



Sept 13, 2018.

6410-20 / CV RGS Amendment  
RGS 1C 17

A. Mullaly

Alana Mullaly RPP

Senior Manager of Planning and Protective Services

Planning and Development Services Branch

Comox Valley Regional District

600 Comox Road

Courtenay, BC, V9N 3P6

**Re: Follow up information from Public Open House on September 6, 2018**

Alana:

This document outlines some information to address some of the high priority issues that were raised in the public open house on Sept 6, 2018 regarding the Riverwood RGS amendment application.

**The choice: preservation or resource extraction**

Many residents addressed the park and environmental preservation issues in the discussion in the open house on September 6, 2018. What was not very clear in the presentation by staff was that the rural areas are intended for rural and resource uses -and this means typically clearing, resource extraction and similar uses. There appears to be a misunderstanding in the community that there is an option to not have it developed but have it stay the way it is.

The land owner states that it is his intention to finish logging the site and to pursue gravel extraction as well, wherever feasible if the proposed project is not approved. Gravel extraction requires additional approvals but it is his intent to try to realize value out of the lands. This resource extraction is the intent of the rural designation in the RGS and as such, is in line with policy intent.

Even if resource extraction is not pursued by the current land owner and instead he sells large estate lots in accordance with the RGS, it is highly likely that the land may then face resource by others or it may be fenced and made inaccessible to the public. While the RGS implicitly envisions a bucolic rural residential image, the reality is that governments have little control over clearing on private rural land and that is to be expected in this situation.

In staff's communications to the Board, we request that staff make this information clear – that the only way to preserve the land in a park-like, conservation manner with public protection and access, is to support this proposal – which gives 50% of the land to the public in exchange for the proposed development rights to the other 50% of the land.



The choice is not between development or no development, it is between a clear cut or a park. The RGS has policies that support both of these options, but the outcomes are significantly different.

## The private utility

There is a policy in the RGS to typically not support private utilities and the District has begun absorbing some existing water and sanitary utilities in local improvement areas into the public utility system. The benefit of this approach is that the responsibilities for health and safety in servicing is totally within the purview of the local government. In addition, this policy provides further controls within the local government to control new development.

There are other private utilities in the region, including Saratoga Beach, Mt Washington and others, and other developers such as Kensington are looking at them too. Many of these have plans for the District to take over them when other properties plan to connect.

The challenge with this policy is that many existing areas need those services and as such, the District prioritizes the upgrades of existing areas with their infrastructure investment. This results in the servicing not creating sufficient land to meet market demands for new growth, which means that the prices of region's housing will continue to rise because land is much more expensive and difficult to assemble in existing areas for several reasons:

- Most land owners do not want to sell;
- It is very difficult to assemble sufficient land to develop a critical mass to make projects viable; and
- The surrounding neighbours oppose much additional density in their neighbourhoods.

Therefore, inadvertently, policies that limit private utilities increase housing prices in a growing region like the CVRD. The prices for land and homes are now increasingly causing social and economic problems in the CVRD because of the rising cost of land for new homes.

By allowing private utilities with the intent to have them incorporated into the public utility system in the future and/or when the public utility system reaches out to connect with them, the CVRD can, at no cost to itself at this time, allow new development to occur in a way where users, not the general taxpayer, pay for the utility, and the local government's policy of upgrading infrastructure in existing areas remains on track.

A further challenge with utilities is in their management, maintenance and long-term reliability. There are often problems with some private systems in local improvement districts, as they can have directors who are not experts and subscribers who do not want to raise utility costs to pay for necessary upgrades and replacements. In this regard, there is a significant difference between Corix as an owner/operator of a utility and a local improvement district, with a local board of citizens managing the system. Corix is a large utility company owned by the BC Government Employees Pension Fund and are thereby seen as a strong reliable company and investment for the future.

While there are challenges with all infrastructure systems, there is significant evidence in the benefits of these systems in their ability to support neighbourhood services. There are also many opportunities to integrate or transfer ownership of the private utility in the future to the public system, if desired. Corix



has extensive experience in transferring ownership to public utilities, typically for the capital cost of the infrastructure.

## Water supply and First Nations

The landowner undertook analysis that indicates that the amount of water that would be drawn from the river is a tiny fraction of 1% of the lowest flow volumes and as such, independent of the fact that the low flow levels are controlled by Hydro, it would not impact the river. The water license has not yet been applied for but that would be part of the subsequent approvals phases, especially for subdivision and servicing.

3L is also committing to efforts to reduce water consumption in the Riverwood community.

3L developments have had many discussions with the K'omoks First Nation (KFN) and have an agreement regarding water supply. KFN have rights to a significant amount of water from the Comox Lake / river system but have no ability to get water treated and to their lands adjacent Riverwood. In their agreement, KFN will provide the water for both Riverwood and their lands, and Riverwood will provide the infrastructure for treatment and conveyance through their water utility. Without this system, KFN faces formidable challenges in getting water to their lands to support economic development.

## General environmental impacts

All development has impact on the natural ecosystems within which it occurs. All existing and growing areas in the Comox Valley used to be natural but the previous ecosystems were removed to allow for development. The RGS envisions significant ongoing impact to the environment in all its current and future growth areas.

The Riverwood area likewise will experience significant environmental changes in its future, in any option. As a rural / resource development area, its current forests are likely to be removed with associated impacts and efforts to extract gravel may be pursued. Under the proposed development plan, the Riverwood neighbourhood would preserve 50% of the land in perpetuity including the river corridors and other sensitive areas. As such, regarding the physical environment on the lands, the Riverwood proposal has the best environmental performance of its current probable options.

The size and location of the park proposed for the neighbourhood was established through and environmental study conducted by Biologists with FishFor Contracting (now Strategic Natural Resource Consultants in Campbell River). The methodology for evaluating the most sensitive land to be preserved in the proposed park area included:

- Areas to be conserved based on levels of sensitivity including habitats that support possible species in peril or at risk as well as the imperative to protect surface waterways, riparian areas and wetlands; and
- Areas to be restored.

The sensitive habitat areas and the riparian areas were combined into a logical land protection pattern, resulting the design of the neighbourhood and the park area.

Additional environmental studies will be undertaken if the project moves forward, in support of rezoning and development permit approvals.



Regarding climate emissions from transportation, the Riverwood neighbourhood is significantly closer to the employment, educational and shopping centres of Courtenay and Cumberland than many areas currently in the RGS, including Kensington and Sage Hills. As such, emissions from transportation would be lower per capita for settlement in Riverwood than in many other areas.

Regarding emissions from buildings, the landowner of Riverwood has committed to promoting green building standards in development on the site. Securing these commitments would occur at later stages in the approvals process for the site, but it is an important value in the project.

## Transportation

A transportation study for the project was completed by Bunt & Associates. It evaluated the existing and proposed traffic patterns with various scenarios. The focus of the study was on the initial plan for the site, that had slightly fewer units than currently envisioned, and in all of its scenarios, there were limited to no major offsite road improvements required.

As the current proposal has added new land and envisions a slightly higher density, this initial traffic study reflects the reality of the first phases of the project, and additional traffic studies and possibly road enhancements may be required in the late stages of the project.

## Overall regional growth patterns and amendments

The final issue to address is the issue of the RGS pattern and amendments to it. The majority of work on the RGS was undertaken nearly a decade ago, with its final approval a few years later. At that time, there was a lot of confidence that the large projects of Kensington and Sage Hills would be commencing development imminently. Both are located far south of the main settlement areas of Comox, Courtenay and Cumberland, and nearly a decade later, neither has started construction, in large part due to the infrastructure issues associated with the area.

Many areas, much closer to the main urban centres in the region were left out of the RGS, including Riverwood.

In addition, there are significant areas within the RGS that are highlighted for more development that have not seen development, despite a significant rise in prices and demand. The lesson from these patterns is that an RGS does not determine what develops or when. Individual land owners make those decisions and the financial logic of any given piece of land is complex and frequently parcels within growth areas are not feasible to develop.

The supply of land determines the price of land in response to various levels of demand. The cost of construction is the same in most communities in Canada regardless and therefore the difference in the cost of housing between Courtenay and Vancouver lies in the cost of land. The supply of developable land and density is entirely under the purview of the local government.

It is the responsibility of planners to manage the land supply so as to not create a scarcity of land that drives up land prices and thereby creates a land affordability problem – and many social and economic problems that then emerge from that issue.



Recent VIREB statistic show that the RGS and its associated OCP and other policy implementation, have launched a critical problem with land and housing prices in the region. During the years of implementing this RGS, land values have gone up a startling amount.

- in 2014:
  - The average home price was approximately \$350,000.
  - The inventory (available supply) of land and homes for sale was extensive, including:
    - Lots -128
    - Acreages – 80
    - Single family – 482
    - The average sale time for inventory was 7.9 months.
- In 2018:
  - The average home price was approximately \$520,000 – an increase of 35-40%.
  - The inventory of land and homes for sale had shrunk significantly (causing the price increase) to:
    - Lots- 25
    - Acreages – 29
    - Single family – 216
    - The average sale time for inventory in 2018 has often been as short as 3 months.

There is significant capital and builders available in the region and the growth rate has not increased significantly during that time. What has happened is that the RGS and its supporting OCPs, infrastructure plans and other policies have shrunk the available and developable land supply and are in the process of creating a major housing affordability problem that will have significant negative impacts on the local community, society and economy long term. This same pattern has occurred in many jurisdictions with the same approach to growth management.

This pattern should be of significant concern to the District and the community. The forces underpinning this problematic housing issue are not going to recede since the cornerstone problem is availability of affordable land for a broad range of home builders to acquire. Unless that core issue is changed, the problem will persist and become worse.

However, the problem is not solved by opening up any or all land for development in the region, but rather by changing the geometry of the regional growth concept.

The current spatial growth control model is based on a pattern of general ovoid-shaped town centres with rural areas in between – and this model is the cause of the problem. Within any of these ovoid areas, the actual affordable and available land or density for development is a very small fraction of what planners believe is available in the plan. Most land owners are not ready to sell because they live or work on their properties, and as such, the majority of the land highlighted for growth areas within existing settlement nodes is not actually available for development.

In many cases, even if the land is for sale, it is not for sale at a price that supports redevelopment because the cost of the land per unit that might be approved is too high for a project to be feasible. This is the case with most “gentle infill” projects – putting duplexes and triplexes, laneway houses and similar small sale infill housing in single family areas. If the cost of a single-family home site is \$500,000, even if a



triplex is approved, that is over \$160,000 in land costs per triplex unit, making the resulting unit likely too expensive in most cases.

In some cases, one owner will own significant areas of land in a community but only bring on development very slowly as suits their personal interests. In a region like the Comox Valley, a few land owners (individuals, families, corporations) can own a significant amount of the greenfield land that is available in the growth strategy (such as Trilogy, Kensington, Sage Hills, Crown Isle, others) and thereby a few individuals have inordinate control over the region's actual growth process because an RGS or OCP gives them that power.

Where infill development is supported in a plan, the reality of infill development must be considered. It takes a long time to get new infill homes approved and they typically come in only a few at a time and then it can only be so dense, because the opposition to development in these areas is significant because residents want little change, traffic or tall buildings in their view sheds. In addition, while there is a scarcity of land, the growth rate is slow and steady, so no bank will lend a developer the money to build a very tall or large building because it will take too long to get presales or sell the building out.

Therefore, the question arises around how to bring on a lot of land but to do so in a way that meets regional, sustainability and community goals. The answer lies in the spatial pattern of growth that is selected.

A better geometry for growth management is not ovoid settlement centres, but rather multiple corridors that connect all existing areas and reach out into the surrounding areas in a way that promotes efficient linear infrastructure and transit. This approach leads to a "corridor urbanism" model.

Along these corridors are a wide range of densities and land uses around a continuing or necklace of mixed use neighbourhood centres. This opens up a significant amount of land across a region to keep land prices low and thereby housing prices more affordable, but it also achieves the sustainable goals of compact "linear" development with efficient infrastructure and transit orientation. The "compact" nature then is based on the integrity of the corridor, rather than the distance to a hypothetical town centre, because the core centre is opened up to stretch along the corridor. The corridor growth pattern has people living and working approximately 500m on either side of a main street network. As such, a linear, sustainable sequence of neighbourhoods opens up over time. The natural areas on either side of these corridors can be protected, keeping a much more integrated and complete ecosystem in the region than the current model does.

In this context, the Riverwood neighbourhood proposal fits much better in a sustainable regional growth network than some areas already in the RGS, as Riverwood extends existing developed areas in a corridor fashion to better connect Courtenay and Cumberland along existing road networks, while protecting a significant amount of the natural space along the way.

In this context, while as a proposal it asks to amend the current RGS, the results of approving Riverwood will be to better achieve the goals of the RGS and the Comox Valley Sustainability and at the same time, contribute to trying to stabilize land and house prices.

Finally, the RGS has a formal amendment process that thereby declares implicitly that amendments are to be entertained and taken seriously. Plans, including the RGS, are the product of the time at which they were drafted and are subject to the significant limits to knowledge, ideas and understandings of future



realities that existed at that time. They also are not drafted with any analysis of the actual financial feasibility of development in any of the areas in which they propose development, or due diligence on many other issues. They also do not compel or bind any land owner to develop in the way envisioned in the plan.

As such all plans need to be revisited on a regular basis. It is critically important that plans not become, in the minds of the community or local government, a “bible” or sacred text that cannot be changed. Rather they should be a reference point from that point in time to refer to when considering changes at any future point in time. To discourage amendments on principle causes significant problems in reality over time.

## Conclusion

This document has provided additional information, highlighted aspects of existing information in the RGS amendment application and provided perspectives and supporting documents with the intent of addressing the issues raised in the public open house on September 6, 2018. It is submitted to assist staff and the Directors in assessing the issues associated with this application.

I will be pleased to discuss any aspect of this application or supplementary information with you at any time.

Respectfully,

Mark Holland RPP

President - Holland Planning Innovations Inc.