DenmanIsland Local Trust Committee
Special Meeting Agenda

Date:	June 26, 2025
Time:	3:30 pm
Location:	Electronic Meeting

STAFF REPORT

File No.: Denman Housing Phase 2

DATE OF MEETING:	June 26, 2025
TO:	Denman Island Local Trust Committee
FROM:	Narissa Chadwick MCIP, RPP, Island Planner/ Marlis McCargar, Islands Planner Local Planning Services
COPY:	Renée Jamurat, Regional Planning Manager
SUBJECT:	Denman Island Housing Phase 2 Community Engagement Topics

RECOMMENDATION

1. **That the Denman Island Local Trust Committee endorse the proposed direction related to the following four topics: density bank; floor area and lot coverage limits; small unit detached clustered housing; and increasing permission for secondary dwellings.**

2. **That the Denman Island Local Trust Committee endorse the revisions to the engagement plan timeline.**

REPORT SUMMARY

This report presents draft materials for LTC review and endorsement related to key policy topics under the Housing Review Project. These materials are intended to support upcoming community engagement by outlining proposed options and alternatives for feedback. The report also includes an updated timeline for public engagement activities.

BACKGROUND

The Denman Housing Review Project was initiated to respond to the growing need for diverse and affordable housing options on Denman Island. At their May 8, 2025 Special LTC meeting, the LTC discussed options for community engagement as a means of both sharing information and soliciting feedback on key themes that have emerged. Key themes include: the density bank, increasing permission for secondary dwellings, small unit detached clustered housing and floor area and lot coverage limits.

At the May 20th LTC meeting, the Denman LTC was presented with an endorsed community engagement plan. The LTC also requested staff to schedule a special meeting for the LTC to review policy options related to key themes, which will be presented to the community for feedback.

ANALYSIS

Draft materials for public engagement are attached as follows:

Attachment 1 – Density Bank
Attachment 2 – Floor Area and Lot Coverage limits
Attachment 3 – Small Unit Detached Clustered Housing
Attachment 4 – Increasing Permission for Secondary Dwellings

Each attachment outlines a proposed policy option, along with a set of alternatives, to gauge community interest and identify areas of support or concern. The intent is to present these options during upcoming engagement sessions as a way to facilitate informed discussion.

Staff are seeking direction from the LTC on whether the primary options presented in each attachment reflect their preferred approach, or if an alternative should be highlighted instead. Once confirmed, staff will work with communications staff to refine the materials into clear, engaging formats suitable for public engagement.

Density Bank

Staff have identified two options for the Density Bank moving forward. The recommendation is to replace the existing Density Bank with a more stringent and transparent policy framework anchored in strengthened OCP policies and updated zoning regulations. While there is concern that removing the Density Bank could lead to uncontrolled development, this risk can be mitigated by strong zoning restrictions that do not permit increases in residential density without a comprehensive rezoning process.

The proposed approach for the Denman Island Housing Review focuses on replacing the Density Bank with clearer, policy-based controls. Key components include requiring site-specific rezonings supported by detailed criteria and Development Approval Information (DAI) processes, enhancing OCP housing policies with measurable objectives (such as targets for affordable housing), and proactively downzoning areas unsuitable for development due to ecological, agricultural, archeological, or climate-related vulnerabilities.

Staff are seeking endorsement from the LTC to proceed with this approach and to bring the related materials forward for community engagement.

Floor Area and Lot Coverage Limits

Responding to Trustee interest in limiting floor area and lot coverage, staff recommends adopting a combined approach that limits both lot coverage and gross floor area (GFA), with a maximum GFA of 250m^2 for principal dwellings. This strategy ensures buildings remain appropriately sized in both footprint and overall interior space.

Limiting lot coverage helps protect open space, maintain the natural character of the area, and reduce impervious surfaces that affect drainage and local ecology. Meanwhile, the fixed GFA cap discourages oversized homes and promotes modest, attainable housing options.

Staff are seeking endorsement to share the options identified in Attachment 2 with the community for discussion.

Cluster Housing

Draft bylaw language previously presented to the LTC identified the concept of "small unit detached clustered housing". Staff have further developed this concept and identified options for supporting what is being termed "cluster housing" (**C**ommunity-Scaled **L**iving **U**nits **S**ited **T**ogether for **E**cological/Economic **R**esilience) in Attachment 3. Cluster housing allows several small homes, either attached or detached, to be grouped together (within a maximum total floor area) on one lot without subdividing the land.

This approach can reduce the overall development footprint, making more efficient use of space and infrastructure (such as driveways, accessory buildings, septic systems, wells, etc.). Rezoning for cluster housing can be supported by the OCP. The LTC could also choose to pre-zone for cluster housing in areas that appear to be suitable after considering factors such as avoiding impacts sensitive archaeological and ecological areas, riparian areas, steep slope hazards and freshwater recharge areas.

Staff are seeking endorsement to share the options identified in Attachment 3 with the community for discussion.

Detached Secondary Dwelling Units

Currently, detached secondary dwellings are allowed in the R2 (Rural Residential), A (Agriculture), F (Forestry), and RE (Resource) zones, only with a Temporary Use Permit (TUP). There appears to be community support for removing the TUP requirement, alongside concerns that this could lead to a proliferation of detached secondary units being built. Additionally, this change could provide an opportunity to legalize units that may already exist without a TUP.

Attachment 4 identifies a range of options, from outright permission for detached secondary dwelling units in zones where they are currently permitted through a TUP, to restricting secondary dwellings (including secondary suites) to areas identified as suitable, where environmental, cultural heritage, and water recharge impacts are minimal. The Housing Advisory Planning Commission's (HAPC) recommendation to consider legalizing all existing non-conforming secondary housing is also addressed in Attachment 4.

The HAPC and LTC have recommended considering the legalization of all existing secondary dwellings as part of the Housing Review Project. While this could help preserve rental housing, staff have noted concerns about health and safety, environmental impact, fairness, and alignment with planning objectives, particularly in the absence of data on these units. A blanket approach could undermine the strategic, evidence-based process of the Housing Review Project.

Staff are seeking endorsement to share the options identified in Attachment 4 with the community for discussion.

Engagement Update

The table below outlines the steps in the engagement process presented to the LTC in the engagement plan, with revisions highlighted in blue. July 26th has been scheduled for in-person engagement at Market Day and was initially considered for an in-person workshop. However, staff have identified this date as challenging for the workshop and are exploring alternative dates in August or September to allow time for collaboration with the Denman Islands Conservancy and integration of input from the K'ómoks Nation.

Updated Engagement Timeline

Phase	Date	Activities
Preparation	May - July	Finalize maps, topic boards, outreach materials, and webpage
Confirmation of Options	June 26	Special meeting with LTC to confirm options and materials for engagement
Web Launch	July 24th	Publish materials online and open feedback form
Market Day Engagement	July 26th	Booth display with maps, topic info
Live Community Conversation	Late August/ September Possible dates: August 23, September 13 or 20	Community workshop
Follow-up	September/October	Compile feedback summary and share with community via website and newsletter, date for LTC status update
Draft Policy Language	October 21 LTC Meeting/ November Special Meeting	Draft language presented to LTC

First Nations

Staff are actively engaged with K'ómoks First Nation and are meeting with their staff on June 24th, just before the June 26th LTC special meeting, to review land use interests related to increased housing flexibility. Staff will provide updates on this process as appropriate.

Rationale for Recommendation

Supporting the recommendations will help advance the project and provide staff with the necessary direction to develop community engagement materials and plan the engagement process.

ALTERNATIVES

1. The LTC may choose to change the language and/or questions presented in the draft communications materials.

2. The LTC may choose an alternative approach to engagement and request staff return with a revised engagement plan.

NEXT STEPS

- Reschedule the in-person community engagement session for late August or September
- Advertise and promote the July 24th online engagement session
- Prepare supporting materials for the in-person engagement session and market table

Submitted By:	Narissa Chadwick RPP, MCIP, Island Planner Marlis McCargar, Island Planner	June 17, 2025
Concurrence:	Renée Jamurat, RPP, MCIP, Regional Planning Manager	June 17, 2025

ATTACHMENTS

1 – Density Bank
2 – Floor Area and Lot Coverage limits
3 – Small unit detached clustered housing
4 – Increasing permission for secondary dwellings

Attachment 1 - Denman Housing Engagement Info: Density Bank

What is the Density Bank?

The Density Bank was established in 2008 in the Official Community Plan (OCP) to manage residential development by capping total densities and encouraging land conservation through the transfer of densities from protected lands into the bank.

In practice, however, it has proven challenging to use. Each application requires an amendment to the OCP, making the process slow and complex. The bank is also disconnected from broader planning efforts, lacks clear guidance on where density should go, and is poorly understood.

How the Density Bank is Structured:

1. Baseline Densities (994 units): Based on legal dwellings and subdividable parcels as of October 2010 (826 zoned + 128 subdividable).
2. Affordable Housing Allocation (49 units): 5% of total densities reserved for affordable housing.
3. Conservation Additions: Densities from lands donated for conservation are added to the bank, ensuring no net increase in total development.

What permissions for the Density Bank currently exist for Denman Island?

- The Density Bank is outlined in Appendix D of **the OCP and currently holds 7 banked densities.**
- How it works:
  Densities can be added or used only through a rezoning bylaw amendment.
- Densities can be added to the Bank from:
  - Rezoning applications that remove subdivision potential (with at least one dwelling remaining on the lot)
  - Land donations to a conservation agency or park dedication
  - LTC-initiated zoning changes that result in unused densities
- Densities can be used from the Bank for:
  - Affordable housing projects, provided there is a long-term mechanism to ensure the housing remains affordable
- "Affordable housing" includes a range of needs, from housing for the homeless and those at risk, to rental assistance and entry-level ownership opportunities.

What other options are there for the Density Bank?

Recommendation: Replace the Density Bank with Stringent OCP Policies and Zoning Regulations

There is a concern that removing the Density Bank would result in uncontrolled development. However, this outcome is unlikely. Current zoning does not permit additional density. Any increase in residential density must still proceed through a comprehensive rezoning process, which includes public consultation, policy review, and is subject to Local Trust Committee (LTC) discretion.

This option proposes to replace the Density Bank with a clearer, more integrated policy framework based on strengthened OCP policies and updated zoning regulations, providing a consistent approach to growth and affordability.

1. **Replace the Density Bank with a Policy-Based Framework:**

Instead of maintaining the Density Bank, the OCP and Land Use Bylaw (LUB) could be updated to provide a clearer, more transparent framework for managing growth, ensuring that future development aligns with community values and environmental constraints.

- **Strengthen the OCP, Zoning and DAI Tools:**
  - Continue requiring site-specific rezoning for any increases in density.
  - Provide detailed criteria and evaluation processes for assessing rezoning applications. Assessment criteria for rezoning applications would be established through a Development Approval Information (DAI) bylaw, enabling the LTC to request site-specific information on housing need, environmental conditions and alignment with OCP objectives.

- **Enhance OCP Housing Policies:**
  - Establish limits or targets for community-wide buildout.
  - Introduce measurable housing objectives. For example, targeting 30% of new units as affordable or attainable.
  - Encourage conversions of market housing to affordable housing through supportive policies.
  - Allow more flexibility for affordable housing while capping the scale of market-rate development.

- **Address Existing Banked Densities:**
  - Recognize the 7 densities currently held in the bank and provide a clear pathway for their use.
  - Retain key tools like the density transfer policy to continue supporting conservation.

- **Remove Development Potential in Areas that are not Suitable**

    - To ensure growth occurs only in appropriate areas, this would include proactive downzoning of lands that should not accommodate further development.
    - Rezone parcels with unused subdivision potential, especially those with:
        1. High ecological value
        2. Agricultural Land Reserve
        3. cultural heritage significance
        4. High vulnerability to climate-related risks (e.g., saltwater intrusion, sea level rise)

- **Use build-out analysis to guide decisions:**
    - This analysis estimates how much development could occur under current zoning.

Alternative: Improve the Density Bank

Rather than discontinuing the Density Bank, this option proposes to retain and revise it, addressing its current limitations while aligning it more closely with Denman's evolving housing needs, conservation goals, and administrative capacity.

- **Remove Potential Densities from Unsuitable Areas and Add Them to the Bank**
    - To ensure growth occurs only in appropriate areas, this would include proactive downzoning of lands that should not accommodate further development.
    - Maintain a “no net increase” approach by adding removed densities to the bank.

- **Align the Bank with Actual Housing Need**
    - Replace the current fixed 5% affordable housing allocation with figures based on a local housing needs assessment.

- **Move the Density Bank into the LUB**
    - Simplifies administration.
    - Keeps policy goals in the OCP while operational details (like the density chart) move to the LUB.
    - Allows rezoning bylaws to pull from the bank without separate OCP amendments.

- **Remove Secondary Dwellings**
    - Amend Policy 12 to remove secondary dwellings so they are not drawing from the bank.

- **Enable LTC-Initiated Density Contributions**

- Allow the LTC to proactively add densities through OCP updates or community planning efforts.

What are we hearing from the community about the Density Bank?

- Concerns about removal: Many residents worry that eliminating the bank could lead to overdevelopment.
- Support for affordability: Strong calls to prioritize densities for affordable and social housing.
- Desire for revision: Others believe the current system is outdated and want a broader suite of tools that reflect present-day challenges and priorities.

Questions for Community Input

1. Do you support policies that set a percentage target for certain types of housing instead of an overall density cap?
   For example, a target that 30% of new housing be affordable or attainable.

2. If the Density Bank were removed, what are your key concerns?
   What alternative tools or policies would you want in place to effectively control growth and promote affordable housing?

3. Do you support removing subdivision potential?

<u>Attachment 2- Denman Housing Engagement Info: Lot Coverage and Floor Area Restrictions</u>

What Are Lot Coverage and Floor Area?

Lot Coverage

Lot coverage refers to the percentage of a lot's total area that is covered by buildings, measured by the building footprints (only the area they take up on the ground). It does not account for multiple storeys, just the area occupied on the land.

Floor Area

Floor area refers to the total usable interior space of a building across all levels, including upper storeys. It provides a more direct measure of the actual size of a house or structure.

What Lot Coverage and Floor Area Controls Currently Exist?

Current Policy on Denman Island:

- 25% maximum lot coverage for residential lots

What options exist for controlling Lot Coverage and Floor Area?

Lot Coverage Restriction

Lot coverage limits how much of a lot can be covered by buildings and structures. It regulates only the building footprint, not total interior space. This tool is useful for protecting open space, limiting impervious surfaces, and maintaining Denman Island's natural character.

Recommendation:

- Maximum Lot Coverage: 5%–15%, depending on the lot size.
  For example:
  - Lots under 1 hectare: up to 15% coverage
  - Lots between 1–5 hectares: up to 10% coverage
  - Lots over 5 hectares: up to 5% coverage

Lot Size	Lot Coverage	Max Footprint (m^2)	Approx. House Size (GFA, 2 Storeys)
< 0.6 ha (1.5 acres)	15%	900 m^2	1,800 m^2 (19, 375ft^2)
1.2 ha (3acres)	10%	1200 m^2	2400m^2 (25,833ft^2)
5 ha (12.35 acres)	5%	2500 m^2	5,000 m^2 (53,820 ft^2)
10ha (24.70 acres)	5%	5000 m^2	10,000m^2 (107,639ft^2)
10 ha +	5%		

Alternative:

- An alternative approach is to select a different range of lot coverage percentages.

Floor Area Restriction

Floor area limits the total interior space of a building across all floors. Unlike lot coverage, it directly controls the overall size of a building. These restrictions are often used to discourage oversized homes and support modest, attainable housing.

Recommendation:

- Establish a fixed maximum floor area for the principal dwelling on all lots (e.g. 250m^2/2,690 ft^2)
- Note: A 250 m^2 home on a 0.5 acre lot uses ~6% coverage.
- Variances may be granted on a case-by-case basis, subject to review and approval by the LTC.

Alternative to Floor Area Restrictions:

- Set grouped maximum floor areas by zoning (e.g., R1 zones allow smaller maximums than R2).
- Set grouped maximum floor areas by property size (e.g., 0–5 acres = 2,000 ft^2, 5–10 acres = 4,000 ft^2, etc.).

Recommended Approach

Staff recommends adopting a combined approach that limits both lot coverage and gross floor area, with a maximum GFA of 250 m^2 for principal dwellings. This strategy ensures that buildings remain appropriately sized in both footprint and overall interior space. Limiting lot coverage helps protect open space, maintain the natural character of the area, and control impervious surfaces that impact drainage and ecology. Meanwhile, a fixed GFA cap discourages oversized homes, promotes modest and attainable housing.

What are we hearing from the community regarding controlling lot coverage and floor area?

At this stage, we've received limited input from the community on lot coverage and floor area regulations.

Questions for Community Input

1. Do you think the proposed lot coverage limits (e.g., 5%, 10% or 15%) are reasonable? Why or why not?
2. Is a maximum floor area of 250 m^2 (approximately 2,690 ft^2) appropriate for homes on Denman? If not, what would you suggest and why?
3. Would you support using both lot coverage and floor area limits together to more effectively manage building size and land use?
   (For example, a house could be limited to no larger than 250m^2 and also must stay within 10% lot coverage.)

Attachment 3- Denman Housing Engagement Info: CLUSTER housing

Community-Scaled
Living
Units
Sited
Together for
Ecological and Economic
Resilience

What is Cluster Housing?

Cluster housing allows several small homes—either attached or detached—to be grouped together on one lot without subdividing the land. This can reduce the overall development footprint, making more efficient use of space and infrastructure.

Are Cluster Homes Allowed on Denman?

Denman's current Official Community Plan (OCP) supports rezoning for affordable, multi-unit housing. Including "cluster housing" in the OCP could make the process clearer and faster by eliminating the need for OCP amendments and providing specific guidelines.

Why Consider Cluster Housing?

- **Housing & Environment**: Denman's housing needs and environmental protection are closely linked. More housing options, like shared land ownership, can reduce reliance on large single-unit lots.
- **Land Sharing Tradition**: Denman has a history of communal living, and community feedback supports policies that reflect this.
- **Smaller Footprint**: Clustering homes and infrastructure like wells and septic systems reduces environmental and archaeological impacts.
- **Manageable Density**: Cluster zoning can be used instead of subdivision to enable additional density while preserving rural character and facilitating the development of smaller more affordable housing units.

How Could Cluster Housing Be Introduced?

Option 1: Rezoning Applications

- Update OCP policies to allow “cluster housing”
- Include clear criteria: water, septic, site layout, total floor area, road access, and long-term affordability through housing agreements

Option 2: Pre-Zoning by LTC

- LTC could identify and zone specific lots for cluster housing
- Larger lots could be split-zoned to cluster housing on part of the property, based on suitability mapping (e.g., septic, driveways, heritage protection)

Key Considerations for Suitable Land

Cluster housing zoning:

- Can not be applied to ALR lands, areas protected by covenants, parkland
- Would avoid shorelines, sensitive archaeological and ecological areas, riparian areas, steep slope and freshwater recharge areas
- Mapping shows that when considering the factors above the location for potential cluster housing zoning is limited.

Cluster Housing Guidelines

Allow multiple small homes on one lot, limited by combined floor area. For example:

Lot Size	**Number of units**	**Maximum Combined floor area**
< 0.6 ha (1.5 acres)	3	2500ft^2
0.6 ha (1.5 acres – 1.2 ha (3acres)	5	3,500ft^2
1.2 ha (3 acres) - 5 ha (12.35 acres)	6	4,750 ft^2
5ha (12.35 acres) – 10ha (24.70 acres)	7	7000 ft^2
10 ha +	7 + 1 for every 5 acres protected by covenant	7000 ft^2 + 500 for each additional unit

Want to Know if Your Property is Suitable?

- Contact Islands Trust staff for a site review.

What if Cluster Housing is Applied to my lot and I Want More Units or Larger Homes?

- For more units, property owners can apply for site-specific rezoning with a housing agreement to allow for additional units.
- Proposals must cluster development in suitable areas and set aside undeveloped land (e.g., via covenant).
- For larger units property owners can apply for a development variance permit to alter the combined maximum floor area of the dwellings.

Questions for the Community

1. If there continues to be a density bank should cluster housing replace subdivision as a means of enabling a different approach to density?
2. What concerns do you have about cluster housing (e.g., environmental, affordability, water)?
3. What safeguards should be in place if this approach moves forward?

Attachment 4 - Denman Island Housing Engagement: Secondary Dwelling Units

What is a secondary dwelling unit?

A secondary dwelling unit is a small, self-contained home with its own kitchen, bathroom, and sleeping area, located on the same property as the main house. These can include:

- **Secondary suites** – units inside the main house (e.g., basement or in-law suites)
- **Detached Secondary Dwelling Units (ADUs)** – stand-alone units like garden suites, tiny homes on wheels, cob houses, or modular homes

What's currently allowed on Denman Island?

- **Secondary suites** are permitted in the R2 (Rural Residential), A (Agriculture), F (Forestry), and RE (Resource) zones.
- **Detached secondary dwellings** are allowed in the same zones with a Temporary Use Permit (TUP).

Options for Supporting Secondary Dwelling Units:

1. **Remove the TUP requirement for detached secondary dwelling units**
    - This would permit secondary dwelling units outright in the R2 (Rural Residential), A (Agriculture), F (Forestry), and RE (Resource) zones.
    - Some community members say the TUP process is a barrier, and this has led to people building units without permits.
    - Removing the TUP would require adjusting how density is calculated and managed through the "density bank".

2. **Allow either an attached or detached secondary unit on eligible lots**
    - Currently, only secondary suites are allowed as a principle use. This option would allow property owners to choose either type.
    - Conditions could include size limits, location close to the main house, and water collection requirements to reduce environmental impact.

- This approach would also involve removing the TUP requirement for detached units.

3. **Permit secondary dwellings only in suitable areas**
    - Use mapping to guide where these homes can go, avoiding sensitive areas like shorelines, steep slopes, wetlands, and areas of archeological and environmental significance.
    - Preliminary mapping suggests limited areas are suitable for additional density and intensity of land use.

4. **Legalize existing unpermitted secondary units**
    - The HAPC and LTC recommend legalizing all existing units to protect current rentals.
    - However, staff caution that without proper review, this could raise safety, environmental, and fairness issues.
    - If the LTC moved forward with legalizing existing secondary units, a list of criteria would need to apply.

What are we hearing so far?

There's broad community support for secondary suites and for removing the TUP requirement. However, some concerns remain about the potential for a large increase in small dwellings. To provide context, here's the number of new units (based on Siting & Use Permits) from 2018-2022:

Year	**Number of units**
2022	12
2021	7
2020	11
2019	8
2018	11

Questions for the Community

1. Do you support allowing secondary dwelling units without requiring a Temporary Use Permit in zones where they are currently permitted with TUP?

2. Would you support the option for either attached or detached secondary units in the Land Use Bylaw?

3. What concerns do you have about secondary dwelling units—water, environmental impact, land use, or community character?

4. Are there additional regulations or safeguards you feel need to be considered if more secondary units are permitted?