providing high quality commercial particularly in the downtown area;
- Providing a diverse range of market, rental and affordable housing options for residents;
- Implementing active transportation, walkable and transit-oriented urban forms to encourage alternative modes of transportation within a compact urban area;
- Reducing parking requirements for multi-family residential developments in areas serviced by transit; and
- Providing incentives for developers focused on developing residential in vacant infill lots, particularly affordable housing that supports vulnerable members of the community.

The SOCP identifies areas of the City that are designated Development Permit Areas (DPA). This designation allows the City greater control over development, ensuring that its sustainability policies are implemented and its development guidelines are addressed. While not specifically addressing infill development, the DPA guidelines are generally supportive of infill residential development. For instance, the guidelines indicate that clustered density is encouraged as a way of protecting the area's environmentally sensitive areas. Further assessment and recommendations pertaining to the DPA can be found in **Section 6.5**.

### 1.3.2 Zoning By-law No. 3250, 2006

The City's *Zoning By-law No. 3250, 2006* regulates land uses, parcel size, and density, ensuring that growth is orderly and achieves the objectives and policies found within the SOCP. Zoning is illustrated in **Appendix A: Figures 1-3**.

Despite a lack of explicit policies directed at infill development, many of the Commercial (C) and Residential (R) zoning policies are conducive to infill development. The C and R zones permit a diverse range of residential land uses, including single to multi-family dwellings, apartments, mixed-use commercial and residential buildings, secondary suites, and accessory dwelling units. These policies align with the guidelines in the SOCP, ensuring a variety of housing options for residents.

The bylaw provides incentives to support multi-family residential development. For instance, in the RM zones (specific to multi-family complexes) density bonuses are permitted with provision of amenities, including underground or integrated parking, monetary contributions to parkland and/or recreational facilities, and inclusion of affordable dwelling units. Expansion of these incentives to other zones that are permissive of residential development may attract developers to create innovative solutions to increase infill development in neighbourhoods that may otherwise be overlooked for greenfields where development may be less challenging. While there is currently only one CD2 zone that permits micro-units (multi-family residential dwelling units within in an apartment that are no larger than 29 m<sup>2</sup> in floor area), there could be other opportunities for this type of development. When married with development incentives, this zone could attract developers and meet the objectives of increased infill development in commercial areas.

The Commercial and Residential zones vary in lot coverage, building height, minimum yard dimensions, and density allowances. These requirements may prove limiting to infill development as the area and minimum dimensions could dissuade developers and residents from initiating applications due to the potential for exceeding these requirements and the need for site-specific rezoning. For instance, in R-SD (a zone for residential with the option of secondary suites) yard dimensions require minimums of 4.0 m for front yards and 7.0 m for rear yards or 5.0 m to secondary residences. Lot coverage requires all buildings to be less than 35% of the total parcel area and up to a maximum building height of 10.0 m. Landowners may be limited in developing their site with additional rental housing if, for instance, the existing building is reaching the limit of the maximum lot coverage or is outside of the minimum yard dimensions. R-SD also limits the parcel to one secondary residence with no more than two bedrooms, and in the case of a carriage house, a maximum floor area of 90 m<sup>2</sup>. This may be a limitation to residents whose single-detached homes have large detached garages that have carriage home potential, but are deterred due to dimension and area zoning constraints. If the City wishes to see the development of secondary suites or residences in this zone, modifications to the lot coverage, size of the secondary unit and setbacks should be considered.

Infill development helps achieve the objectives set forth in the SOCP whereby the City seeks to reduce its GHG emissions through more walkable and transit-friendly development. Parking requirements vary depending on the residential land-uses, but overall could benefit from reductions in the minimum number of parking spaces required per unit. This would be considered on a case by case situation depending on the location of the development (such as walking distance to transit or services could support parking reductions). Current zoning requires that apartments have 1.3 parking spaces per dwelling unit and townhouses or stacked townhouses have two parking spaces per dwelling unit. This increases the amount of land area required for parking, and as a result the quantity of impervious surfaces found on site, and may counteract the objectives of the SOCP as outlined above. A review of the Zoning By-laws in coordination with infill development may present opportunities to reduce the quantity of parking spaces per unit, particularly in areas well serviced by transit.

## 2.0 ENGAGEMENT

---

On June 12, 2019 two facilitated stakeholder sessions were held to gather information about the current housing market in the City of Campbell River.

### 2.1 Session #1: Development Industry

The first session involved eleven private sector housing stakeholders. This group was asked to address market housing, demand and supply trends. They were also asked to identify challenges and opportunities. The experience of the participants varied including those that develop traditional single detached homes on large lots on the periphery, to those that are looking to meet the needs of young single people with micro units closer to downtown.

It was noted that while the City may still be family oriented, there is more attraction for seniors. In addition, there was a comment that some businesses cope with staffing challenges, as it is difficult for potential employees to find affordable rental accommodation. The rental vacancy rate is less than 1%. The invitations for the session tried to seek a cross section of greenfield and infill developers. However, the majority of attendees were traditional greenfield developers. Out of the eleven developers that attended the session, few were comfortable leading mixed-use developments. The developers specialize in residential development and are not as comfortable with the commercial markets and often the commercial development is only viable after a certain volume of residential is completed.

There was a general consensus that the zoning is very restrictive (parking was one example given) and some of the City standards are cost prohibitive (such as underground power). It was acknowledged that infill development is more costly and time consuming to develop than greenfield development.

Annual housing construction in Campbell River is approximately 140 single family detached houses per year with an additional 40 to 60 other units. It was recognized that there are extreme years, such as the year that Berwick was constructed, a 350+ unit supportive senior's facility. Challenges with residential downtown infill include parking, poor soils, flooding, infrastructure capacity, additional developer costs, rising water levels and socioeconomic factors. It was suggested that Hooverton and Campbellton would be suitable for infill development.

### 2.2 Session #2: Public and Not-for-Profit Housing Sector

The second session involved twelve people representing public and not-for-profit housing sectors. This group was asked to provide comments about market housing, recognizing that most of the participants were directly involved in providing social and affordable housing.

It was noted that it is very difficult for employers of lower paying jobs to attract employees because employees cannot find convenient housing and thus commute from lower priced areas, such as Area D.

The group felt that expectations have changed and many people have given up on the idea of ownership while others are interested in lower priced freehold townhouses and duplexes. This group also addressed the need for affordable and social housing. There is a need for affordable rental housing that is appropriate (larger units for families), pet-friendly and accessible. It was noted that units are taken out of the rental pool by short term vacation rentals: 431 AirBnB and 64 VRBO were identified online on June 12, 2019.

Attendees indicated that the City has a range of services for people with special needs, and there are good schools, including the college which attracts a specific tenant base. However, it was noted that there are racial, international and age biases for tenants. Boarding houses and shared accommodation are allowed in the Zoning Bylaw, and this group suggested this provides affordable rental housing options. Secondary suites were also identified as an additional housing option, and that co-op housing should be investigated as a housing solution. One of the big “takeaways” was that Campbell River needs a greater diversity of housing types. To achieve affordable housing, incentives, grants and funding programs are required, including reduction in development charges, delays and expediting the development process.

## 3.0 CURRENT HOUSING MARKET

---

The housing market changes seasonally and annually. The following assessment is a snap shot of the listings on September 2<sup>nd</sup>, 2019.

MLS for Real Estate purchase listed 199 homes<sup>3</sup> for sale in the City of Campbell River on September 2<sup>nd</sup>, 2019. The average home price was \$519,861 with the median price being \$473,769. The average house size was 2.6 bedrooms. The average price for a three bedroom home was \$534,243. Units for sale are on the market an average of 104 days.

A critical thing to note is that even if a household has a down payment, the mortgage that they would qualify for would not buy them an appropriate home. For example, using the median household income of 2015 and projecting it up to 2019 using cost of living increases<sup>4</sup>, to \$69,150, with a \$25,000 down payment, the household would only qualify for a mortgage of \$130,000<sup>5</sup>, for a maximum purchase price of \$151,000. Using the MLS listings of September 2<sup>nd</sup> 2019, there were only 11 listings under \$200,000: 5 of them mobile homes and 6 of them apartment units.

A search of rental units available on Kijiji shows 27 rental units available on September 2<sup>nd</sup> 2019. The prices ranged from \$1,200 for a one bedroom 500 sq. ft. apartment to a three bedroom townhouse at \$1,850.

In addition, there were 69 Airbnb units advertised and 90 VRBO rental units. It is recognized that there may be double counting with these short term rental units. However, the impact is that these units are not in the long term rental market.

With a vacancy rate of less than 1%, new mortgage qualifying regulations, higher housing prices and fewer long term rental units available, Campbell River is going to face a housing shortage similar to many other British Columbia communities. A lack of housing units will force the prices up – a simple economic supply and demand equation. For this reason, Campbell River needs to ensure that the City's residential development policies are not punitive, and that there are true incentives for developers to construct a wider variety of housing typologies and more purpose built rental accommodation that meets the need of the population now and into the future.

---

<sup>3</sup> The term "home" is used to include all typologies of housing units including single detached houses, townhouse row housing, duplex and apartment style units. This does not differentiate between condo ownership and freehold ownership.

<sup>4</sup> The 2015 median household income listed in the 2016 Federal Census was \$65,086. The BC cost of living increase between 2015 and 2019 was 6.24% ( <https://inflationcalculator.ca/>). This projects the 2019 median annual household income to \$69,150.

<sup>5</sup> <https://www.cibc.com/en/personal-banking/mortgages/calculators/affordability-calculator.html>

## 4.0 PROJECTIONS

---

While BC Statistics provides updated information on the population and housing of communities, BC Housing and CMHC both require the Federal Census data be used for the determination of Housing Needs Assessments. For that reason, and to keep this Housing Growth Review Study consistent with the Housing Needs Assessment, the 2016 Federal Census data has been used, including historical data from Statistics Canada, for the population and housing projections.

The timeframe for the Housing Growth Study is 10 years, or to the year 2030. The SCOP provides direction for a 50 year vision for the City. It sets out targets for the 2020 horizon which included:

- 70% of residents will be located or within a 20 minute walk from a mixed use, compact, well connected centre; and
- The existing urban containment boundary is preserved and maintains its role of focusing urban development and minimizing the expansion of infrastructure.

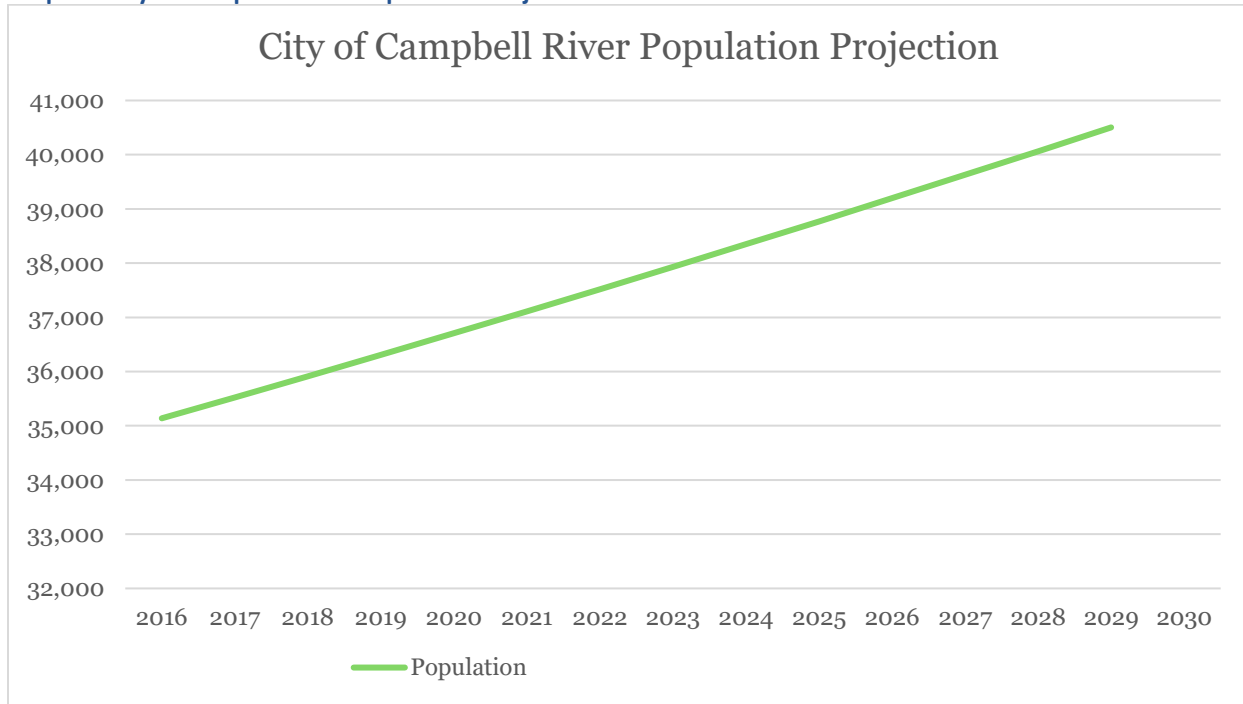
On the brink of 2020, the breaching of the urban containment boundary is being requested by developers, while the goal of 70% of the residents being in a walkable community is not yet achieved. However, this is the time to consider these two elements and determine how the City will grow in the next 10 to 30 years.

### 4.1 Population Projections

Using the 2016 Federal Census population figures, the City of Campbell River shows a steady population growth of around 1.1% per year. Using the 2016 population of 35,138 and projecting to 2030, the anticipated population for the City in the year 2030 will be 40,949 (illustrated on **Graph 1**). For the purposes of this Housing Growth Study, we have assumed a straight line population projection to determine the housing and land requirements until 2030. It is recognized that this is a very simple projection and individual events could change the actual population growth significantly. Such actions could include a major residential development (such as Berwick), a major employer entering the market, or conversely, the closure of a major employer.



Graph 1: City of Campbell River Population Projections



## 4.2 Housing Projections

To determine the housing projections, population projections identified in **Section 4.1** are used. Based on the 2016 Federal Census, there were 15,922 total private dwelling units in the City (15,270 total occupied private dwellings) with an average occupancy of 2.3 persons per unit. We understand that these numbers may have changed given the opening of Berwick. However, the overall projections will be based on the census information and the ongoing desire to see Campbell River remain as a “family oriented” community. Using the projected population of 40,949 for the year 2030, and keeping the same household size, the City will require 17,804 private residential units to house the population. This represents an increased demand for 1,882 more residential units in the City to accommodate the population in 2030. To maintain a competitive market with housing options, this means that there should be a minimum of 2,070<sup>6</sup> new housing units constructed in the ten year period.

## 4.3 Housing Trends and Influencers

The City has traditionally been a family oriented community and would like to continue that trend. However, several major residential housing developments in the City seem to be skewing housing to smaller units and smaller households.

---

<sup>6</sup> General rule of thumb in real estate is that the market should provide 10% more than the demand to provide options and maintain market value.

Campbell River is still a relatively small community and as such, single event developments can change the composition of housing stock and population. For example, the completion of Berwick-by-the-Sea has added 350+ units of seniors' supportive living. This alone equates to roughly 500 residents. And while some are new to the community, others have sold their Campbell River homes to move into Berwick. Household sizes in facilities such as Berwick are generally 1.4 persons per unit. Another new and unique development is the micro unit purposefully built rental housing located near the hospital and geared to nursing staff. These units will have an even lower person per unit rate.

Much of the traditional residential development that occurs is large lot single detached family homes. This provides a very low density development that does not support some of the amenities and services such as transit and commercial retail.

#### **4.4 Future Housing Needs**

Based on the population and housing need projections, the City requires an additional 2,070 housing units. Given that there should be greater diversity in housing to accommodate a variety of lifestyles, family units and income levels, future housing should be a mix of single family detached, duplex housing, row housing and apartment units with a greater option for rental units. It is recommended that the ratio of new housing units should be 30% single family detached, 35% duplex and row housing, and 35% apartment units. It is also recommended that, if possible, a minimum of 50% of the units be purpose built rental units.

This report does not address affordability, appropriateness or accessibility of the housing units. The City is completing a Housing Needs Assessment that will address the mix of housing on the affordability continuum in more detail. While a recent micro-unit residential development has been approved, it is unclear if that type of housing will be in greater demand in Campbell River. If the City continues to consider families as the major target group for growth, demand for single detached housing units will continue. If the number of single detached units is restricted, it will force the market prices up for these "family style" units. The City needs to consider a balance of housing types that will continue their market advantage of lower housing prices to attract families.

## 5.0 LAND AVAILABILITY

---

Attractiveness of residential land areas to developers can be impacted from local/neighbourhood scales up to city-wide. These impacts often greatly direct where developers choose to build, traditionally skewing to greenfield areas for ease of development. Developers in greenfield areas often deal with few neighbours (if any at all), control installation of all infrastructure, generally build more traditional housing typologies (such as single-family detached housing) in larger areas that are more comfortable to many and easiest to develop. On the other hand, developers often shy away from infill development due to potential complications. These can include close proximity of neighbours who oppose change, concerns of traffic, overshadowing, parking, neighbourhood character, Development Cost Charges (DCC), and community amenity requirements. The time to rezone the land and the potential of upgrading existing municipal services have been issues identified by the development industry that deter development.

In Campbell River, infill development and redevelopment is better aligned with the goals and objectives of the Sustainable Official Community Plan over that of greenfield. Due to expansion area limitations into greenfield areas, partly due to restrictions through the ALR and the Urban Containment Boundary, greenfield lands are limited in Campbell River. A focus on development in infill areas, in addition to greenfield, provide greater opportunities for the City to meet its current and future housing requirements while offering residents a diverse array of residential options.

In addition to the availability of land, the City of Campbell River sees on average approximately 175 housing units constructed annually. With the continued population growth identified in **Section 4.0**, housing construction will increase. For the purpose of this Housing Growth study, it is assumed that there will have to be a minimum of 200 housing units constructed every year on average to meet the need for 2,070 new housing units. If the recommendation of Section 4.4, 30% single family detached, 35% duplex and row housing, and 35% apartment units with a minimum of 50% of the units be purpose built rental units is achieved, then this would be 60 single family detached units, 70 duplex/row units and 70 apartment units being constructed every year. In addition, if we are to follow the assumption that 10% of all single detached units may install a secondary suite, we may have an additional 6 suites.

### 5.1 Expansion Areas

Four broad areas were identified as potential expansion areas (**Appendix A: Figures 4-6**) that would require amendment to the Urban Containment Boundary. Each of these areas are assessed based on potential development constraints (**Appendix A: Figures 7-9**) and amenities (**Appendix A: Figures 10-12**). The following chart provides an assessment of the four areas:

**Table 1: Expansion Area Potential**

Expansion Area	Opportunities	Challenges	10 year Potential Developability
<b>Area 1 South Jubilee</b>	<ul style="list-style-type: none"> <li>Continuation of development north of Jubilee Parkway.</li> <li>Intersection at South Dogwood Street is already constructed.</li> <li>Include secondary suites at time of construction for all new homes.</li> <li>Close proximity to trails, greenspace, and existing transit.</li> <li>Increase transit service to area.</li> </ul>	<ul style="list-style-type: none"> <li>Crosses Jubilee Parkway.</li> <li>Density is low.</li> <li>Westerly and southerly areas located within ALR.</li> <li>Four ESA Eagle Nest sites located on easterly tip.</li> <li>Considerable distance from downtown.</li> <li>No identified amenities <sup>7</sup>in close proximity.</li> </ul>	<p>230 single detached units based on current development model.</p> <p>500 units if minimum density is set and variety of housing typologies constructed.</p> <p>Minimum 23 to 50 suite ready units</p> <p>Potential total units 523 to 550.</p>
<b>Area 2 Hwy 19 West</b>	<ul style="list-style-type: none"> <li>West of Highway 19,north of Jubilee, adjacent to the Airport, northwest corner of the intersection.</li> </ul>	<ul style="list-style-type: none"> <li>Across Highway 19</li> <li>Significant areas of wetland and marsh.</li> <li>Existing lands zoned Airport.</li> <li>Isolated due to rural area to east of Jubilee Parkway.</li> <li>Located next to airport.</li> <li>No identified amenities or existing transit in proximity.</li> <li>Potential expense due to servicing area from existing infrastructure.</li> </ul>	<p>zero</p>
<b>Area 3 Expansion</b>	<ul style="list-style-type: none"> <li>West of Highway 19, south of Wei Wai Kum First Nation.</li> </ul>	<ul style="list-style-type: none"> <li>Highway 19 creates a barrier.</li> <li>First Nations claim on land – may include housing but no city control if converted to reserve land.</li> <li>No existing transit service to area.</li> <li>Area to the south zoned Industrial (potential land use incompatibilities).</li> </ul>	<p>zero</p>
<b>Area 4 North Campbell River</b>	<ul style="list-style-type: none"> <li>Bounded by residential to the east and south.</li> <li>Northwesterly area in close proximity to existing transit and development potential.</li> <li>Southern area connects existing residential neighbourhoods to the north and south, and is already serviced by existing transit.</li> </ul>	<ul style="list-style-type: none"> <li>Wetlands, creeks, streams make it very difficult to develop with Riparian area and setbacks.</li> <li>Primarily located in ALR.</li> <li>North of the northwesterly area zoned Industrial (potential land use incompatibilities).</li> <li>Area bisected by Highway 19.</li> <li>Seven ESA Eagle Nest sites located in southern area.</li> <li>Southeasterly area located in floodplain.</li> </ul>	<p>100 units primarily in multi-family format assuming limited to no suite ready units.</p>
<b>Total Potential Expansion Area Units in the 10 Year Period</b>			330 to 650 units

<sup>7</sup> Amenities identified in the assessment include schools, parks, transit routes, commercial, recreational facilities, medical facilities, government services, and major employment centres.

## 5.2 New Development Areas

There are two large areas of the City that are proposed for development (**Appendix A: Maps 4-6**).

The first area is east of Highway 19, north of Jubilee Parkway and is proposing an estimated 500 residential units. This land is adjacent to the golf course and is proposing some variety of housing units. While the development has not received approvals, it is anticipated that half of these units (250 units) could potentially develop in the 10-year time frame. This land is within the City, east of the highway and connected to the community by water, sewer and transit.

The second Approved Development Permit Area is the Couverdon’s Jubilee Heights development, located in the south end of town, north of the Jubilee Parkway. At the time of preparing this report, approximately 50 housing units have been approved and/or constructed. The full build out for this area is approximately 230 single family detached homes and it has been estimated that all of these units will be constructed in the 10-year time frame. However, if a minimum density were to be established, it is estimated that this number of units could more than double to 500 units including townhouse and apartment units (assuming 250 more in the 10 year period).

In addition, if there was uptake of the secondary unit construction in the single detached units, there could be another 50 (conservatively estimated at 10%) suite ready units constructed for a full build out of 550 units.

## 5.3 Infill Areas

The City has previously identified two infill areas (Quinsam and West Campbellton). Through the assessment of lands in this study, Dillon has identified four additional areas that are suited for infill development. The following table provides rationale for why these areas are suited to infill residential development, and the areas are illustrated on **Appendix A: Map 4-6**. It is noted that a single multi-unit development could meet or exceed the Potential Developability.

**Table 2: Infill Area Potential**

Infill Area	Opportunities	Challenges	Potential Developability <sup>8</sup>
<b>Infill 1 Quinsam</b>	<ul style="list-style-type: none"> <li>Primarily zoned Residential.</li> <li>Downtown adjacent.</li> <li>Area is serviced by transit.</li> <li>Larger parcel sizes allowing for greater infill developments.</li> <li>Access to local trails.</li> <li>Very large area in total.</li> </ul>	<ul style="list-style-type: none"> <li>Five ESA Eagle Nest sites along northern and easterly boundaries.</li> <li>Potential slope constraints along northern and eastern boundaries, and scattered throughout area.</li> <li>Zoned commercial at northern tip of infill area.</li> </ul>	600 units with potential for 60 suite ready units.

<sup>8</sup> Assumptions have been made about how many lots will be developed in the 10 year period based on absorption, start up time, other development happening, length of time to get approvals, First Nation determination and site preparation.

Infill Area	Opportunities	Challenges	Potential Developability <sup>8</sup>
		<ul style="list-style-type: none"> <li>• Pockets of wetland found centrally and easterly</li> <li>• No identified amenities within area</li> <li>• Large lots make it difficult to design consecutive development and to estimate the timing.</li> <li>• Individual land owners (better chances of comprehensive infill development if land consolidation was completed).</li> </ul>	
<p><b>Infill 2 NW Quinsam</b></p>	<ul style="list-style-type: none"> <li>• Portion of the area is already zoned Residential.</li> <li>• Close proximity to parks and green space.</li> <li>• Area is serviced by transit.</li> <li>• Access to local trails.</li> </ul>	<ul style="list-style-type: none"> <li>• Northern area is within flood plain.</li> <li>• Southern portion of area is located within ALR.</li> <li>• Much of the developable areas is constrained by steep slope.</li> <li>• Much of the area is zoned Rural.</li> <li>• Northwesterly area is zoned Parks and Protected Area.</li> <li>• No identified amenities within area.</li> </ul>	<p>100 units</p>
<p><b>Infill 3 North Campbell River</b></p>	<ul style="list-style-type: none"> <li>• Majority of area is already zoned residential.</li> <li>• Area is serviced by transit.</li> <li>• Market housing potential along eastern boundary capitalizing on water views.</li> <li>• Pockets of commercial zoning providing services for residents.</li> <li>• Access to local trails.</li> </ul>	<ul style="list-style-type: none"> <li>• Easterly area located within flood plain.</li> <li>• Slope constraints along easterly boundary.</li> <li>• Southern area zoned Rural.</li> <li>• Southern area located within ALR.</li> <li>• Southeasterly edge bounds an ecologically sensitive area.</li> <li>• Seven ESA Eagle Nest sites along easterly boundary.</li> <li>• Need to encourage commercial development for essential retail services (such as a grocery store).</li> </ul>	<p>100 units</p>
<p><b>Infill 4 Campbellton</b></p>	<ul style="list-style-type: none"> <li>• Downtown adjacent.</li> <li>• Area is well serviced by transit.</li> <li>• Access to local trails.</li> <li>• No potential slope constraints.</li> <li>• Centrally located.</li> </ul>	<ul style="list-style-type: none"> <li>• Much of the area is zoned Commercial.</li> <li>• Northern area is within flood plain.</li> <li>• No identified amenities within area.</li> <li>• Much of the area is zoned Industrial (depending on industry, potential environmental concerns).</li> <li>• Smaller parcel sizes throughout area, reducing infill opportunities.</li> </ul>	<p>100 units</p>
<p><b>Infill 5 North Willow Point</b></p>	<ul style="list-style-type: none"> <li>• Primarily zoned Residential.</li> <li>• Market housing potential along eastern boundary capitalizing on water views.</li> </ul>	<ul style="list-style-type: none"> <li>• Slope constraints along westerly and easterly boundaries, as well as bisecting the central portion.</li> <li>• Smaller parcel sizes throughout</li> </ul>	<p>150 units</p>

Infill Area	Opportunities	Challenges	Potential Developability <sup>8</sup>
	<ul style="list-style-type: none"> <li>Identified amenities within area.</li> <li>Area is well serviced by transit.</li> <li>Access to local trails.</li> <li>Area is well serviced with parks and recreation spaces.</li> </ul>	area, reducing infill opportunities.	
<b>Infill 6 Central Campbell River</b>	<ul style="list-style-type: none"> <li>Primarily zoned Residential.</li> <li>Larger parcel sizes allowing for greater infill developments.</li> <li>Parcels bisecting area are zoned Commercial, providing services to residents.</li> <li>Market housing potential along eastern boundary capitalizing on water views.</li> <li>Identified amenities within area.</li> <li>Access to local trails.</li> <li>Area is well serviced by transit.</li> <li>Close proximity to downtown.</li> </ul>	<ul style="list-style-type: none"> <li>Two ESA Eagle Nest sites along northern boundary.</li> <li>Slope constraints along westerly and easterly boundaries, as well as bisecting the central portion.</li> </ul>	100 units
<b>Total Potential Infill Units in the 10 Year Period</b>			1,210 units

## 5.4 Secondary Suites and Carriage Houses

Secondary Suites, as defined by the Zoning Bylaw, are “additional dwelling unit[s] attached to the principal dwelling unit” within a single-family residential building containing only one other dwelling unit. The building is to be owned by a single real estate entity. The secondary suite is limited to a maximum floor area of 90 m<sup>2</sup> that is less than 40% of the floor space of the building, and can have no more than two bedrooms.

While secondary suites are a viable option for many municipalities to increase rental housing opportunities, monitoring of legal secondary suites is limited. According to CMHC, just over 17% of municipalities in Ontario track secondary suites, as it is labour intensive, costly and hard to monitor (CMHC, 2017). As a result, there is little data on the uptake of municipalities with permitted as-of-right secondary suites. The City of Campbell River has estimated through provincial and municipal assessments that there are 358 illegal secondary suites currently in the City.

Of the data examined, three municipalities identify uptake rates on legal as-of-right secondary suites:

- Vancouver: 20% of rental units are in the form of secondary suites (CMHC, 2015);
- Edmonton: 25% of rental units are in the form of secondary suites (CMHC, 2015); and
- Abbotsford: 10% of single-family dwellings are registered with secondary suites (British Columbia, 2005).



Recognizing that both Vancouver and Edmonton are considerably larger populations in metropolitan cities versus that of Campbell River, a more conservative estimate that is closer to Abbotsford's uptake of 10% to 15% could be assumed for Campbell River's uptake.

Based on the 2016 Federal census, there were 9,670 single-family dwelling units in the City of Campbell River. If 10 to 15% of all single-family dwelling units construct a legal secondary suite, this would equate to 967 to 1,450 total additional residential units in the City. For the purpose of this study, we have assumed that 30% of these units would be created in the 10 year time frame of this study, or 290 to 435 secondary suites. In addition, it is recommended that all new development, including greenfield areas, be constructed with the rough plumbing, heating and other building code requirements to include secondary suites at any time. While greenfield areas are not generally considered prime areas for secondary suites, as the areas development and amenities and transit are available, the ability to provide a secondary suite would be beneficial. And, even without the amenities and transit, secondary suites may be desired for aging parents, or special needs children that need to be close to family but retain their independence. For this reason, we may consider that 5% of all new greenfield units will take advantage of the opportunity for a secondary suite.

The report *Secondary Suites: A Guide for Local Governments* suggests that enforcement best practices should focus on creating legal suites in the future (British Columbia, 2005). Legalizing existing suites proves to be extremely difficult as most jurisdictions reviewed have limited uptake on voluntary registration and upgrading. The Guide suggests that municipalities should look at "ways to reward rather than penalize owners for legalizing. For example, the municipality could give a break on property taxes for a period of time, as is done for heritage preservation and could give a break on utility charges or charge more for known illegal suites than for legal suites." Focusing on future development of secondary suites, particularly in new construction, could allow Campbell River to increase its affordable rental housing stock.

Carriage houses are a different form of secondary suite. They can also be called "laneway housing." They provide an additional residential unit on a lot that has private access, is separate from the primary residential unit and can be above a detached garage, or a separate dwelling. Carriage and laneway housing work best on lots with rear lane access. For this reason, there is opportunity for carriage houses in Campbell River, primarily in the older neighbourhoods. These units would be new build, infill development that would slightly increase the density of older communities with minimal impact. Many lots in the Cedar and Quinsam neighbourhoods would be suitable for carriage house development.

Carriage or laneway housing provide opportunities to increase rental housing while separating it from the primary dwelling unit (unlike secondary suites). These forms of secondary housing are unable to be sold separately from the primary residential dwelling, or strata-titled. This can be beneficial for landowners who do not wish to have a rental unit within the primary dwelling, or have a pre-existing garage on-site with an apartment space in the building, providing an opportunity for extra income potential and increasing the City's rental housing capacity.

## 5.5 Financial Viability

Best practices in planning teach us that financial viability of municipalities is a critical element in the planning process. This requires that development pay for itself, not just in the initial construction, but in the long term, to generate revenue to replace the infrastructure. It also means to make the best use of the existing infrastructure. For Campbell River this means increasing and incentivizing infill development, setting minimum densities and generating a diversity of housing types. However, it also means that development has to pay its way. Another critical element to the support of residential development is the increase of non residential (commercial and industrial) tax base. Rule of thumb is that municipalities should strive for a 60% residential / 40% non residential tax base. Generally residential taxes pay for a fraction of the services they receive. Many municipal planning departments are funded by development application fees. Utilities constructed by a developer may need major repairs in 25 years, when the taxes from that development will take up to 75 years to pay for utility replacement.

Campbell River may have to consider other ways to capture revenue to pay for services and infrastructure upgrade in addition to increasing density and encouraging more utilization of the infrastructure. Tax increase may be something that residents will be faced with. The increase and introduction of Development Cost Charges for developers may be required.

## 5.6 Unit Typology

If Campbell River is going to continue to be a “family oriented” community, future housing units must be appropriate in size. This means three bedrooms or more units. This can be accommodated in all forms of housing including single detached family, town housing, duplex, and apartment buildings. The 2016 Federal Census identified that there are 15,270 total occupied private dwelling units in the City. This includes Berwick by the Sea which was completed and occupied in 2014 (a 350 unit seniors residence primarily 2 bedroom units). Of the total private dwelling units in Campbell River, 9,670 are single detached family units, or 63.3% of all housing units. The census also demonstrates that 66% of all housing units are three bedroom or more in size.

Since the 2016 census was taken, there have been some notable changes in the size of the units being development. There has been a demand for smaller units. Another example of a small unit development is a micro unit purpose built rental development, geared to employees of the hospital. While this development is specifically geared to health workers, working shifts, it bears the question, are there other employment sectors or resident groups that would benefit from smaller units. This could include students at the college (although many of those would not be year round residents). While the City strives to keep prices down and attract families, the form of the housing should expand to include row housing and duplexes to provide a lower cost option for family homes.

## 5.7 Ownership/Tenancy

Housing in Campbell River has historically catered primarily to homeownership. Seventy-two percent of the residential dwellings in the City are owned by the occupants. Feedback from stakeholders indicates that the answer to affordability is rental accommodation. The trend towards purpose built rental is surfacing in larger cities. The Province of British Columbia has passed legislation to zone for rental accommodation. While this legislation is facing a legal challenge, it demonstrates the need for rental units.

While home ownership has been a Canadian standard, an aspiration of many people, the reality of down payment requirements, mortgage qualification and stress test, along with increasing housing prices, is making home ownership beyond the reach of many Canadians. If legislation to “zone” for rental accommodation proves legal, the City could consider selecting infill areas to apply this zoning. The City can then incentivize this to the development industry by pre-zoning the lands, and incorporating other incentives such as parking and landscaping relaxations. This pre-zoning could include greenfield developments where a minimum density could be established (rather than the normal maximum density). This would increase the density and efficiency of the infrastructure in greenfield areas, provide a variety of housing and enhance the potential for commercial and amenity development by increasing the population.

Parking is a major requirement for residential development. The bylaw currently requires 2 on-site parking spaces per single detached home plus one for a secondary suite. These are on-site parking spots which may be difficult to achieve in the inner city with smaller lots. Apartments require 1.3 parking spots per unit plus one parking spot per 5 units for visitor parking. If the apartment buildings are located centrally, this may be reduced to one parking spot per unit – or establish the parking based on numbers of bedrooms (one bedroom, one stall and a three bedroom, two stalls). In the case of residential in the downtown, the City might consider the replacement of vehicle parking for bicycle parking. The critical element is the proximity to services. Parking requirements may not be relaxed for development south of Jubilee Parkway (if the urban containment boundary is adjusted), but it might be quite appropriate in Qunisam or Campbellton.

## 6.0 CONCLUSIONS AND RECOMMENDATIONS

---

### 6.1 Policy and Regulatory Changes

Dillon has reviewed the current City policies for this report. While the Zoning Bylaw allows for density bonusing, parking requirements are generally high and there is no clear process for assigning the bonus. Another deterrent for development is the Subdivision and Development Servicing Bylaw requirement to place all overhead wires underground was noted by the development industry.

While overall the SOCP is supportive of infill and higher densities, it is the implementation that is causing the development industry to fall back on the traditional low density development model. The task of rezoning land, dealing with community objections, and providing excessive parking and amenity features is a deterrent to infill development.

The following provides a summary of the recommended policy and regulatory changes:

1. Encourage a balance and variety of housing units to serve the broader market. Because the development industry sees infill development as more cumbersome, the City must consider ways of simplifying the process. This could include rezoning lands for increased density or modifying existing zones, expediting the development process, reducing off site and developer charges and assisting with community consultation. However, this should not be completed to the detriment of the financial needs of the City.
2. Prepare a Development Permit Area for the Infill areas that address form and character, site coverage, multi-family housing, street orientation, secondary suites and carriage houses, and setbacks. This can also address design guidelines, protection of privacy (regarding overlooking of properties) and open space.
3. Should development be proposed west of Highway 19 in Expansion Areas 2 and 3, require the developer to complete a comprehensive plan or neighbourhood plan for the lands. Set a minimum density, require the developer address intersection treatment and traffic movements east/west on the highway. This will require engagement with the First Nations and their development aspirations, and provincial approvals on the wetlands.. This will provide the City a clear understanding of what the development potential is and allow the developer/owner to understand the required densities, the costs and the opportunities.
4. Adopt a regulation that allows secondary suites in any single detached dwelling and allows carriage houses on single detached dwelling lots with rear lane access (as the secondary suite).
5. City of Campbell River develop a grant program that will assist in the development of secondary suites. Many Canadian cities have programs.<sup>9</sup> The City may consider taking applications and

---

<sup>9</sup> The Town of Canmore accepts applications for secondary suite development and funds 5 applications per year up to \$10,000 for each project. The City of Edmonton offers up to \$20,000 per secondary suite application with demonstrated contribution by the homeowner of at least 50% of the total cost and requires a 5 year housing

providing grants or funding assistance with a housing agreement that commits the homeowner to renting the unit.

6. Prepare an Overlay District or Neighbourhood Plan for Quinsam to identify infill areas, lots and development guidelines. This will provide assurance for developers of the support of the City for the redevelopment and infill and may initiate development applications in the short term.
7. Review the R-SD district to increase site coverage, expand the size of secondary units (particularly for carriage suites), and reconsider rear yard setbacks to make it easier to develop secondary residences and suites on these properties without rezoning or applying for a variance.
8. Zoning Bylaw Amendments: It is recommended that the zoning bylaw provide enough flexibility that variances and rezonings are not required, making the approval process more timely. The comments from Development stakeholders was that as the length of time to get approvals increases the desire to do the development decreases because of the money it costs to hold a project. If the delays seem onerous, the investment will not be made. Also, delays in rezoning delay bank financing or cost carrying charges. Developers would rather provide the detailed information at Development Permit stage than at rezoning because they have certainty of use and financing based on the zoning. Some of the specific areas for consideration include:
  - Securities taken at the Development Permit stage will be held until the development is substantially complete and while the developer may think that this is another “money grab” the money is returned in full when they deliver the project that was approved;
  - Review site coverage and landscaping requirements in inner city areas to increase the site coverage and decrease the landscaping requirements (assuming proximity to parks and paths);
  - Set a minimum density in all residential zones, particularly in the expansion areas to ensure variety of housing typology;
  - Proactively rezone land in the infill areas to increase density;
  - Reduce parking requirements in infill areas to recognize proximity to amenities, employment and transit;
  - Increase site coverage in infill areas to allow for increased density;
  - Reduce front yard minimum yard dimensions for infill zoning. Greater connectivity to the street is important and allows for parking to be located in the rear; and
  - Consider the height allowed in all residential zones and ensure that infill areas can achieve the density required.
9. Other general recommendations:
  - The City currently does not have amenity requirements for development. Amenity requirements are generally tied to density bonusing. The City may consider establishing a definition of what an amenity is, and relax the amenity contribution for high density development and increase it for low density development. The developer may consider increasing density to reduce the amenity contribution;

---

agreement to commit to rent the unit at an affordable rate. Calgary has waived the Development Permit fee. The BC Home Renovation program can fund renovations for a legal secondary suite.

- Incentives for purpose built rental accommodation should also be considered. Often, as the Housing Needs Assessment may illustrate, rental accommodation is in more demand than property to purchase. This could include density bonusing, parking reductions, reduced application fees or expedited time lines; and
- To ensure that infill development increases density, the construction of new single detached family residential units should be prohibited unless accompanied by secondary residences or suites.

## 6.2 Urban Containment Boundary

The SOCP identified the Urban Containment Boundary as the limit for urban development to restrict sprawl, protect agricultural and forestry land, and makes best use of the existing infrastructure. The SOCP states that the desired outcome by 2020 is that:

*The existing urban containment boundary is preserved and maintains its role of focusing urban development and minimizing the expansion of infrastructure.*

However, the City has continued to grow. Based on the goal of attracting families to Campbell River and the need to maintain balance in the housing market to maintain competitive housing prices, it is recommended that the Urban Containment Boundary be expanded to encompass Expansion Area 1 and 4. While this would entail crossing Jubilee Parkway, this is considered to be less of a physical barrier than Highway 19. This will allow greenfield land to accommodate new single detached housing, but it is recommended that a minimum density be established to ensure that a mix of housing units is included, thereby providing options for housing. It is recognized that this will require an SOCP Amendment to add these areas and change the Urban Containment Boundary.

The reasons these two areas are recommended for expansion are:

- They do not cross Highway 19;
- They provide options in both the north and south areas of the City; and
- They provide sufficient land for an estimated 1,000 residential unit.

It should be noted that these areas will only achieve the ultimate goal of 1,000 units or more, if development is not traditional low density single detached residential. To accompany the inclusion of these expansion areas, there need to be policies that will:

- Increase the minimum density in these areas;
- Provide direction on housing unit typology and number of bedrooms;
- Include the opportunity for Fee simple row housing;
- Support the development of purpose built rental accommodation; and
- Allow secondary suites.

### 6.3 Infill Areas

During the assessment of the potential growth areas, six infill areas were identified. It is assumed that most of the new development in these areas will be multi-unit development of some kind, including duplex and row/townhousing. It is proposed that the City consider up-zoning some of the lands for infill housing to provide an incentive for the developer/landowner. This removes some obstacles in the way of achieving infill development: time, cost and neighbour opposition. These areas are located throughout the City, providing geographical variety, housing age variety, and are all close to a variety of amenities such as schools, shopping, transit, parks and open spaces, government services and recreation facilities. These areas are well suited to intensification and multi-family housing developments. Servicing exists, and increase in density will be a cost efficient use of infrastructure. It is recognized that existing residents may object to infill development for reasons of traffic, parking, shadowing and form and character.

Estimates of infill lots has been conservative given that the incentives will have to be in place, the development industry will have to acquire lands and the projections were for a 10 year period. While only 660 potential additional units have been identified in Quinsam. This infill is dependent upon:

- the City rezoning the area to allow higher density;
- completing a Neighbourhood Plan that provides support for infill and guidance on connectivity, linkages and mixed use; and
- preparing a Form and Character Development Permit Area for Quinsam.

If the incentives and rezoning were accomplished in a timely manner, this could speed up the infill development time line significantly and potentially eliminate the need for any Urban Containment Boundary expansion.

A Form and Character Development Permit Area for each infill area would better direct and guide new development. The process of developing the DPA's should involve significant community education and engagement to allow the residents to understand concerns and create form and character guidelines that will ensure that new development is well integrated into the existing community.

### 6.4 Development Permit Areas

It is understood that the City has not required development permits for single detached dwellings. However, if a form and character Development Permit were to be applied to the infill areas, it could assign a minimum density and set guidelines for how to incorporate higher densities into these traditional areas. By applying a requirement for a development permit for a single detached unit, it might discourage lower density development and encourage higher density development (the rationale being that if you need to go through the process for a single unit, you might as well go into the process for more units).



## 6.5 Urban Overlay Areas

An Overlay Zone is used by communities to apply area-specific standards and/or conditions on a specific area of the municipality to achieve future goals and objectives. A base zoning district (such as residential or mixed-use) determines the types of uses permitted and the minimum dimensional requirements of lots and buildings. An overlay zone applies an additional layer of standards to all areas within a defined overlay boundary, regardless of the underlying base zoning district. For example, an area with single-family homes that is zoned R-1 might also be within an infill area. The overlay zone may set a minimum density, and guidelines to minimize impact on the existing community, may support secondary suites and carriage houses, and/or might address design guidelines.

The primary benefit of overlay zoning is applying a unique set of standards to a specified area without having to amend all other relevant sections of the zoning bylaw. Other benefits include:

- Creates special guidelines without creating a Development Permit Area;
- Allows existing or based zoning regulations to be superseded or complemented to solve a known problem;
- Opportunities to implement comprehensive plan policies and strategies associated with future land use and the environment; and
- Relatively easy to maintain over time following initial adoption.

This planning tool could be applied to select infill areas to demonstrate where higher density is appropriate and how it could be serviced in the future. This could be applied instead of a Development Permit Area and not require an SOCP Amendment. It is recommended that this process be applied to the Quinsam neighbourhood to “test” the acceptance and ease of implementation with the community and the development industry.

## 6.6 Summary

There is the need for approximately 2,070 new market and near market housing units in the City of Campbell River based on the projected 2030 population of 40,949. This does not include shelter, transitional or social housing units. The average household size in the City is currently 2.3 person. There is a need for a total of 17,894 private residential units and a buffer of housing units to maintain a healthy real estate market. Accordingly, the land available in the Expansion and Infill areas, suggests new housing units could be made up as illustrated in **Table 3**.

**Table 3: Ten Year Housing Potential**

Location	No. of Units	
	Low Estimate	High Estimate
Expansion Areas	330	623
New Development Areas	500	750
Infill Areas	1,210	1,210
Secondary Suites	370	510
<b>Subtotal</b>	<b>2,410</b>	<b>3,093</b>
<b>Total Needed</b>	<b>2,070</b>	<b>2,070</b>
<b>Potential Shortfall/Excess</b>	<b>340</b>	<b>1,023</b>

This table illustrates that it is imperative for the City to facilitate the modification of land uses and regulations to allow for, and mandate, the development of land at higher densities, with a greater variety of housing types, and reduced processes to develop lands with more incentives for infill development. Due to distance from amenities, transit and employment, the expansion areas lend themselves to lower density development that is more dependent upon the use of personal vehicles. Unless the expansion areas are designed as fully complete communities, providing school sites, commercial areas and employment centres with a much higher overall density and transit servicing, they will not be complete communities and provide the variety of housing and lifestyles generally considered necessary for a vibrant healthy community. And while secondary suites and carriage houses provide an excellent option for housing that provides a marginal increase in density in the established communities, it is one component of the overall housing strategy.

If the City can incentivize infill housing, allow secondary suites and increase density in new development areas, Urban Containment Boundary expansion is not required.

## 7.0 REFERENCES

---

Additional references used in the preparation of this report include:

British Columbia, 2005. *Secondary Suites: A Guide for Local Governments*. Ministry of Community, Aboriginal and Women's Services: Housing Policy Branch.

CMHC, 2015. *Permitting Secondary Suites*.

CMHC, 2017. *Research Insight: Ontario Secondary Suite Research Study*

# APPENDIX A

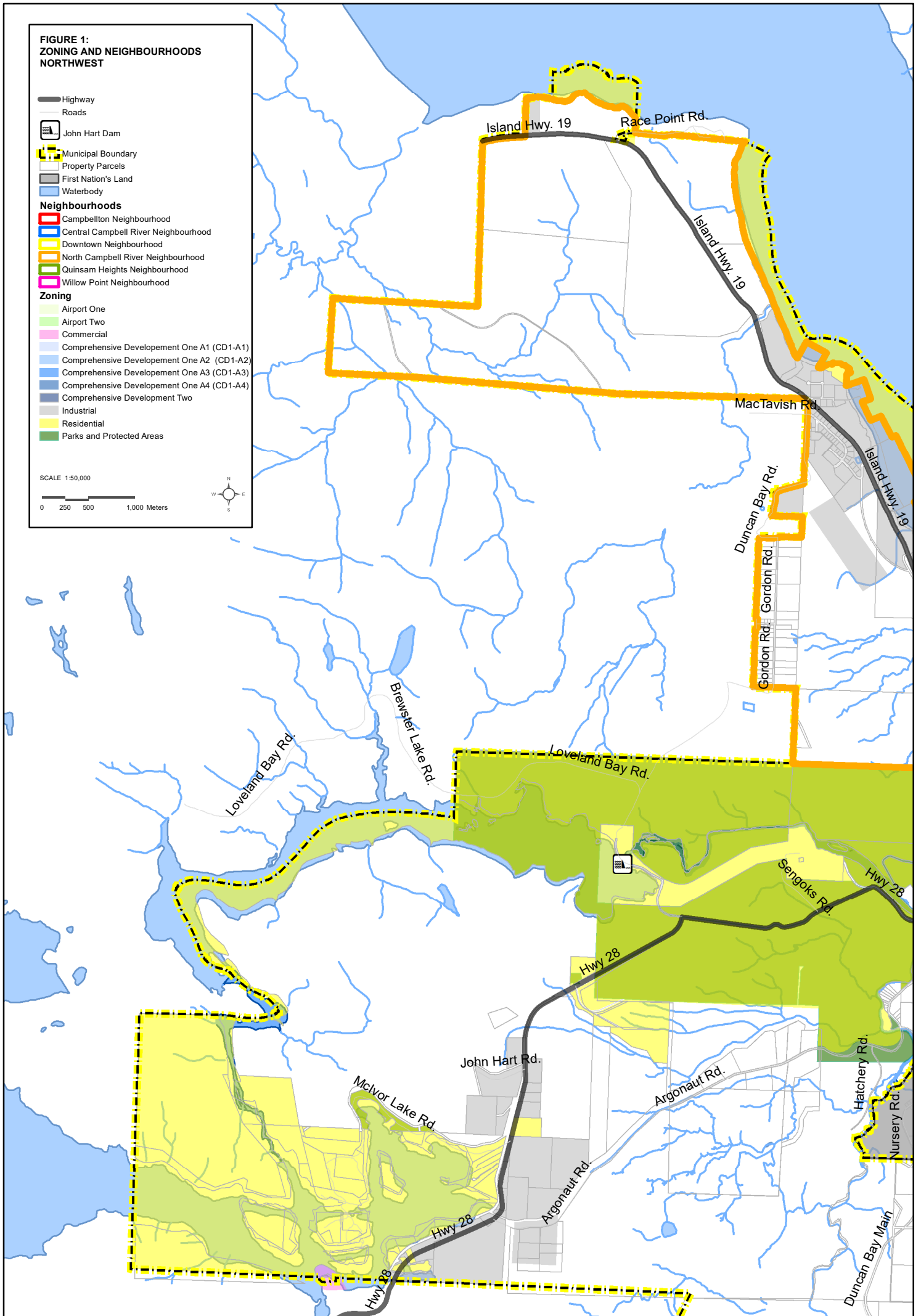
---

*Figures*

**FIGURE 1:  
ZONING AND NEIGHBOURHOODS  
NORTHWEST**

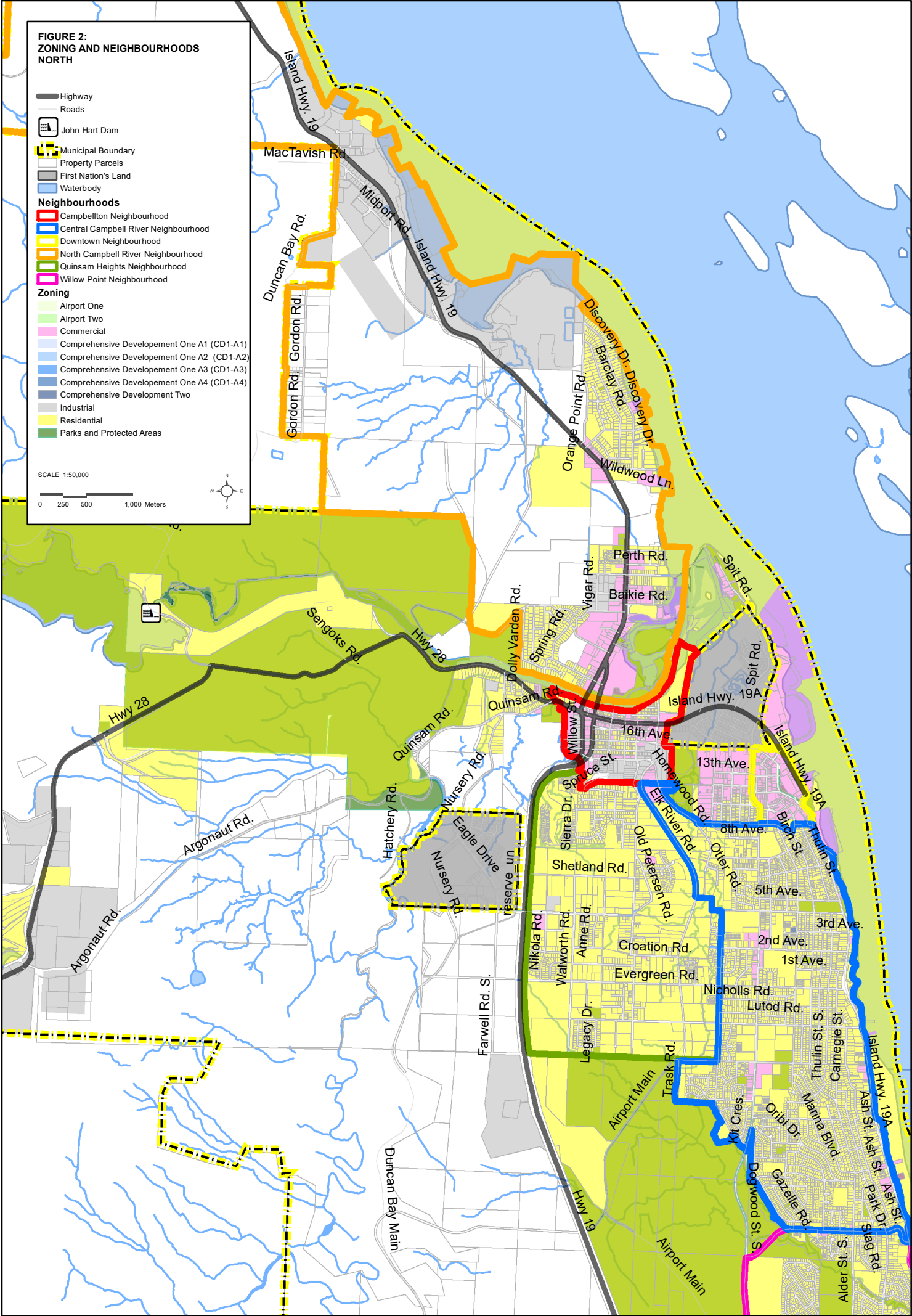
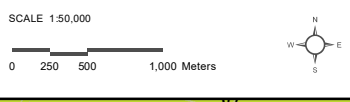
- Highway
- Roads
- John Hart Dam
- Municipal Boundary
- Property Parcels
- First Nation's Land
- Waterbody
- Neighbourhoods**
- Campbellton Neighbourhood
- Central Campbell River Neighbourhood
- Downtown Neighbourhood
- North Campbell River Neighbourhood
- Quinsam Heights Neighbourhood
- Willow Point Neighbourhood
- Zoning**
- Airport One
- Airport Two
- Commercial
- Comprehensive Development One A1 (CD1-A1)
- Comprehensive Development One A2 (CD1-A2)
- Comprehensive Development One A3 (CD1-A3)
- Comprehensive Development One A4 (CD1-A4)
- Comprehensive Development Two
- Industrial
- Residential
- Parks and Protected Areas

SCALE 1:50,000  
0 250 500 1,000 Meters

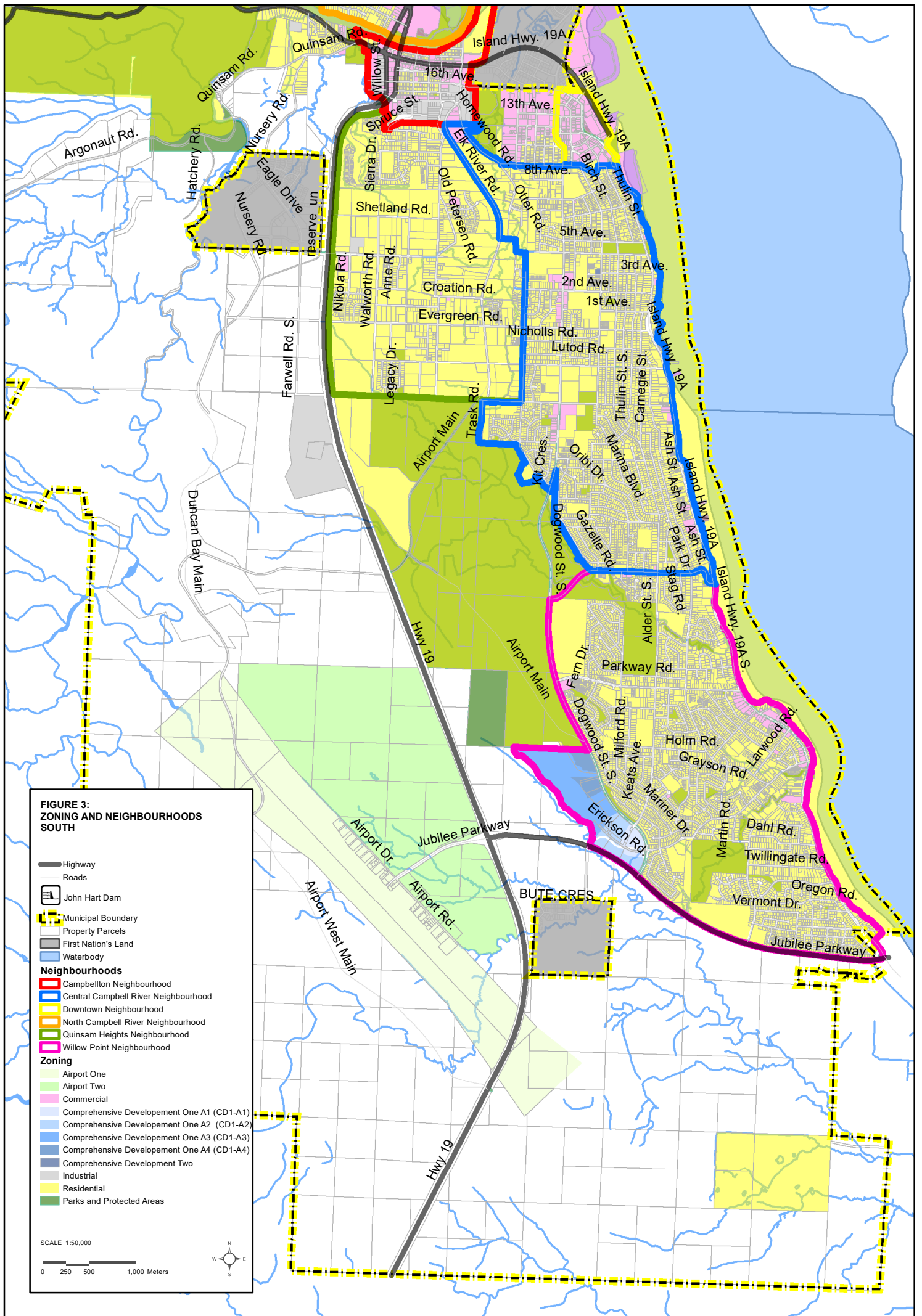


**FIGURE 2:  
ZONING AND NEIGHBOURHOODS  
NORTH**

- Highway
- Roads
- 🏠 John Hart Dam
- Municipal Boundary
- ▭ Property Parcels
- ▭ First Nation's Land
- ▭ Waterbody
- Neighbourhoods**
- ▭ Campbellton Neighbourhood
- ▭ Central Campbell River Neighbourhood
- ▭ Downtown Neighbourhood
- ▭ North Campbell River Neighbourhood
- ▭ Quinsam Heights Neighbourhood
- ▭ Willow Point Neighbourhood
- Zoning**
- ▭ Airport One
- ▭ Airport Two
- ▭ Commercial
- ▭ Comprehensive Development One A1 (CD1-A1)
- ▭ Comprehensive Development One A2 (CD1-A2)
- ▭ Comprehensive Development One A3 (CD1-A3)
- ▭ Comprehensive Development One A4 (CD1-A4)
- ▭ Comprehensive Development Two
- ▭ Industrial
- ▭ Residential
- ▭ Parks and Protected Areas







**FIGURE 3:  
ZONING AND NEIGHBOURHOODS  
SOUTH**

- Highway
- Roads
- John Hart Dam
- Municipal Boundary
- Property Parcels
- First Nation's Land
- Waterbody

**Neighbourhoods**

- Campbellton Neighbourhood
- Central Campbell River Neighbourhood
- Downtown Neighbourhood
- North Campbell River Neighbourhood
- Quinsam Heights Neighbourhood
- Willow Point Neighbourhood

**Zoning**

- Airport One
- Airport Two
- Commercial
- Comprehensive Development One A1 (CD1-A1)
- Comprehensive Development One A2 (CD1-A2)
- Comprehensive Development One A3 (CD1-A3)
- Comprehensive Development One A4 (CD1-A4)
- Comprehensive Development Two
- Industrial
- Residential
- Parks and Protected Areas

SCALE 1:50,000

0 250 500 1,000 Meters

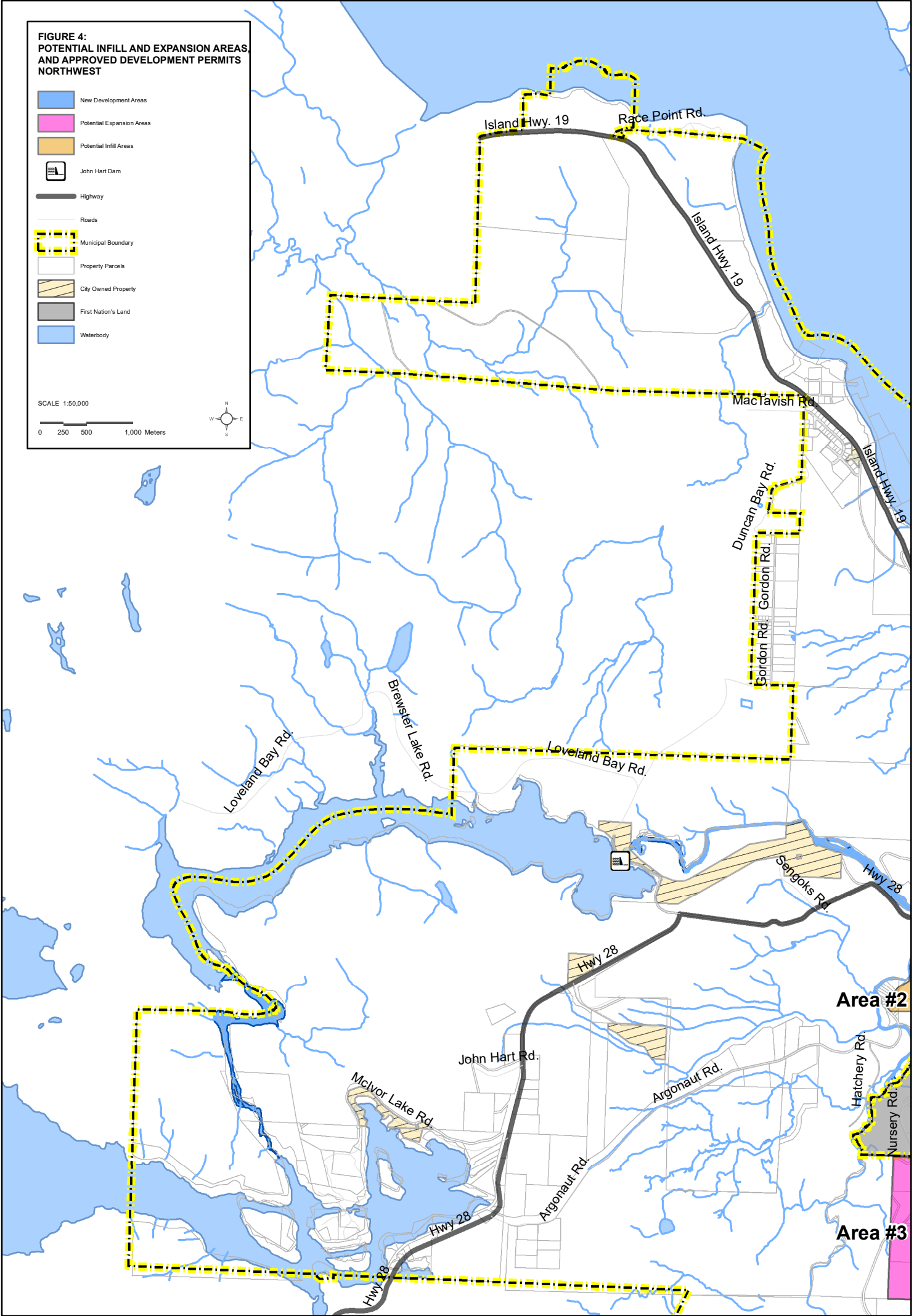
N  
W E  
S



**FIGURE 4:  
POTENTIAL INFILL AND EXPANSION AREAS  
AND APPROVED DEVELOPMENT PERMITS  
NORTHWEST**

- New Development Areas
- Potential Expansion Areas
- Potential Infill Areas
- John Hart Dam
- Highway
- Roads
- Municipal Boundary
- Property Parcels
- City Owned Property
- First Nation's Land
- Waterbody

SCALE 1:50,000  
0 250 500 1,000 Meters

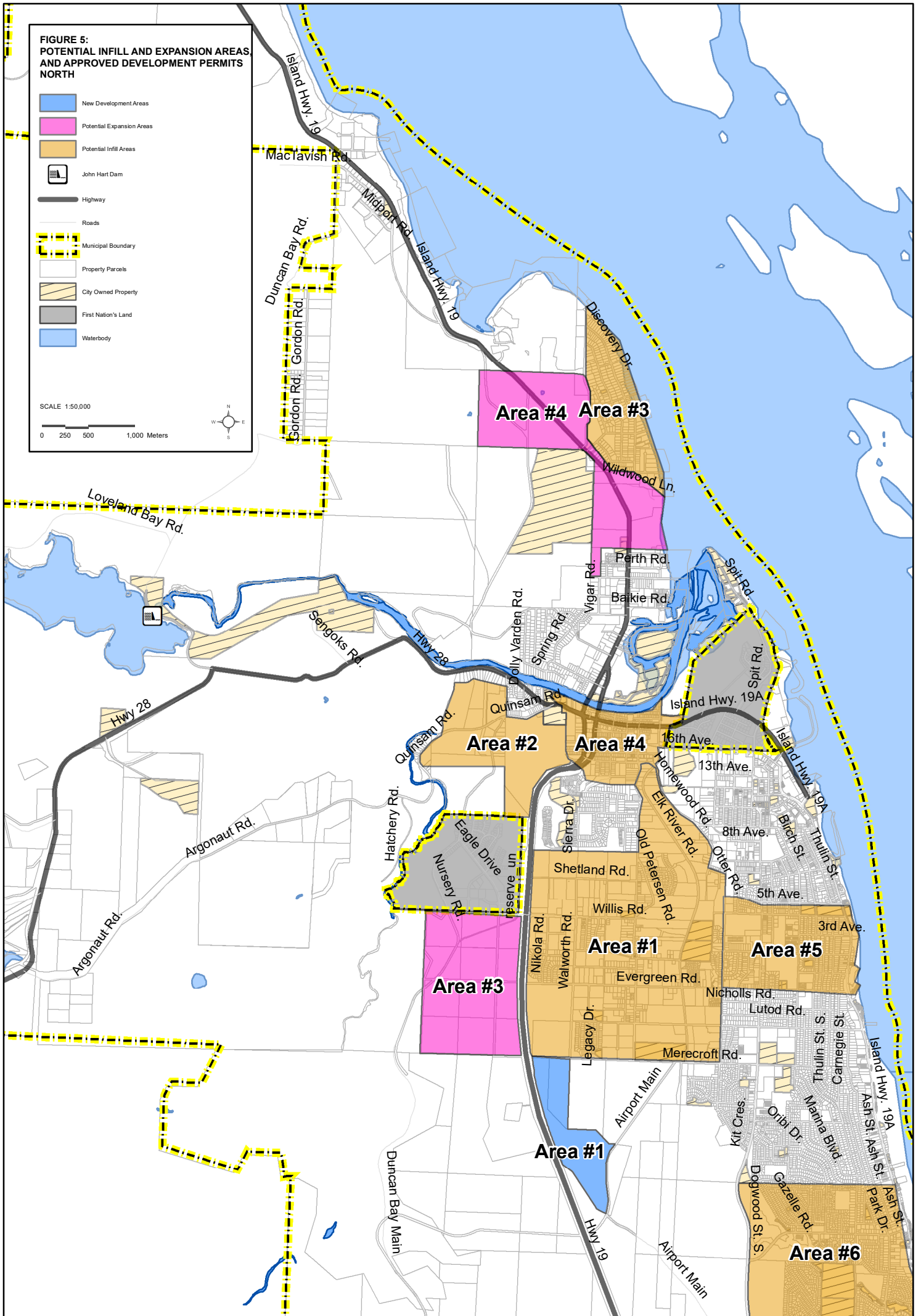


**FIGURE 5:  
POTENTIAL INFILL AND EXPANSION AREAS  
AND APPROVED DEVELOPMENT PERMITS  
NORTH**

- New Development Areas
- Potential Expansion Areas
- Potential Infill Areas
- John Hart Dam
- Highway
- Roads
- Municipal Boundary
- Property Parcels
- City Owned Property
- First Nation's Land
- Waterbody

SCALE 1:50,000
















0 250 500 1,000 Meters



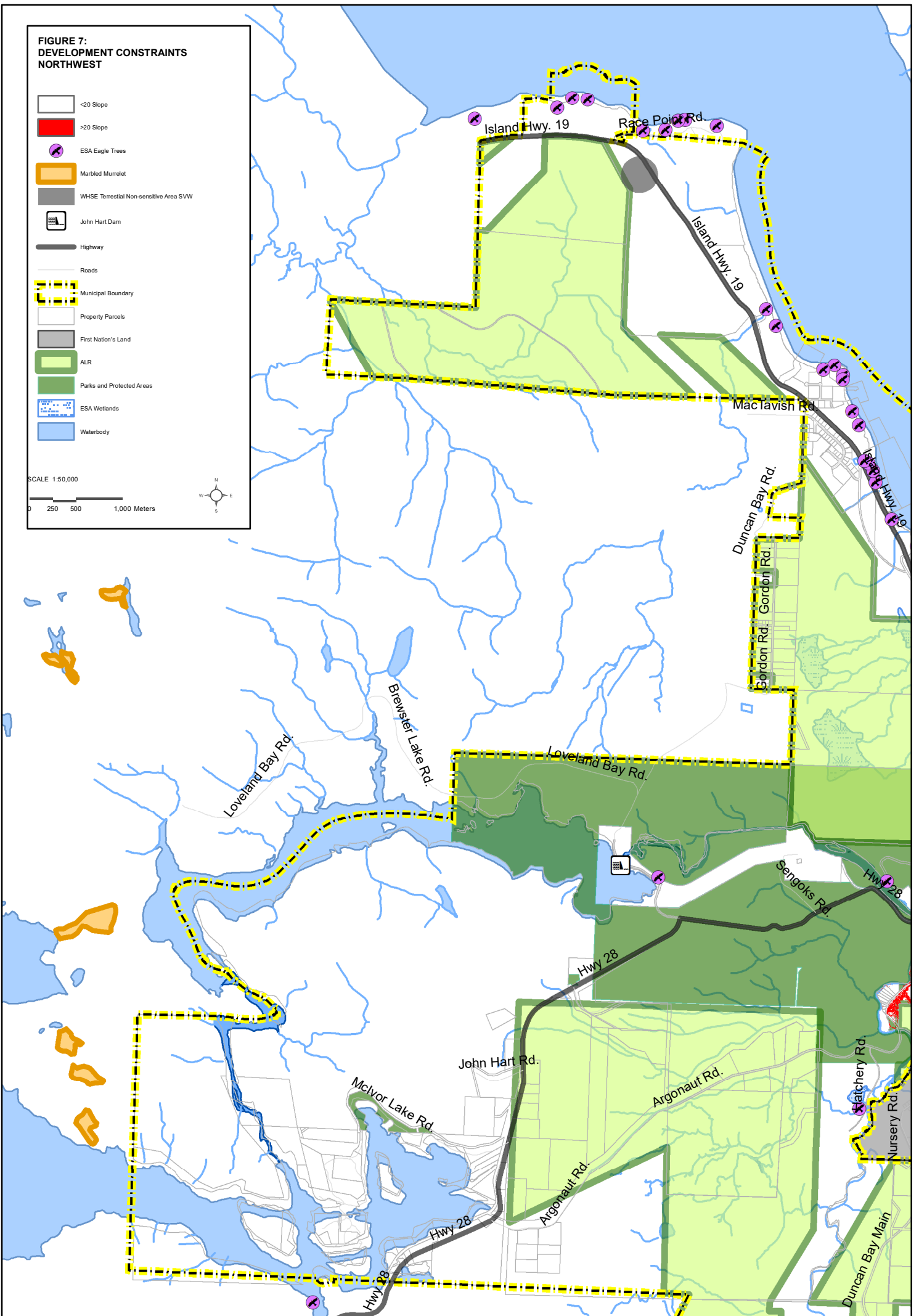
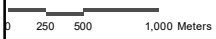




**FIGURE 7:  
DEVELOPMENT CONSTRAINTS  
NORTHWEST**

-  <20 Slope
-  >20 Slope
-  ESA Eagle Trees
-  Marbled Murrelet
-  WHSE Terrestrial Non-sensitive Area SVW
-  John Hart Dam
-  Highway
-  Roads
-  Municipal Boundary
-  Property Parcels
-  First Nation's Land
-  ALR
-  Parks and Protected Areas
-  ESA Wetlands
-  Waterbody

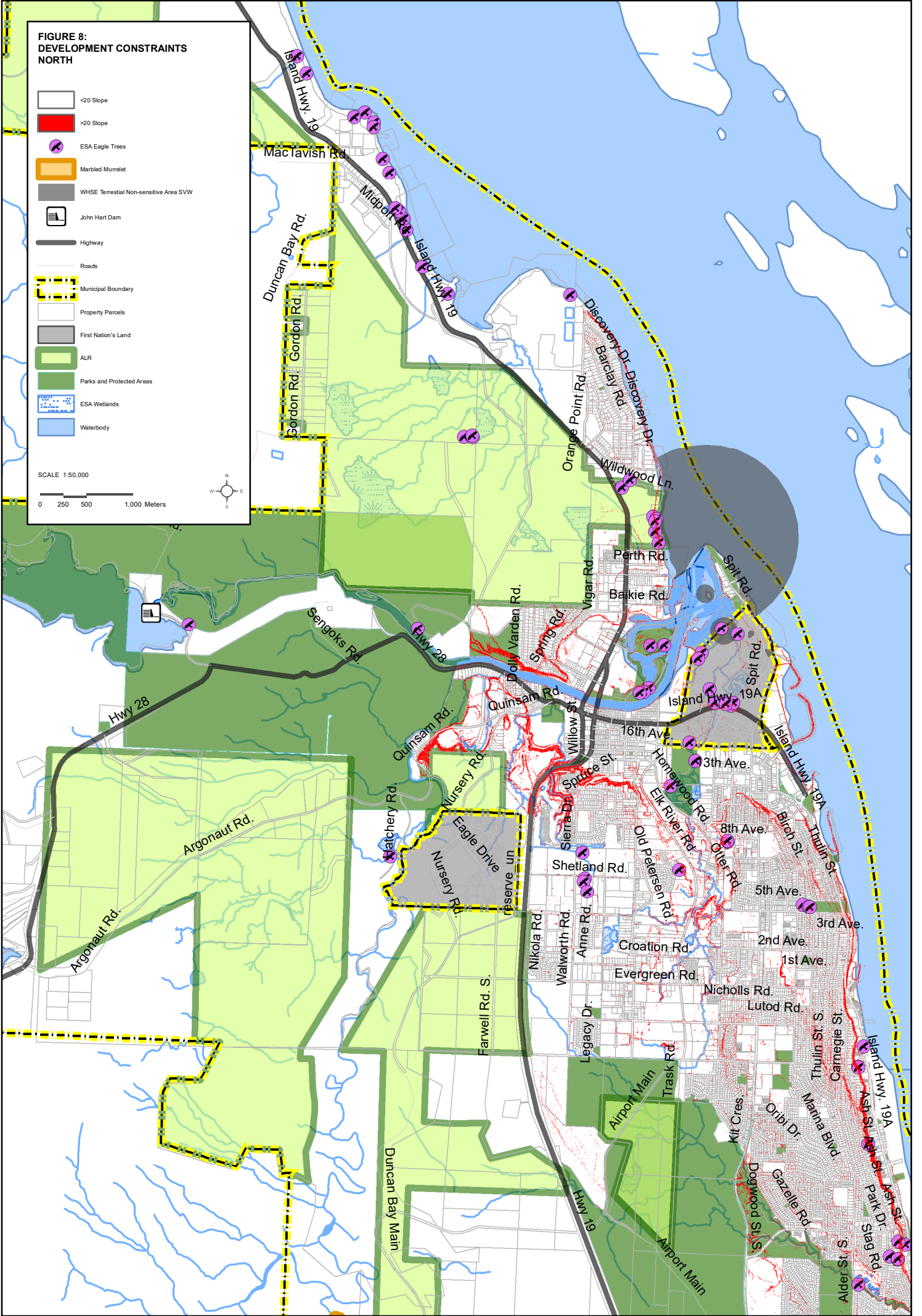
SCALE 1:50,000



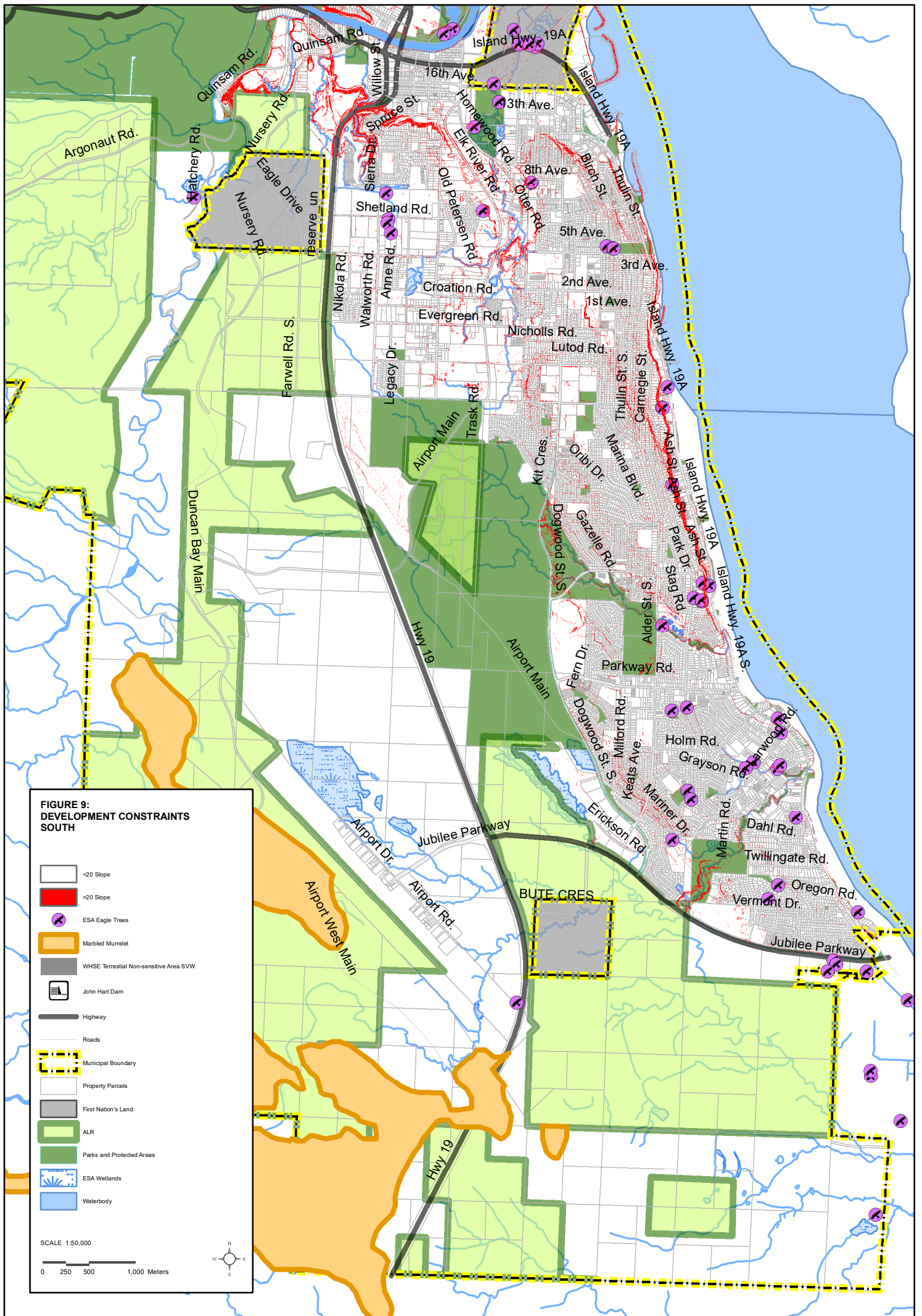
**FIGURE 8:  
DEVELOPMENT CONSTRAINTS  
NORTH**

- <20 Slope
- >20 Slope
- ESA Eagle Trees
- Marbled Murrelet
- WHSE Terrestrial Non-sensitive Area SVW
- John Hart Dam
- Highway
- Roads
- Municipal Boundary
- Property Parcels
- First Nation's Land
- ALR
- Parks and Protected Areas
- ESA Wetlands
- Waterbody

SCALE 1:50,000  
0 250 500 1,000 Meters







**FIGURE 9:  
DEVELOPMENT CONSTRAINTS  
SOUTH**

- <20 Slope
- >20 Slope
- ✎ ESA Eagle Trees
- Marbled Murrelet
- WHSE Terrestrial Non-sensitive Area SVW
- John Hart Dam
- Highway
- Roads
- Municipal Boundary
- Property Parcels
- First Nation's Land
- ALR
- Parks and Protected Areas
- ESA Wetlands
- Waterbody

SCALE 1:50,000  
0 250 500 1,000 Meters

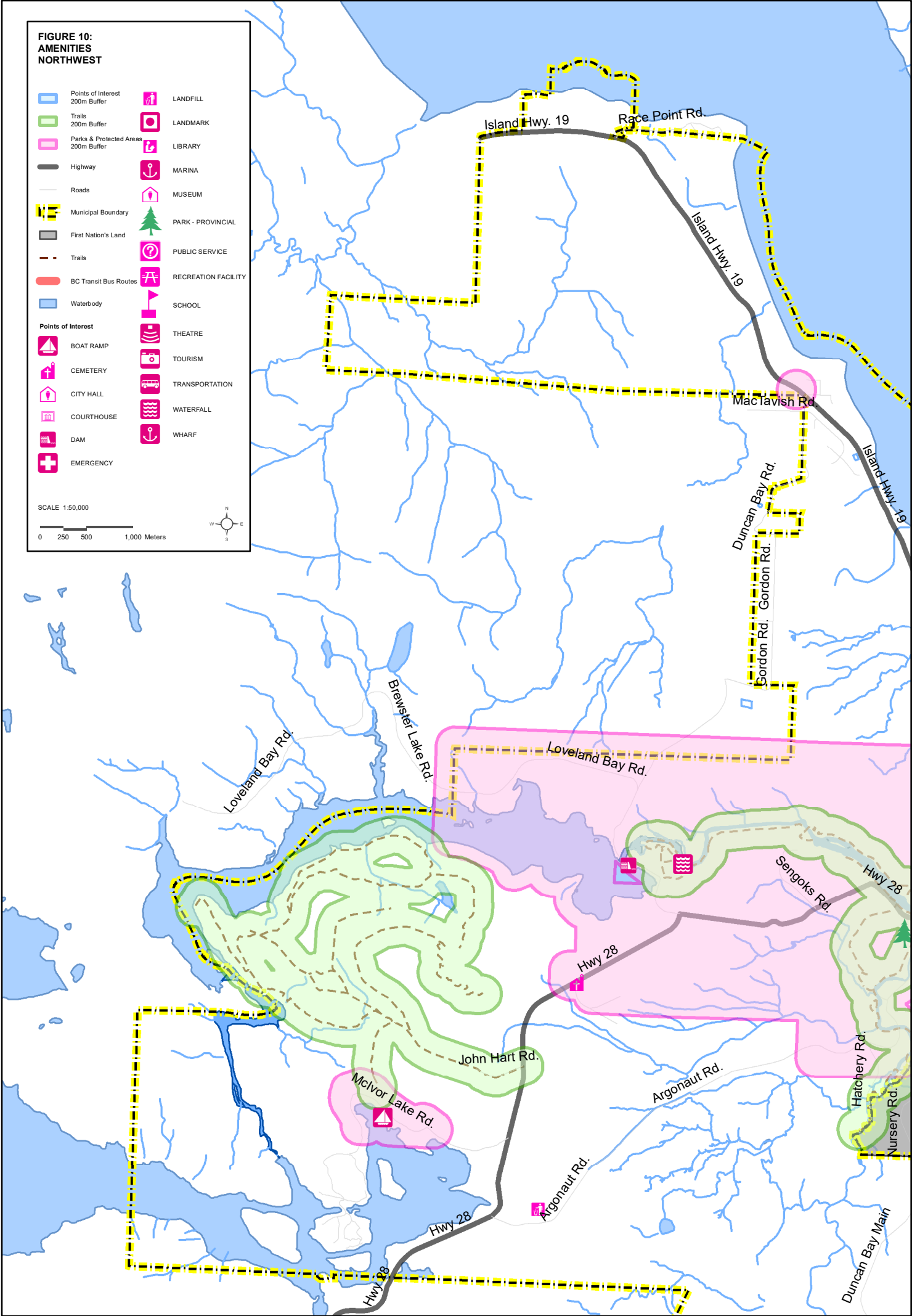


**FIGURE 10:  
AMENITIES  
NORTHWEST**
































	Points of Interest 200m Buffer		LANDFILL
	Trails 200m Buffer		LANDMARK
	Parks & Protected Areas 200m Buffer		LIBRARY
	Highway		MARINA
	Roads		MUSEUM
	Municipal Boundary		PARK - PROVINCIAL
	First Nation's Land		PUBLIC SERVICE
	Trails		RECREATION FACILITY
	BC Transit Bus Routes		SCHOOL
	Waterbody		THEATRE
	Points of Interest		TOURISM
	BOAT RAMP		TRANSPORTATION
	CEMETERY		WATERFALL
	CITY HALL		WHARF
	COURTHOUSE		
	DAM		
	EMERGENCY		

SCALE 1:50,000

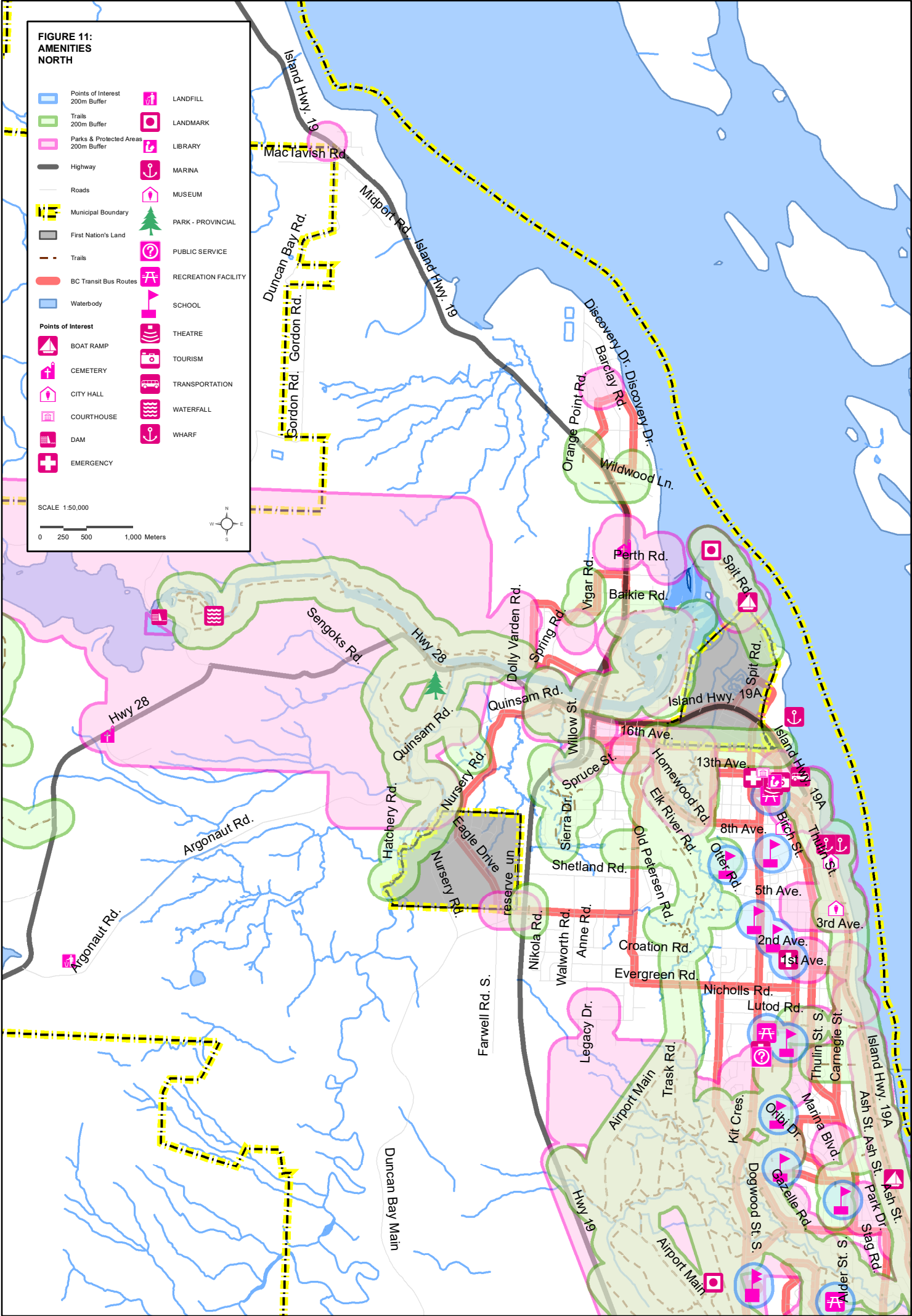
0 250 500 1,000 Meters



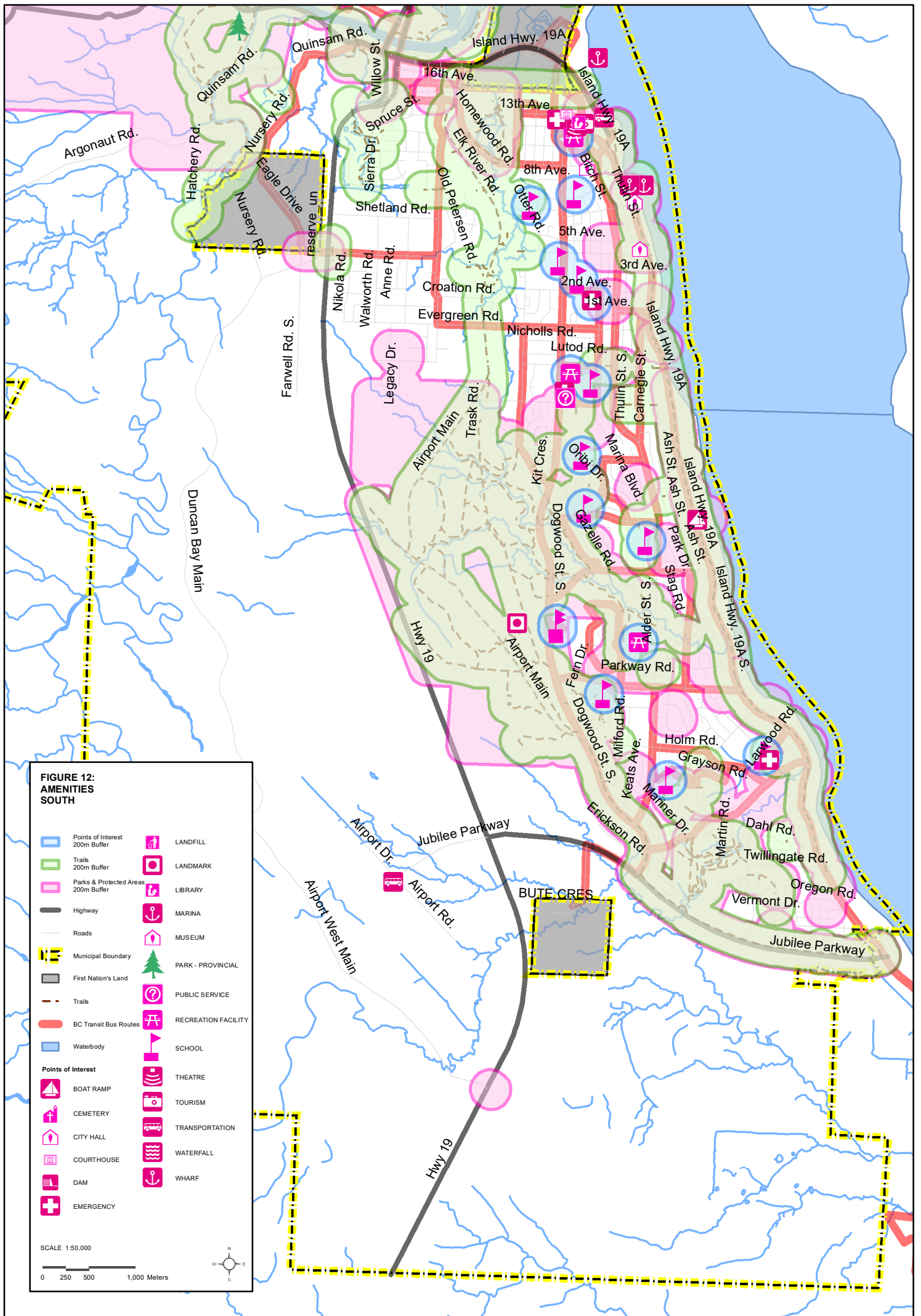
**FIGURE 11:  
AMENITIES  
NORTH**

- |   |  |   |                     |
|---|--|---|---------------------|
|  | Points of Interest<br>200m Buffer      |  | LANDFILL            |
|  | Trails<br>200m Buffer                  |  | LANDMARK            |
|  | Parks & Protected Areas<br>200m Buffer |  | LIBRARY             |
|  | Highway                                |  | MARINA              |
|  | Roads                                  |  | MUSEUM              |
|  | Municipal Boundary                     |  | PARK - PROVINCIAL   |
|  | First Nation's Land                    |  | PUBLIC SERVICE      |
|  | Trails                                 |  | RECREATION FACILITY |
|  | BC Transit Bus Routes                  |  | SCHOOL              |
|  | Waterbody                              |  | THEATRE             |
|  | Points of Interest                     |  | TOURISM             |
|  | BOAT RAMP                              |  | TRANSPORTATION      |
|  | CEMETERY                               |  | WATERFALL           |
|  | CITY HALL                              |  | WHARF               |
|  | COURTHOUSE                             |   |                     |
|  | DAM                                    |   |                     |
|  | EMERGENCY                              |   |                     |

SCALE 1:50,000  
0 250 500 1,000 Meters







**FIGURE 12:  
AMENITIES  
SOUTH**

	Points of Interest 200m Buffer		Trails 200m Buffer		Parks & Protected Areas 200m Buffer		Highway		Roads		Municipal Boundary		First Nation's Land		Trails		BC Transit Bus Routes		Waterbody																				
	BOAT RAMP		CEMETERY		CITY HALL		COURTHOUSE		DAM		EMERGENCY		LANDFILL		LANDMARK		LIBRARY		MARINA		MUSEUM		PARK - PROVINCIAL		PUBLIC SERVICE		RECREATION FACILITY		SCHOOL		THEATRE		TOURISM		TRANSPORTATION		WATERFALL		WHARF

SCALE 1:50,000

0 250 500 1,000 Meters

N  
W E  
S

# APPENDIX B

---

*Engagement Summary*

## **MEMO**

**TO:** Heather Kauer, Senior Planner

**CC:** Chris Osborne, Acting Supervisor, Long Range Planning

**FROM:** Patricia Maloney, Dillon Consulting Limited

**DATE:** June 12, 2019

**OUR FILE NO.:** 19-9691

**SUBJECT:** City of Campbell River Housing Growth Stakeholder Meeting Summary

---

This is a record of two meetings held on June 12, 2019 with stakeholders regarding housing trends in the City, demand and supply and housing types. Heather provided an introduction to the session indicating that this was in preparation for the update of the 2015 Housing Report and the Housing Needs Assessment.

### **Private Sector Housing Stakeholders – 9:00 am to 11:00 am**

Attendees:

- Dan Samson, Parkway Properties
- John Sorrenson, McElhanney
- Jordanna Holmes, Cunningham Rivard Appraisals
- Paul Stapley, Realpro Real Estate services
- Janet Scotland, Century 21
- Mark Ranniger, Shoreline Real Estate Team
- Dan Akers, Property Solutions
- Brett Giese, Crowne Pacific/Veyron Properties
- Rich Stephens, Highland Engineering
- Heather Gordon Murphy, Heart of the City Downtown BIA
- Monique Hebert, West Urban Developments

This group was asked to address market housing, demand and supply and trends. They were also asked to identify challenges and opportunities. The following is a summary of the comments provided by the group:

- 2016 Census figures were used – the group agrees that the numbers are outdated – particularly the rent figures which they said was about \$1,200 a month for a two bedroom.
- Young families cannot afford single detached housing – some are spending 60% of their income on shelter.
- Debate over whether the city is more diverse or has the same level of diversity as years gone by (most people feel the diversity is greater).
- One participant indicated that 63% of buyers in 2017 were retired – later it was confirmed that this statistic was based on the purchaser's response to why they were buying the house – they said for their retirement – many of them are years away from retirement.
- There was discussion about the economic contribution of seniors to the City – purchase homes, eat out, hire garden/handyman, use medical facilities and provide volunteer time. Discussion also about seniors on much more limited incomes.
- Observation that duplexes are increasingly attracting seniors and empty nesters.
- There was discussion about the amenities that make Campbell River a destination a destination (theatre, walking trails, fishing and the hospital).
- Fish farming industry is growing and typically attracts young people, equally m and f.
- Downtown businesses struggle to hire – very few affordable accommodation options for young single minimum wage employees; yet some businesses depend on that demographic for their staffing needs.
- Question – does Campbell River want to grow at more than 1% a year?
- Recognized that the City needs the full spectrum of housing types to meet the needs of a more diverse population. Lack of condos suited to people below 40.
- One developer indicated that the value of the homes he builds would not benefit from the option to install a legal secondary suite.
- Mixed use development is hard to “sell” to residential developers, while there may be demand for residential, that does not mean there is demand for commercial and even if there is, there may not be demand until all of the residential is constructed – so it cannot be in early phases – and residential developers are not experienced in commercial leasing and construction
- Developers feel that the zoning is very restrictive – density is based on units per ha – parking standards are rigid and too high, variances are very risky, subdivision and development bylaws are archaic, and demands of the city are unreasonable – (example was burying over-head power lines for a development when the adjacent properties do not have to bury them). Costs include buying the land, hiring all of the professionals, city fees, building code, holding costs. Need to winnow out these

policies where cost is disproportionate to benefit ( I ended up making this a list of City processes / requirements that they said increase housing costs:

- The level of detail required at application stage makes applications packages costly.
- Review time (6 months for 1<sup>st</sup> review of subdivision and 6-8 weeks for building permits was mentioned).
- Parking requirements are excessive.
- Response to phone calls and emails is slow.
- The OCP and Zoning bylaw don't match.
- Cost to rezone for a secondary suite is prohibitive.
- Restrictions on land-uses is "archaic" – would like to see form based zoning.
- Undergrounding power lines is cost prohibitive.
- Lack of coordination on road / sidewalk projects (they put in full frontage improvements and then it gets torn up by a city project).
- Road upgrades where the type/standard of road is to be changed (e.g. Willis Road) is also prohibitive.
- Generally the costs for developers are extreme, time lines are long and cost money and all of this contributes to increased housing prices for the buyer – it currently takes 6 months to get the first engineering review of subdivision drawings, and 4 months for subsequent review of changes
- Municipalities take too long to respond to any queries. Timing is the most important
- Infill development is more difficult than greenfield because there are neighbours that complain, and Council listens to them
- A big attractor to Campbell River is the good internet
- The OCP and the Zoning Bylaw do not always match
- High taxation in Vancouver and Victoria has pushed development to communities such as Campbell River; even seeing some foreign buyers here
- Break point for residential is \$500,000 and more market for under \$400,000 – older homes need investment and upgrade
- Suggested that seniors housing may be appropriate for infill locations to be close to services
- There is significant amount of purpose built rental accommodation being constructed – the demographics for tenants includes Eastern Canadians, Albertans and International – the quality of rental has increased significantly
- New housing for young families could be accommodated in R1A narrow lot development and freehold townhouses

- Is Campbell River losing the value component as houses become more expensive in Campbell River? View that value remains relative to other communities which are also rising.
- Value in single family is not going down, and this higher price makes condos more competitive. Days of people going out to buy 1,500ft<sup>2</sup> ranchers are over.
- The City ~~sees~~ has typically seen construction of about 140 single detached houses per year – in the past few years the city has also had construction of 40 to 60 apartment type uses (this does not include the year the Berwick was constructed which would skew the apartment style units)
- A view expressed that single detached is not the only option available – people buy single detached because they want them and there is a surplus of condos. “why buy attached when you can buy single family detached for a few dollars more?” Another participant said there is no longer a surplus of condos.
- The issues of larger agricultural parcels in Quinsam was raised – OCP addresses agriculture/hobby farm but the zoning is RM!
- Zoning is a big barrier. Some participants recommended allowing secondary suites in R-1 zones.
- Infill areas suited for redevelopment are “quagmired” in politics, delays, NIMBY
- Recognized that there is high risk in development
- Have not seen a demand for special live work since anyone can have an office in their home with internet- however, if it was in demand, close to Downtown would be the best location. Discussion about whether or not there is currently demand.
- Vacancy rate is less than one percent. Many of the apartments are old and in poor condition and there is very little housing downtown – Campbellton would be a good location for infill residential
- Challenges with residential downtown are parking, poor soils, flooding, infrastructure capacity, additional developer costs, rising water levels and socioeconomic factors
- Parking requirements in general too onerous. Account of a fully-let apartment building where the parking lot is always half empty. Could have developed higher density on that site.
- Some sites that should be redeveloped are the Steve Marshall site and the old Curling club. Downtown sites still suffer from more competitive redevelopment prospects elsewhere, and downtown land values are still not high enough to stimulate redevelopment.
- Despite an apparent surplus of cheap commercial space, much of this is old, poor quality and undesirable. Feeling that new, good quality commercial space should still sell/rent and this could be in the form of mixed use commercial downtown.

- Felt that the opportunity for small redevelopment (replace a single detached with a duplex for example) is missed due to the complexity of the process that the “layperson” is afraid to tackle, and it will pit them against their neighbours

**Public and Non-Profit Sector Housing Stakeholders –Noon to 2:00pm**

Attendees:

- Alynne Nault, Sasamans Society
- Libby King, Strathcona Community Health Network
- Lorie Bull, Sasamans Society
- Lindsay Monk, M’akola Housing Society
- Cleo Corbett, City of Campbell River
- Kristi Schwanicke, United Way
- Valerie Puetz, Transition Society
- Greg Hill, Campbell River and District Association for Community Living (CRADACL)
- Audrey Wilson, Laichwiltach Family Life Society
- Heather Kauer, City of Campbell River
- Vicki (I will have to ask Cleo when she’s back)
- Tara Fitzgerald, Vancouver Island Health Authority

This group was asked to try and provide comments about market housing, recognizing that most of the participants were directly involved in providing social and affordable housing. The following is a summary of the comment provided by this group:

- What are people looking for – affordable, appropriate, secure, accessible rental accommodation.
- Housing is needed in all typologies.
- “Affordability” is defined by rent vs income, which for many in the communities is a max of \$1,000/month.
- It is very difficult for employers of lower paying jobs to attract employees because they can’t get housing.
- Many employees have to commute in from lower priced areas such as Area D – many minimum wage jobs. Also seeing people living in RVs not suitable for winter habitation.
- There is a market for freehold townhouses and duplexes that might be lower priced (<\$300K).

- Expectations have changed – many people have given up on ownership, and others are renting whatever they can find, rather than what suits their needs.
- There is a category of people seeking housing – retired poor – those on fixed income – freehold townhouses would be a great solution.
- Need for Pet-friendly rental, importance of companion animals to the wellbeing of those who are poorer or socially isolated should be recognized.
- Families are often not accepted by landlords and rent eviction is a problem. Lack of options for larger families.
- Campbell River is a regional service area – some people \*have\* to live in CR, e.g. if on dialysis. Even if they're not necessarily here by choice, we should recognize their value too.
- Vacancy is 0.5% - all types of people looking for accommodation including students.
- Racial, international and age biases.
- People who live on income assistance only have \$375 for shelter – need to look at more shared accommodation.
- It is recognized that there are many illegal suites, but it is difficult to legalize them – council, neighbour opposition, building codes, capital needs. The public hearing process is daunting and off-putting for many.
- RV parks are being used for permanent housing – this is inappropriate in the long term. Should be more manufactured home options.
- 15% of the population identifies as indigenous.
- Units are taken out of the rental pool by short term vacation rentals: 431 AirBnB and 64 VRBO (recognizing there could be overlap).
- Is Campbell River a tourism destination? – the group was divided.
- The city has good services for special needs people and there are good schools.
- The college needs short term rental – both for the trade course (6 to 8 weeks) and for a school year). Sometimes see 4-6 students piling into 1 bed units. Longer term aim to develop affordable student accommodation.
- Boarding houses are allowed in the land use bylaw – might be a solution for some groups.
- Big trend towards “shared” or “co-housing”. Coop housing is popular in other locations.



- There is a big need for a diverse housing mix.
- The whole topic of secondary suites needs to be updated in the Zoning Bylaw and other City policies – it’s an easy way to increase density and can be included in locations near services.
- The difficulty of rezoning deters people from making suites legal.
- Need to look at intergenerational housing.
- Need to deal with issues of isolation and addictions.
- Support for housing needs to be considered like child and elder care.
- Patio homes at higher density would meet needs for seniors. Subdivisions are too large, and need to preserve greenspace and prevent sprawl.
- Housing agreements to provide affordable units by providing density bonusing is a tool used in larger cities – can it work in Campbell River?
- Provide incentives to get the housing needed – relax zoning and reduce the fees.
- Physical accessibility is an issue too.
- Why are housing co-ops not pursued – there are no zoning impediments to them.
- Need smaller, less expensive single family detached houses that might be attainable for purchase. We already have “big”; don’t need more large houses, need a diversity of smaller units.
- People want a door on the street, can we incentivise ground-accessible housing?
- Should the City prescribe a minimum density for development.
- Develop a program to renovate older homes in “inner city” neighbourhoods.
- City should provide more bus shelters – this would encourage use (people not standing in the rain – must be transparent).
- Need aging in place seniors housing that combines independent living, assisted supportive housing and extended care – need a not for profit organization to champion the development and grant application.
- Campbellton neighbourhood is a perfect location, realize there is industrial and flood area, a great place for conversion – also flat, accessible and open for densification and would appeal to the millennials. Comparison with Kamloops’ North Shore district.

- Potential growth locations such as Campbellton and along Dogwood should be beautified, with more street trees.