

Report

Date August 20, 2025

File:

Subject Bylaw 4009: Designation of "Servicing Officers" & Draft Servicing Officer Policy

PURPOSE

To present Delegation of Authority Bylaw Amendment Bylaw 4009 for first three readings and accompanying draft Servicing Officer policy for Council's review.

BACKGROUND

"Bill 16 - 2024" constituted an amendment to the *Local Government Act* (inter alia) pertaining to "proactive planning" which seeks to manage the impacts arising from increased densities following the passage of the previous Bill 44 in 2023. Bill 16 contains four main elements:

1. Inclusionary Zoning: giving local governments the authority to require affordable and special needs units within developments as part of the site zoning. There are financial feasibility and consultation requirements to be met prior to adopting such a bylaw.
2. Density Bonus Update: establishing a framework for density bonusing (i.e. allowing developers to access additional densities beyond a base density, in return for the provision of certain amenities or design features).
3. Tenant Protection Bylaws: giving local governments authority to enact bylaws that require developers to provide various types of support for tenants facing displacement through site redevelopment.
4. Site-level Infrastructure and Transportation Demand Management: expanding local government authority to require site-specific works and services.

DISCUSSION

This report deals only with element 4 above from Bill 16. Developing inclusionary zoning, density bonusing and tenant protection bylaws are more significant projects that would require research, providing Council with options, and carrying out public consultation. There is no specific workplan item to address these, but they may be examined during the course of the Zoning Bylaw update.

In contrast to elements 1-3, accessing the ability to secure land for transportation purposes is a much more straightforward matter of a single amendment to the Delegation Bylaw. However, given the relatively open-ended nature of this ability, staff have also developed a policy for Council's consideration to ensure that road dedication requirements are proportionate to the scale of development at hand, and outline how road dedication requirements will be identified.

Bill 16 – expansion of land requirements at subdivision

Typically, private land is transferred to the municipality during the subdivision process through road and park dedications on the plan, eventually approved and deposited at the land titles office. This is specifically enabled in Local Government Act section 513.

Bill 16 adds a new section, 513.1, which enables the approving officer to require “...that the owner of the land being subdivided provide, without compensation, a portion of land for the purposes of constructing and installing sustainable design features and transportation infrastructure that supports walking, bicycling, public transit or other alternative forms of transportation.” Land dedicated under this section is limited to a maximum of 5m depth.

Nothing is required to activate any of the powers specified in this section – they are automatically vested in the Approving Officer. Bill 16 also expands the scope of works and services that may be required; however, these must be established as standards within a bylaw and are not addressed in this report.

Bill 16 – land requirements at building permit stage

Outside of subdivision, land dedication for road (or other) purposes can also be negotiated during a rezoning process, which is a relatively common occurrence. Beyond this, opportunities to secure road dedications are scarce, and in many cases, expropriation power is the municipality's only available lever.

In its efforts to reduce municipalities' reliance on rezoning processes and pre-zone sufficient land to accommodate the 20-year housing supply, the province has provided this new tool in order to allow municipalities to maintain some of the leverage associated with a rezoning, while pre-zoning land for development. This includes the single-family lots within the UCB that were pre-zoned by Bill 44. Previously a rezoning would have been required in most cases for owners to develop multiple accessory dwelling units, triplexes or fourplexes, and the municipality could, in the course of that rezoning, have secured land dedication where needed.

To compensate for the loss in ability to secure necessary upgrades through rezoning (by having removed the need for rezoning via Bill 44), Bill 16 provides the ability for local governments to secure land for roadway or other transportation as a condition of a building permit. Building permits typically trigger works and services, such as off-site frontage upgrades like sidewalks or curb and gutters. However, the Bill 16 provisions bridge the gap where additional land may be required to achieve these upgrades.

This new ability mirrors what an Approving Officer can already do at the time of subdivision, but instead is vested in a new function called a “Servicing Officer”. In January 2025, Regulation 15/2025 was produced by the Provincial Government, which prescribed the classes of person who may be designated as Servicing Officers. This essentially enables Council to designate any employees, but specifically mentions municipal engineers and municipal chief planning officers (or their substantial equivalents).

Accordingly, an amendment to the delegation of authority bylaw is needed to designate the Directors of Engineering and Planning as Servicing Officers. However, it is important to note that this is a designation and not a delegation, i.e. the Servicing Officer's ability has not been given to Council but instead is vested directly in that function. It therefore mirrors the status of Approving Officer as a quasi-independent authority.

Servicing Officer Policy

The legislation does not specify any limits on the deployment of this ability other than to prescribe the maximum depth of land that can be required, and the purposes for acquisition. This raises the consideration of proportionality – potentially a large land dedication could be required as a condition of a small-scale building permit, such as signage or interior renovations. It is important, therefore, that the new ability is deployed in a manner that is reasonably tied to the scale of development at hand.

To provide guidelines on the use of this ability, staff have suggested adopting a Servicing Officer Policy in parallel to designating Servicing Officers. The draft policy is provided in Attachment 3. The main features of this policy are:

1. Unless the construction would impede an identified upgrade, or the land-take is so minor as not to impact the development potential or disrupt frontage treatment, minor building permits would generally be exempt. This may include:
 - a. Interior works
 - b. Suites and accessory dwellings
 - c. External renovations, signage or residential additions
 - d. Non-residential construction value < \$100,000
2. Require that land-take is related to an identified road or transportation upgrade identified in an adopted plan (such as a Local Area Plan, or the MTP), or where other circumstances clearly justify it.
3. Require that only the minimum amount of land necessary to achieve the upgrade is required.
4. Require proportionality to be considered relative to the scale of building permit when considering sustainable design features.
5. Require that the *intent* to use this ability is identified as early as possible in the development process and clearly communicated.
6. Provide flexibility in how and when the land is provided.

Summary

Designating a Servicing Officer is highly desirable to North Cowichan in order to be able to secure land for road upgrades, new roads, and transportation, outside of a rezoning process. This ability compensates for some of the loss of control to the municipality arising from Bill 44's pre-zoning requirements, and will assist considerably with the realization of local area plans and the implementation of the Master Transportation Plan. That being so, staff recommend that the designation of Servicing Officers is accompanied by a policy that sets out Council's expectations as to how and when this ability should be used such that there is clear guidance to staff and applicants, along with consistency and proportionality.

OPTIONS

1. (Recommended Option)

THAT Council gives first, second and third reading to Delegation of Authority Bylaw Amendment Bylaw No. 4009, 2025.

- This option provides the ability to North Cowichan to require land dedication for roads and transportation at building permit stage.
- The draft policy will be brought back alongside Bylaw 4009 for concurrent adoption.

2. THAT Council

a. Gives first, second and third reading to Delegation of Authority Bylaw Amendment Bylaw No. 4009, 2025; and,

b. Directs that the draft Servicing Officer policy be amended by:

- i. [amendments to be identified by Council]
- ii. ... etc.

- This option provides the ability to North Cowichan to require land dedication for roads and transportation at building permit stage.
- The draft policy, amended as per Council's direction, will be brought back alongside Bylaw 4009 for concurrent adoption.

3. THAT Council requests further information regarding [... to be identified by Council]

- Staff will address any information requests and bring the bylaw and draft policy back to Council at the earliest opportunity.

4. THAT Council declines to give first reading to Bylaw No. 4009, 2025.

- North Cowichan will continue to lack the ability to secure land for road and transportation purposes at the time of building permit.
- This will place a greater significance on maintaining zoning control, making it more difficult to "pre-zone" land for development.

IMPLICATIONS

Proceeding with this bylaw will enable North Cowichan to require road and transport land dedications as a building permit requirement. This means that the issue does not necessarily have to be addressed at rezoning stage and mitigates some of the drawbacks to North Cowichan associated with pre-zoning.

While an accompanying policy is not a requirement, such a policy will create greater consistency, predictability and transparency both for applicants and for municipal staff, particularly in cases where land is already "pre-zoned", e.g. through Bill 44.

RECOMMENDATION

THAT Council gives first, second and third reading to Delegation of Authority Bylaw Amendment Bylaw No. 4009, 2025.

Report prepared by:



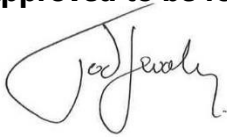
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Attachments:

- 1) Local Government Act Excerpt ss.513-513.3
- 2) BC Order-in-Council 39/2025
- 3) Draft Servicing Officer Policy
- 4) Delegation of Authority Bylaw Amendment Bylaw 4009, 2025