



Denman Island Local Trust Committee

Minutes of Regular Meeting

Date: March 18, 2025

Location: Denman Activity Centre
1111 Northwest Rd, Denman Island, BC

Members Present: David Maude, Chair
David Graham, Trustee
Sam Borthwick, Trustee

Staff Present: Marlis McCargar, Island Planner
Narissa Chadwick, Island Planner
Nadine Mourao, Legislative Clerk
Lisa Millard, Meeting Administrator/Recorder (electronic attendance)

Others Present: There were approximately 43 members of the public in attendance.

1. CALL TO ORDER

Chair Maude called the meeting to order at 10:00 a.m.

2. TERRITORIAL ACKNOWLEDGEMENT

Chair Maude acknowledged that the meeting was held on the territory of the Coast Salish First Nations.

3. APPROVAL OF AGENDA

The following additions to the agenda were presented for consideration:

15.1 Opt into Provincial Bill 44 Short Term Vacation Rental - Discussion

By general consent, the agenda was approved as amended.

4. REPORTS

4.1 Trustee Reports

Trustee Graham reported attendance at the March Trust Council meeting and noted that the 2025/26 budget was approved and will result in a tax increase for residents within the Local Trust Area.

Trustee Borthwick reported attendance at Trust Council and noted Trustee Laura Patrick was elected as Chair of Trust Council and he was elected to the Governance Committee.

4.2 Chair's Report

Chair Maude reported attendance at Trust Council during which the strategic plan was prioritized and noted that work on the draft Trust Policy Statement continues.

4.3 Electoral Area Director's Report - none

5. COMMUNITY INFORMATION MEETING - Proposed Bylaw Nos. 248 and 249 - Housing-Related Temporary Use Permit Review Project

A Trustee stated a letter from K'omoks First Nation had recently been received in which the Nation requested the Local Trust Committee defer consideration of advancing the bylaws until July 2025 in order to provide further opportunity and time to complete a thorough environmental review.

Discussion ensued about the Public Hearing process and the following points were noted:

- Once the public hearing closes the Local Trust Committee cannot hear any further information from the public;
- If new and relevant information is brought forward to the Planner, the Local Trust Committee will be informed, and another Public Hearing may need to be scheduled so that the public can also hear the new information;
- Late comments received from a referral might, or might not, provide new information; and
- The referral period closed in November, 2024 and it is common that comments are not received from all of the agencies and First Nations that the matter was referred to.

5.1 Planner Presentation

The Planner provided a presentation and highlighted the following:

- A Community Information Meeting is held to provide information and allow the public to determine if their interests are affected by the proposed bylaws;
- When making decisions, the Local Trust Committee factors in relevant legislation, the Islands Trust Policy Statement, legal considerations, First Nation's perspective, public input, professional input, and referral responses;
- Proposed Bylaw No. 248 will amend to the Official Community Plan to remove the density bank;
- The density bank was originally established to manage residential development through density accumulation, storage, and allocation and it is administratively complex and requires extensive tracking and regulation;
- Proposed Bylaw No. 249 will amend the Land Use Bylaw to allow secondary dwellings in the rural residential, forestry, and resource zones without the requirement of a Temporary Use Permit;
- Current regulations allow secondary dwellings by Temporary Use Permit in the Rural Residential(R2), Forestry (F), and Resource (RE) zones and properties zoned Agriculture (A) and within Agricultural Land Reserve can have secondary dwellings without a Temporary Use Permit;
- Issues with Temporary Use Permits include the temporary nature that does not provide long term housing solutions and limited uptake evidenced by only two permit applications being processed in the past eleven years;
- There are approximately 292 properties in the R2, F and RE zones and a total of 869 parcels on Denman Island that have capacity for residential development; and
- The processes, timelines, and next steps were outlined.

5.2 Question and Answer Period

How did the density bank get off track?

Any project that proposes to remove densities from the bank would require an amendment to the Official Community Plan and this was not always done. There are currently seven densities in the density bank and the number that is reflected in the Official Community Plan is not correct.

Are the density bank and density cap the same thing?

A member of the public stated that when the density bank was created, the policy in the Official Community Plan set the maximum density for overall residential development as the total number of densities plus 5%. This 5% was intended to address affordable housing, social housing, and secondary dwelling units, and the related bylaw was adopted in 2008.

Can you give an accurate accounting of how many densities have been used to build affordable housing out of the density bank?

Sixteen.

Does the density take into account that properties can be subdivided in the future?

The 869 properties represent a the total number of parcels on Denman Island that have the capacity for residential development and were counted as one density each and subdivision was not taken into account.

A member of the public noted the 5% increase of density is no longer relevant as it didn't take into account all of the additional houses allowed under the zoning or subdivision implications, and the absolute number of houses that could exist today should be identified.

A Trustee indicated the Local Trust Committee is looking at redefining density and that this project is part of the larger Housing Review project which will look at ways of capping density.

Has the net effect of these two proposed changes been modeled in relation to density and population? What is the maximum build out?

A build out analysis has been completed, but looking at existing covenants and specific restrictions needs to be done before the information can be finalized and presented to the public.

The density bank was set to a maximum density, what will replace it and how can we better achieve affordable and social housing through secondary dwelling units?

A member of the public indicated that the Housing Advisory Planning Commission provided a full history of what happened with the density bank in its final report and they encourage residents to review the final report and recommendations. It was noted that copies of the report are available at the library and on the Islands Trust website.

What happened with the four densities from the Denman Conservancy rezoning that were to go into the bank?

The application related to the density donation is currently in stream and being processed. Should the density bank not be removed those four densities would be added to the seven in the bank..

How many densities have been transferred from conservancy since 2013?

The number is not readily available but can be looked up.

There is an assumption that the Temporary Use Permit was an obstacle but one can not make that assumption as there are other factors that are prohibitive. If the Temporary Use Permit is removed will there be tracking to determine if removal was effective?

A Trustee noted they have heard from the community that accessory dwellings are being built without permits, although data on this is not available. Residents have been building accessory dwelling units without a permit prior to the requirement of a Temporary Use Permit; however, building a permanent dwelling on permit that only lasts three years is considered risky.

Does every Temporary Use Permit granted for secondary dwellings result in a density being removed from the density bank?

Yes.

Is there a possibility of creating an additional zone? Is there a process the community can go through to analyze what properties could be appropriate for affordable housing that won't be an administrative burden and then zone those lots for that possibility?

Mayne Island introduced flexible housing and then looked at options to allow additional units, and once identified the Local Trust Committee created flex zoning regulations through analysis using all available data to identify an area that would be most suitable to housing. A separate zone would be an option.

A Trustee noted that removal of the Temporary Use Permit and density bank is a minor aspect of the larger Housing Review Project. The Local Trust Committee considered the removal as an administrative step. Based on a report and recommendations from the Housing Advisory Planning Commission, removing the Temporary Use Permit was seen as a way to immediately address housing needs., It is believed that many units have been built without a Temporary Use Permit. Removing the Temporary Use Permit and density bank would help legalize many of these units that already exist.

Can you describe the Suitable Land Analysis?

There are a variety of maps that are used when rezoning work is being done and the Suitable Land Analysis is a tool that brings all of the available data and information together and overlays it onto a map with ability to weight the maps based on identified priorities.

What controls, other than water and sewage requirements, does Islands Trust have regarding subdivision?

Islands Trust establishes minimum lot size requirements and zoning that allows or disallows subdivision, and the Ministry of Transportation and Transit processes subdivision applications and has specific requirements.

A member of the public read a letter written by a resident who was not available to attend. The letter requested the Local Trust Committee consider the following points:

- Reconsider the elimination of the density bank;
- Maintain two Land Use Bylaw regulations that are notable barriers to overdevelopment; and

- Increase the percentage in the density cap policy for affordable and social housing and if a limit is desired then set it to correspond with the housing needs assessment.
- A member of the public spoke to the Temporary Use Permit and density bank being linked together and the need to de-link them while maintaining the qualities of the density bank that tie densities to affordable housing and the prevention of overdevelopment.

There are currently thirty properties zoned Agriculture which could have a secondary dwelling without any regulations and other properties that can legally build three to four dwellings resulting in an underutilized potential for secondary units. Why are we contemplating opening up additional zones instead of encouraging current property owners that are allowed to build them?

A member of the public replied that while some property owners have potential to have more dwellings and choose not to and not everyone that might be permitted to build a secondary unit under new regulations would do so; therefore, the community should not assume the change will result in a significant number of secondary dwellings being built.

The housing needs assessment done in 2018 showed 80 more homes were required to meet housing needs, is there an accurate number of what the need is now?

A consultant is working on a housing needs assessment for the entire Trust area and when that data is received it will be included in the Denman Housing Project.

A member of the public spoke to the need to house residents living in unsafe homes and that this could not be done on the basis of having seven densities in the density bank.

A member of the public noted it seems to be emerging wisdom that only government can provide affordable housing because only government is going to invest in below market value housing and private ownership is not going to invest in below market housing.

How is the housing needs assessment being conducted? Where does the data come from?

Specifics on how the consultant is collecting data were not provided.

A member of the public spoke to the current housing emergency and detailed two examples that would require political capital to address the issue including taxing, or banning, vacant homes and only allowing people below a certain wealth to purchase new properties.

A member of the public noted low-income housing, which is different than affordable housing, is needed and incentives to build secondary dwellings should be considered.

A member of the public commented the Local Trust Committee decided not to opt into the empty home tax, the short-term vacation rental market has been driving rental prices up, and in conjunction with affordable housing there is need to address short-term vacation rentals that are taking up vacancies that might be available for long-term rentals.

Does Islands Trust help with providing better infrastructure such as better roads and ferry services that will be required by the increased population that results from increased dwellings?

The effort is to address existing issues and provide better housing opportunities not build more housing and bring more people to the island.

Can we consider not removing the density bank and look at different way of rezoning and reallocating densities that might not be used to solve the problem of people not living in suitable housing? Is there an application process to make non-conforming housing legal without removing the density bank?

Under the current regulations, if someone has a property and they would like to add an additional unit that is not permitted they would require rezoning and the new density would come out of the density bank.

Are there other densities that can be removed from other properties and reallocated through a community process?

Density transfers can currently only occur through conservancy.

A Trustee noted there are fewer opportunities to take densities from conservation lands and put them into the density bank and there are not enough densities in the bank to make the community resilient.

A member of the public spoke to the possibility of private land owners that are permitted a secondary dwelling relinquishing the density to the density bank if they do not want a secondary dwelling.

A member of the public spoke to challenges of legalizing non-conforming dwellings as they would require significant expenditure to bring the dwelling up to building code standards and suggested amnesty on non-conforming dwellings or incentivizing the process of upgrading non-conforming dwellings to code.

A member of the public spoke to the needs of addressing gentrification and consideration of placing a moratorium on high end development approval until the number of requisite affordable housing units are built.

The meeting was recessed for a break at 12:45 and reconvened at 12:50 p.m.

6. PUBLIC HEARING

6.1 Proposed Bylaw Nos. 248 and 249 - Housing-Related Temporary Use Permit Review

The Local Trust Committee cancelled the public hearing.

7. CLOSED MEETING

7.1 Motion to Close the Meeting

DE-2025-011

It was MOVED and SECONDED

that the meeting be closed to the public in accordance with the Community Charter, Part 4, Division 3, s.90(1) (g) for the purpose of considering:

- (g) litigation or potential litigation affecting the municipality;
- and that the recorder and staff attend the meeting.

The regular meeting was recessed at 12:50 p.m.

7.2 Recall to Order

The meeting was recalled to order at 1:11 p.m.

7.3 Rise and Report

Chair Maude rose and reported that the *in-camera* minutes of October 8, 2024 were adopted and that legal advice was received.

8. PUBLIC COMMENTS

A member of the public spoke to a Siting and Use application being reviewed by staff to allow an in-ground pool and they requested a bylaw be written that regulates pools by requiring pool owners to have a cistern or catchment system that holds a quantity of water necessary to fill the pool, ground water not be allowed for pool use, and the Local Trust Committee not allow this specific application to proceed due to the proposed pool location being built within an area of sea level rise.

9. MINUTES

9.1 Local Trust Committee Minutes dated January 21, 2025 - for adoption

By general consent, the Local Trust Committee meeting minutes of January 21, 2025 were adopted.

9.2 Section 26 Resolutions-Without-Meeting Report - none

9.3 Advisory Planning Commission Minutes - none

10. BUSINESS ARISING FROM MINUTES

10.1 Follow-up Action List dated March 11, 2025

The Planner provided updates on the status of items on the Follow-Up Action List.

11. DELEGATIONS - none

12. APPLICATIONS AND REFERRALS - none

13. LOCAL TRUST COMMITTEE PROJECTS

13.1 Minor Project: Housing-Related Temporary Use Permit Review - Post Public Hearing Staff Report

The Planner noted that at the time the report was being written the K'omoks First Nation requested the Local Trust Committee defer consideration of the bylaws to allow an extended referral response period.

Discussion ensued and the following comments were noted:

- It is important to advance the work in the context of the larger project whereby all amendments of the Official Community Plan and Land Use Bylaw amendments are considered together; and

- Providing an alternative to the existing density bank at time of the removal of the current structure should have been undertaken.

DE-2025-012

It was MOVED and SECONDED

that the Denman Island Local Trust Committee request staff to include analysis of density bank alternatives and permitting Accessory Dwelling Units on Denman Island into Phase 2C of the Housing Project

CARRIED

DE-2025-013

It was MOVED and SECONDED

That the Denman Island Local Trust Committee proceed no further with Bylaw Nos. 248 and 249.

CARRIED

It was noted that staff will advise K'omoks First Nation that a referral response on Bylaw Nos. 248 and 249 is no longer required.

13.2 Major Project: Denman Housing (Official Community Plan and Land Use Bylaw) Review Project - Staff Report

The Planner noted the staff report provides an update on housing actions identified in the Denman Island Housing Action Plan.

Discussion ensued and the following comments were noted:

- The Suitable Land Analysis is a decision-making tool which the Local Trust Committee can choose to use in the context of secondary dwelling units;
- Use of Suitable Land Analysis might be better suited when considering multi-family development;
- There needs to be a broader conversation about the use of Temporary Use Permits for secondary dwellings;
- All aspects of the changes to be made need to come forward together and done in relation to corresponding components;
- The Suitable Land Analysis data that is being used is not effective and there are concerns about accuracy and the process of how weighting is being established, and there is not confidence to use it as a tool at this time;
- Denman Conservancy data and K'omoks First Nation mapping of cultural heritage areas are available to use to inform the project; and
- Planner time and funding dedicated to the Denman Local Trust Committee Housing project should not be used to work on the Suitable Land Analysis mapping.

DE-2025-014

It was MOVED and SECONDED

that the Denman Island Local Trust Committee request staff

- i. engage with local environmental conservation groups to incorporate additional environmental data sets; and
- ii. engage with First Nations on incorporating restricted access data such as archaeology sites, culturally significant sites, areas of

potential, and including any relevant public access data to support analysis of First Nations priorities.

CARRIED

Discussion ensued on the project actions identified in the Staff Report and the following direction was provided:

- Additional oversight on domestic water use is not required as Vancouver Island Health Authority is the regulating authority;
- If density is to be increased the affect on the natural environment needs to be addressed;
- A reduction of lot coverage percentages shows the community that while the residential impact of a lot might be increased through a secondary dwelling the amount of property that can not be covered by buildings has been expanded;
- There is value in making reductions to the maximum floor area permitted as a tool to address gentrification;
- There is value in reducing the percentage of overall combined lot coverage as a flexible housing tool.
- There would not be a need to consider accessory building size if an overall combined lot coverage percentage is put in place;
- Staff will look at suitable lot coverage percentages per zone and maximum floor coverages to curtail sprawl and gentrification;
- In situations whereby lots have been donated for housing it was suggested to remove the multi-family aspect but keep the affordability requirement to reduce the need for a not-for-profit organization to apply for rezoning;
- Remove Item 17 in its entirety as the community has already determined no subdivision allowed at that location;
- Nothing in bylaw provides an opportunity to disallow a pool and discussion about ground-water fed pools should be undertaken;
- There are arguments for having pools
- Above ground pools do not disturb culturally sensitive areas but still require water;
- The Planner can review the San Juan Island system of a permit lottery in context of a density cap;
- The Planner will check if the Capital Regional District has advanced any work on development and management of housing agreements; and
- Pre-zoning land for housing projects would be part of the larger Housing Review project.

DE-2025-015

It was MOVED and SECONDED

that the Denman Island Local Trust Committee endorse next steps for Phase 2A and 2B of the Denman Housing Review as discussed.

CARRIED

DE-2025-016

It was MOVED and SECONDED

that the Denman Island Local Trust Committee request staff to schedule a special meeting prior to the May LTC meeting to discuss Denman Housing Review Phase 2C actions, and other related items.

CARRIED

14. CORRESPONDENCE - none

(Correspondence received concerning current applications or projects is posted to the LTC webpage)

15. NEW BUSINESS

15.1 Opt into Provincial Bill 44 Short Term Vacation Rental - Discussion

- Local Trust Committees were advised not to opt into the primary residence requirement for short-term vacation rentals in the first year of regulation;
- Provincial regulations for short-term vacation rentals have a registration requirement and principal residence requirement;
- Current Land Use Bylaw requires someone live onsite but not necessarily in the principal residence;
- The Local Trust Committee can put a principal residence requirement into their bylaw or opt in to the province's regulation;
- There are a limited number of provincial enforcement inspectors;
- Islands Trust Bylaw Officers would no longer have jurisdiction and the Local Trust Committee would not have ability to direct non-enforcement; and
- The Planner will send the Local Trust Committee a report issued the previous year.

16. STAFF REPORTS

16.1 Trust Conservancy Highlights of January 21, 2025 Board Meeting

Received for information.

16.2 Applications Report dated March 11, 2025

The Local Trust Committee previously amended the Land Use Bylaw to facilitate the Triple Rock housing project; however, by not proceeding with Bylaws No. 248 and 249 a specific amendment to the Official Community Plan will be required to rezone the property.

DE-2025-017

It was MOVED and SECONDED

that the Denman Island Local Trust Committee request staff to prepare a draft bylaw to amend the Denman Island Official Community Plan, 2008, to rezone Lot A, Section 17, Denman Island, Nanaimo District, Plan VIP87456 to enable application DE-RZ-2024.1 (Triple Rock Cooperative).

CARRIED

16.3 Trustee and Local Expense Report dated January, 2025

Received for information.

16.4 Adopted Policies and Standing Resolutions

Received for information.

16.5 First Nations Relationship Building Update - none

16.6 Local Trust Committee Webpage

No updates required at this time.

17. WORK PROGRAM

17.1 Active Projects Report dated March 11, 2025

Received for information.

17.2 Future Projects Report dated March 11, 2025

Received for information.

18. UPCOMING MEETINGS

18.1 Next Regular Meeting Scheduled for Tuesday, May 20, 2025 at 10:00 a.m. at Denman Activity Centre, 1111 Northwest Road, Denman Island, BC

19. ADJOURNMENT

By general consent, the meeting was adjourned at 2:00 p.m.

David Maude, Chair

Certified Correct:

Lisa Millard, Meeting Administrator/Recorder