

Report

Date October 15, 2025

File:

Subject Bill 44 Compliance: OCP Amendment Bylaw 4040 for first and second readings

PURPOSE

To provide Council with OCP Amendment Bylaw 4040 to align OCP policy text with new housing targets for consideration of first and second readings.

BACKGROUND

On August 12, 2025, Council was provided with a report¹ that analyzed the OCP's land use designations and the zoning bylaw with respect to ensuring sufficient land is designated and zoned to accommodate the 20-year housing need figure of 7,083 new units as per the Interim Housing Needs Assessment (IHNR). This is a requirement of the *Housing Statutes (Residential Development) Amendment Act* ("Bill 44"). The report concluded that the OCP designations do not need to be changed, but that policy language within the OCP needs to be updated to reflect this new requirement. Council made the following resolution:

THAT Council:

1. Confirms that the map designations included in the Official Community Plan provide for a quantity of housing units in excess of the 20-year total number of housing units identified within the Municipality's 2024 Interim Housing Needs Report;
2. Directs staff to initiate an OCP amendment as described in the Planning Manager's August 12, 2025 report to ensure that the statements included in the Official Community Plan also provide for the 20-year total number of housing units identified within the Municipality's 2024 Interim Housing Needs Report;
3. Confirms that Zoning Bylaw 2950 (as amended) permits the use and density necessary to accommodate at least the 20-year total number of housing units identified within the Municipality's 2024 Interim Housing Needs Report.

This report provides the OCP update directed within item 2 above.

DISCUSSION

OCP Policy Statements

Local Government Act section 473.1(4) requires that an OCP must "... include housing policies of the local government respecting each class of housing needs required to be addressed in the most recent [IHNR]..."

This prompts a change to the following OCP chapters:

¹ August 12, 2025 Council Meeting, item 9.4: <https://pub-northcowichan.escribemeetings.com/Meeting.aspx?Id=05c0c8e9-1eea-47b4-8c37-39c49c206843&Agenda=Merged&lang=English>

- Chapter 1 “History and Context” contains population projections baseline information characterizing the Municipality and the OCP’s structure.
- OCP Chapter 3 “Thoughtful Growth Management” contains population projections and associated statements and targets on housing needs that pre-date the 2024 IHNR, having been derived from the 2021 Housing Needs Assessment. Sections 3.0 “Introduction and Context” and 3.1 “Assignment of Growth” must be updated to reflect the new figures provided by the 2024 IHNR.
- OCP Chapter 5 “Attainable Housing: Diverse Housing Mix & Affordability” also relies on statements and data from the 2021 Housing Needs Report and must specifically address the classes of housing need identified within the IHNR.
- OCP Chapter 9 “Sustainable Infrastructure” was predicated on the previous 2021 Housing Needs Report and did not anticipate Bill 44. This section must be revised to reflect North Cowichan’s water and sanitary servicing constraints in light of the new targets.

Supplemental to the new figures provided within the IHNR are two other sources of numerical data that supersede some of the figures quoted in the OCP:

- 2021 Census: not all information and analytic products from the 2021 Census were available at the time the OCP was drafted.
- Population and housing projections: North Cowichan has worked closely with consultants *Licker Geospatial* to produce build-out trajectories for housing units and associated population in light of several factors that did not exist at the time previous projections (largely based on past trends) were produced:
 - Bill 44 (“4 units as of right”) and associated federal/provincial focus on housing delivery
 - North Cowichan’s unprecedented volume of development applications
 - The significant increase in apartment construction within the past five years
 - The land designations within the OCP and the implementation of the Bell McKinnon LAP.

Revised population projections are significantly higher than earlier ones based on past trends. Previous trends were based on the Rennie Report (2018) prepared for the Cowichan Valley Regional District (CVRD). The COVID pandemic was a significant catalyst for the ongoing housing crisis and marks a break with historical development patterns for a variety of reasons, including the acceleration of the remote working phenomenon. In the context of COVID, Bill 44 and the relatively high volume of units associated with the land development applications in process, staff retained *Licker Geospatial* and *Mullholland Parker* to undertake a population and land economics analysis to update the Rennie Report (2018) specifically for North Cowichan.

The analysis was based on the current zoning bylaw and OCP land use designations and contemplated provincial housing initiatives such as Bill 44 and the Provincial Housing Target Order for North Cowichan. The analysis also contemplated the impacts of COVID and remote work, the Province’s Housing Needs Forecast, along with anticipated demographic, immigration, and migration patterns. The results of the analysis showed an increased rate of population growth that, at least in the near term

(until roughly 2035), exceeds historical growth. After this period, the growth rate levels off to a level more typical of historical growth rates. The revised population projections predicted by *Licker Geospatial* and *Mullholland Parker* closely match the Province's Housing Needs forecast and the Province's Housing Target Order (if linearly extrapolated from 2029 to 2050).

As such, revised projections are now based on housing delivery and the subsequent occupancy of those housing units, largely by inter- and intra-provincial migrants. The rationale for this approach is largely due to the remote work phenomenon, which tends to allow residents to leave larger urban centres and move to less costly, more remote developed areas. The availability of a significant amount of developable land in North Cowichan, which is less costly than that within urban centres, will tend to increase the developability of these lands. The pressure for housing and the pool of would-be residents is considered to be essentially unlimited at this point in time. This differs from the approach in previous years, when it was assumed that local housebuilding would act in response to modest background population growth and the availability of local jobs.

Attachment 1 provides a red-lined version of all individual OCP pages subject to amendment in the bylaw (namely, pages 10, 11, 35-37, 45, 94, 95, 99, 158-162). These amendments are described more specifically below:

Chapter 1 "History and Context" Amendments

- 1) Update *POPULATION* and *NORTH COWICHAN'S POPULATION* sections with latest projections.

Chapter 3 "Thoughtful Growth Management" Amendments

- 2) Update *Population, Jobs and Households* section with latest numbers.
- 3) Replace Figures 3.1 & 3.3 with MNC-generated projections.
- 4) Update "*HOUSING NEEDS*" section in its entirety with latest numbers and associated commentary.
- 5) Update *Housing Needs Assessment Report* section to reference the IHNR and associated targets.
- 6) Update sections 3.2.6 and 3.2.7 *Residential Neighbourhood Designation* to reference the Bill 44 requirements and zoning amendments that allow 4-units-as-of-right.

Chapter 5 Amendments

- 1) Update section 5.0 "Introduction and Context" introductory section with revised housing unit totals.
- 2) Rewrite section "*RECENT HOUSING DEVELOPMENT*" based on the changed housing development patterns seen since 2019.
- 3) Rewrite section "*HOUSING NEEDS ASSESSMENT*" to reflect findings and targets contained within the IHNR.
- 4) Update section 5.1.2 (Housing policies) to reflect new housing needs report requirements and "two-units-as-of-right" now permitted outside the UCB as a result of Bill 44 zoning changes.

Chapter 9 Amendments

Despite what zoning may allow, there exists finite servicing capacity for new development in the absence of significant upgrades being completed. Many of these upgrades are currently unfunded although the draft Community Amenity Contributions policy and Development Cost Charges bylaw

work will start to generate funds in the near term. Most of the amendments described in this chapter are not strictly necessary to achieve Bill 44 compliance, but are complementary to that aim and set out the expectations that fall to development if housing numbers are to be constructed in the desired quantities.

- 1) Update sections 9.1 & 9.2 "WATER SYSTEMS" and "SANITARY SEWER SYSTEMS" to reflect revised system upgrade assessments.
- 2) Add new policies 9.1.2(b) and 9.2.3(b) to reflect North Cowichan's interim CAC policy to collect contributions towards a short-term infrastructure fund.
- 3) Add new policy 9.1.1(d) to preserve drinking water by refusing to provide water servicing for agricultural purposes.
- 4) Expand policy 9.2.1(f) to allow sanitary connections to parcels outside the UCB in limited circumstances.

Items 3) and 4) above are explained in more detail below:

Policy 9.1.1(d) (Protect drinking water supply)

Revised and ambitious housing targets stretch our infrastructure systems and trigger a number of capacity upgrades. Ultimately North Cowichan's ability to deliver water is limited by the Provincial extraction licence. In this context, North Cowichan cannot supply water for agricultural purposes, as this use can consume enormous quantities that are otherwise needed for development. While it has been North Cowichan's practice not to supply potable water for agricultural purposes, this has not been articulated in a policy to date. It is important to communicate this constraint to ensure that chlorinated drinking water is used solely for servicing development. A new policy, 9.1.1(d) is therefore recommended:

9.1.1(d) Preserve potable water capacity by refusing connections for agricultural purposes, including commercial animal rearing.

Policy 9.2.1(f) (Provision of wastewater disposal and treatment services)

9.2.1(f) states: "[The Municipality will strive to:] ... *Not support the extension of Municipal sanitary sewer service to rural areas.*" This policy has been a source of difficulty in interpretation and this OCP amendment provides an appropriate opportunity to address this.

The broad intent of the policy makes sense in the context of the growth strategy – namely that rural subdivisions or intensification should not be provided with financially inefficient system-level extensions, nor that such extensions should be created for the purposes of facilitating inappropriate development. However, it is worded in a way that is overly generalized. North Cowichan has received requests from property owners immediately adjacent to the UCB asking to "plug in" to the municipal sanitary system. The policy appears to forbid this, but allowing such types of connection does bring benefits in terms of adding user-fee-paying connections to a system without elongating it, and reducing the need for septic fields, which can create environmental problems of their own. These are recognized in policy 9.2.2(a), which explicitly seeks to reduce septic system reliance.

The UCB is not intended to act as a strict proxy for the sanitary service area, and vice versa. There is nothing inherently problematic or contradictory in maintaining a rural "low-to-no-development" policy

context on a parcel while allowing it to connect to a sanitary sewer that happens to be adjacent. In the view of staff, adding clarification to this policy to allow connection in such circumstances does not undermine the growth strategy, but does respond positively to policy 9.2.2(a).

Meeting Legislative Requirements for OCP Amendments:

Notwithstanding the minor and mandatory nature of the changes, the process must still follow the steps set out in section 475 of the [Local Government Act](#) which sets out specific procedural requirements for adopting Official Community Plans and amendments.

OPTIONS

1) **(RECOMMENDED OPTION)** THAT Council:

1. Having considered s. 475 of the *Local Government Act*, and in particular the matters set out in subsections (2)(a) and (b), resolves that:
 - a. the following entities are the only persons, organizations and authorities that it considers will be affected and thereby require an opportunity for consultation:
 - i. Island Health
 - ii. Agricultural Land Commission
 - b. that consultation with these entities need not be early or ongoing; and
 - c. that staff be directed to refer Bylaw 4040 to the entities listed under subclause b.
2. Directs staff to refer Bylaw 4040 to the Cowichan Valley School District pursuant to Section 476 of the *Local Government Act*,
3. Having considered the housing needs report, including the 2024 interim housing needs report, pursuant to Section 473.1(2) of the *Local Government Act* reads Bylaw 4040 for a first and second time;
4. Considers Bylaw 4040 in conjunction with the 2024-2028 Financial Plan, the Cowichan Valley Regional District Solid Waste Management Plan and the Cowichan Valley Regional District Central Sector Liquid Waste Management Plan; and
5. Directs staff to schedule a public hearing for Bylaw 4040 pursuant to section 464(1) of the *Local Government Act*.

- Council is able to amend section 1.a. of the recommended resolution above if it wishes to add or remove persons, organizations or authorities that it considers affected and requiring an opportunity for consultation.
- The statute requires this OCP amendment to be completed by December 31, 2025

2) THAT Council directs staff to provide further information with respect to:

1. ... *[issues to be identified by Council]*
 - Council may require additional information, in which case staff will bring this bylaw back to the next meeting for consideration along with such further information as Council requires.

IMPLICATIONS

There are no significant implications associated with updating the OCP as described to achieve legislative compliance. There is a risk in not proceeding, as North Cowichan would be in default of its statutory obligation and potentially exposed to legal challenges and sanctions by the provincial government.

RECOMMENDATION

THAT Council:

1. Having considered s. 475 of the *Local Government Act*, and in particular the matters set out in subsections (2)(a) and (b), resolves that:
 - a. the following entities are the only persons, organizations and authorities that it considers will be affected and thereby require an opportunity for consultation:
 - i. Island Health
 - ii. Agricultural Land Commission
 - b. that consultation with these entities need not be early or ongoing; and
 - c. that staff be directed to refer Bylaw 4040 to the entities listed under subclause b.
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Report prepared by:



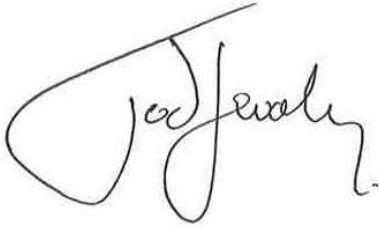
Chris Osborne, MCIP, RPP
Manager, Planning

Report reviewed by:



Amanda Young, MCIP, RPP
Director, Planning and Building

Approved to be forwarded to Council:

A handwritten signature in black ink, appearing to read "Ted Swabey". The signature is written in a cursive style with a large initial "T" and "S".

Ted Swabey
Chief Administrative Officer

Attachments:

- (1) Red-lined OCP pages subject to amendment
- (2) Official Community Plan Amendment Bylaw No. 4040, 2025