



May 21, 2025

Reference: 186703

His Worship Kevin Murdoch and Members of Council
District of Oak Bay
2167 Oak Bay Avenue
Victoria BC V8R 1G2
Email: mayor@oakbay.ca

Dear Mayor Murdoch and Members of Council:

Thank you for working with the Advisor that was appointed to the District of Oak Bay (District) on January 28, 2025. I appreciate your and your staff's cooperation while the Advisor undertook their review.

I appointed an Advisor under the *Housing Supply Act* (the Act) to assess the District's actions and progress to increase housing supply, including development approval processes, land use planning, and housing policies and practices. The Advisor conducted a two-month review which included interviews with District Council members and staff, stakeholders, as well as a review of Council decisions, bylaws, policies, and procedures.

The Advisor's report with recommendations was submitted to me at the end of the review period and has been carefully considered by me and Ministry staff. The recommendations included actions that can be taken to increase housing supply in the community and help ensure more progress toward meeting the District's housing targets. Portions of the report have been redacted to meet requirements under section 10 (3) of the Act and Division 2 of the *Freedom of Information and Protection of Privacy Act* (FOIPPA) (see Appendix A). Please note that the same version of this report will also be released publicly.

After a review of the report's recommendations, I intend to issue directives as permitted under the Act. The Housing Supply Regulation provides a municipality with 30 days to submit written comments to me before the directives are issued.

The proposed directives include:

1. The District must amend its Development Application Procedures Bylaw to delegate minor variances to municipal staff by January 31, 2026. The Advisor's recommendation to delegate minor variances to staff is consistent with past staff reports submitted to Council requesting delegated authority and is a practice in place in many other jurisdictions.
2. The District must amend its Parking Facilities Bylaw to better align with best practice for multi-unit residential parking requirements for sites containing multiple units, to a minimum of one parking stall per unit where the Bylaw currently requires a minimum of more than one parking stall per unit, by January 31, 2026. While builders will still be able to deliver additional parking where the market supports it, the reduction in the minimum requirements will support the viability of more needed housing.

Further, as you will note, the Advisor's review concluded that there is no requirement to pursue residential development in Carnarvon Park and is recommending alternative options for consideration.

I will not be making a directive to pursue these sites for residential development. I do encourage you to consider these proposed options for their potential to provide much-needed housing, while also keeping in mind environmental and other considerations related to these sites, as you determine which are best suited to provide your community with room for growth.

The District must provide updates in future Progress Reports, on all Advisor recommendations considered and implemented. In addition, I am requesting that the District submit enhanced reporting on the following items:

1. The District must provide updates in its Year 2 Progress Report on work toward meeting the December 31, 2025, deadline for updating the Official Community Plan, and ensuring all options considered will generate sufficient housing to meet their 5-year housing target and in alignment with 20-year housing need.
2. The District must provide updates in its Year 2 and 3 Progress Reports on work toward amending the Building and Plumbing Bylaw in relation to blasting activities, in consultation with the development community.

In January 2024, the Province distributed \$51 million in capacity funding to support local governments in meeting the fall 2023 legislative requirements and adopting new tools to increase housing supply faster. The District received \$235,425.00 to support these initiatives and it is my hope that this funding has helped put in place measures that will support implementing the recommendations and proposed directives.

I look forward to receiving your feedback regarding the proposed directives and continuing to work with you on our shared interests to build more much-needed housing in the months and years ahead. Please submit your feedback to the Housing Targets Branch at housing.targets@gov.bc.ca on or before June 22, 2025.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ravi Kahlon', is positioned above the printed name.

Ravi Kahlon
Minister of Housing and Municipal Affairs

Attachment: District of Oak Bay – Provincial Advisor Report and Recommendations

CC: Selena Williams, Chief Administrative Officer
Andre Boel, Director of Community Building and Planning
Brian Green, Deputy Director of Community Building and Planning Services
Housing Targets Branch

District of Oak Bay

**Provincial Advisor Report and
Recommendations**

March 2025



JAMES RIDGE
— CONSULTING —



Local Government Knowledge

R.L. Mattiussi Advisory Services Inc.

MANDATE

The mandate for this review was set out in a January 15, 2025, letter from the Minister of Housing and Municipal Affairs to the Mayor of Oak Bay.

We have been asked to assess why Oak Bay failed to meet its first year of the five-year housing targets established by the Housing Supply Act. We have also been asked to make recommendations to address the reasons for the relatively small number of housing units approved by the District in the program's first year.

We also assess the likelihood of the District meeting its target of 664 net new units in the next four years and steps that should be taken to support substantially greater housing starts.

The letter also sets out specific areas of focus:

- Review the District's zoning bylaw for alignment with SSMUH provincial policy guidance (including site standards), identifying local conditions, and other factors that may deter development
- Review Council decisions regarding housing projects that have been turned down to assess the validity of the rationale, including the innovative approach for the Carnarvon Park Master Plan and rejected option with 40 units of rental housing
- Recommendations to include approval processes for housing located within/adjacent to parkland, projects on municipal lands, and opportunities for partnerships with BC Housing to address the shortage of supportive housing in the community
- Assess proposed Development Cost Charge and Amenity Cost Charge bylaws to determine if they are an impediment to new development, identifying in-stream applications that may be impacted and associated fees that may be incurred
- Assess whether appropriate municipal actions have been taken to support housing initiatives for the Capital Regional District regional growth strategy, including the effectiveness of secondary suite and infill housing programs
- Confirm the number of units in-stream and not reported at a development approval stage during the reporting period, including file status and processing times

EXECUTIVE SUMMARY

The District of Oak Bay is not meeting the housing targets set by the Province; the targets were not met in the program's first year and are not likely to be met in year two.

Importantly, we found no evidence that Oak Bay is deliberately trying to circumvent or thwart Bill 44 or any other provincial legislation. In our opinion, they are making reasonable efforts to meet the housing targets. However, we did find processes, practices, and other circumstances that, in our professional opinion, hinder housing approval in the District. They include:

- *A longstanding reputation for being anti-development.*
- *Outdated OCP and misaligned zoning require rezoning for most projects.*
- *Minor variances unnecessarily brought to Council, politicizing approvals.*
- *Developers are deterred by perceived risk and a politicized environment.*
- *Small-scale multi-unit housing (SSMUH) implementation is fair but limited:*
 - *14 applications: 10 require no Council input, and 4 involve variances.*
- *Variance decisions should be delegated to staff (recommendation: 90 days).*
- *OCP update is crucial to expanding housing opportunities:*
 - *Current draft options support growth; no restrictive options are being considered.*
 - *The Province should continue to monitor OCP and zoning update processes.*
- *Carnarvon Park is not a suitable site for housing-alternative sites recommended.*
- *Cedar Hill Corners (40 acres) represents a key long-term opportunity but requires improved collaboration with UVic.*

Additional recommendations include:

- *Strengthen the development industry relationships.*
- *Update Procedural (Development and Development Variance Permits) bylaws and address internal staff resources.*
- *Explore short- and long-term development opportunities.*

We also find that the statements that the District has made to the Province about units in the pipeline and other steps the District have taken in various communications to the Ministry are fair and accurate.

Oak Bay Council and staff were consistently gracious, responsive, and candid throughout the review process despite the challenging nature of the exercise. All information requests were handled promptly and professionally, and the team was welcomed with respect and thoughtfulness. Most Council members and staff provided valuable, well-considered input that significantly shaped the findings. Additionally, community associations and residents also offered constructive and thoughtful contributions.

REVIEW PROCESS

During the review, we analyzed substantial material from the District, including organization charts, staffing, a wide variety of policies and bylaws, assorted plans and studies, the OCP, specific zoning for small-scale multi-unit housing, other zoning, public information materials, extensive data, and certain correspondence. We also watched videos of specific Council meetings where applications were denied.

Interviews were held with the Mayor, Council, Chief Administrative Officer, senior staff, and other staff actively involved in the planning and development process. An interview was also undertaken with a former member of Oak Bay Council and a former Mayor who asked to speak with us.

Intergovernmental Communications

Interviews were held with various stakeholders, including several development community representatives, formal and informal community associations, and individuals who have interacted with the District on rezonings, developments or subdivisions. The advisors also received substantial unsolicited input and advice from housing advocates, individual Oak Bay residents, and those unhappy with past District decisions regarding their applications.

We also received calls and emails from some individuals whose applications for development, rezoning, and subdivision had been turned down by Oak Bay. In some cases, these individuals asked us to recommend that we recommend that these decisions be overturned. We did not accept these requests.

The following summarizes the information gathered through interviews.

Mayor and Council

All members of Council were interviewed, either in person or via Zoom.

Intergovernmental Communications

There were many opinions about why Oak Bay had been a low-growth community for many years. Many felt this was an appropriate approach to growth given Oak Bay's built-out nature, primarily single-family home nature, and small-town feel. **Intergovernmental Communications**

Similarly, there were varied opinions on how aggressively the District should build housing in the future. Most members of Council were critical of the provincially mandated housing targets. Many commented that the

Province should have taken more into consideration when setting targets and that "...one size does not fit all."

Intergovernmental Communications

Many expressed concerns that the mandated focus on housing had diminished the District's capacity to work on other essential priorities.

There was considerable consistency when asked where housing could be added. Members of Council collectively identified the following areas:

- Major corridors
- Oak Bay Avenue
- Segments of Foul Bay Road
- Estevan Village
- Cedar Hill Corners
- Oak Bay Lodge
- Parts of Cadboro Bay
- Some small District owned lots
- Segments of Lansdowne Avenue
- Corner lots
- Over a new emergency services building
- Over a new library
- Church properties

Some members of Council mentioned that the District's key facilities are, in some cases, nearing the end of life and need replacement or expansion and that these projects could include housing. However, the District does not have a master plan for facility renewal.

The District cannot agree on whether the Uplands should intensify. Some supported subdivisions of the large lots, while others felt that a single larger multi-unit building was a preferred approach. A few felt that Uplands should not be intensified at all.

Community Associations

The community associations that were interviewed were very constructive and thoughtful. In many cases, they had gone to substantial preparatory work to prepare documents to assist us.

It is important to note that the two major community associations we met with were both highly supportive of housing growth in the municipality, and they had reasonably consistent views on where that growth should and should not take place. In many cases, they identified the exact locations listed above by Council. Both associations felt there were opportunities for

intensification on major corridors, commercial Districts, Foul Bay Road, The Oak Bay lodge site, and specific municipally owned properties.

Individual Community Members

Personal Privacy

Others passionately advocated for more housing, particularly housing that would allow older Oak Bay residents to age in place.

We also met with a former member of Council who was also exceptionally constructive and thoughtful. They provided their insights on the political dynamics and community dynamics in Oak Bay. They offered various helpful suggestions on increasing the amount and variety of housing. Similarly, we met with a former Oak Bay Mayor whose historical perspective and advice were invaluable.

The Development Community

The development community expressed frustration with Oak Bay's processing times, fees, and the political decision-making process. However, it is important to stress that they were widely complimentary of District planning staff and found them helpful and professional. Their more serious concerns were focused on Council largely because of Council's unpredictability on development proposals, particularly variances.

Those in the development community who regularly work in Oak Bay also expressed frustration about the outdated zoning and that almost any new development requires a rezoning and possibly an OCP amendment.

The development community also highlighted a range of Oak Bay bylaws that hinder development, such as the blasting and seriously outdated parking bylaws.

University of Victoria Senior Staff

Intergovernmental Communications

. A 14-meter height limit means most campus developments require rezoning, which is also a concern in neighbouring Saanich.

Intergovernmental Communications

Most significantly, the University owns the 40-acre Cedar Hill Corner site—one of the region's largest undeveloped properties—in Oak Bay. While the site has long-term potential for housing and

mixed-use development, current zoning does not support it. **Intergovernmental Communications**

OAK BAY – THE BIG PICTURE

Oak Bay is a highly desirable seaside community known for its single-family homes, mature tree canopy, walkable town center, and high quality of life. It also contains smaller, often older, pockets of multi-family housing and some of the region's last co-op housing. Despite its appeal, Oak Bay presents significant challenges for large-scale housing development due to high land values, limited available land, and a longstanding culture of slow growth.

The average home price in Oak Bay is high—\$2.4 million for single-family homes and \$1.63 million across all housing types—making new housing generally affordable only to affluent buyers. However, the District has shown a willingness to align with provincial housing goals, including Bill 44, by updating its Official Community Plan (OCP), enabling infill housing, and implementing zoning changes for Small-Scale Multi-Unit Housing.

Notably, Oak Bay only established a full-time professional planning department in 2017. Before that, planning work was handled primarily by building officials and consultants. The team is still relatively small, but efforts are underway to modernize policies and processes.

While there's no evidence of intentional obstruction of housing targets, existing policies and outdated zoning still limit development. The updated OCP aims to address this and enable more housing that is aligned with provincial targets.

Two significant opportunities for housing include:

1. **The Cedar Hill Corners/UVic site** – a nearly 40-acre area with long-term development potential requiring a major master plan.
2. **The Oak Bay Lodge site** – a 4-acre property with potential for housing and health uses, is currently under discussion with the Capital Regional District.

Additionally, smaller opportunities include district-owned parking lots on Bee Street, which are near transit and have existing multi-family housing, making them suitable for medium-density development.

Since 2017, Oak Bay has made significant investments in its planning and engineering departments. Council's commitment to expanding internal capacity is commendable, particularly in asset management, where Oak Bay is a regional leader.

It is important to note that Oak Bay has undertaken the following initiatives, some of which have been mandated by the Province. This is from the District's website:

- **Housing Supply Act and Response to the Housing Target Order (2023-2028)** Gives the Province the authority to set housing targets in municipalities, starting with those

experiencing the most significant housing pressures. The District of Oak Bay's target order is for a minimum of 664 net new housing units to be completed within 5 years. Housing targets will be measured after the first six months (March 31, 2024), then annually (September 30) by net new units completed and actions taken by the municipality to meet targets.

- **Development Cost Charge (DCC) Bylaw and Amenity Cost Charge (ACC) Bylaw (2024/2027)** Development of ACC and DCC programs to incorporate Provincial changes introduced through legislation is underway. These programs will assist in funding the costs of infrastructure and amenities to support increased housing supply and growth.
- **Housing Needs Report (HNR) (2024)** The Province requires the District to complete an interim HNR by January 1, 2025. Proposed changes to the Housing Needs Report include using a standard method for a more consistent, robust understanding of local housing needs over the next 20 years.
- **Official Community Plan (OCP) Review (2024-2025)** The Province requires the District to have an updated OCP by December 31, 2025. Proposed changes for OCPs require an update every five years, with early and ongoing public engagement to plan for homes and growth over 20 years.
- **Zoning Bylaw Review (2024-2025)** In tandem with the updated OCP, the Province also requires that the District's Zoning Bylaw be updated to accommodate the planned 20-year housing supply. These changes must be in place by December 31, 2025.
- **Optimize Development Processes (2024-2028)** This project will review and provide recommendations for streamlining, enhancing, and modernizing department processes and systems. It will support implementing resulting recommendations, best practices, information technology, and innovative approaches to improve development approval processes. In May 2023, the District was informed that the 2024 Local Government Development Approvals Program (LGDAP) application was successful and was awarded \$105,000.

We reviewed all of these initiatives and feel that they are being acted on and implemented in a way that is thoughtful, timely, and meets the intent of the legislation or the broader goal of improving the housing supply in the municipality.

FINDINGS AND RECOMMENDATIONS

This section takes the factors listed above that impact the creation of new housing and examines them specifically in an Oak Bay context.

For many of the areas below, there are associated recommendations. In a small number of cases, it is recommended that the Province monitor progress and compliance with the recommendation. In some cases, target completion dates have been suggested for significant recommendations. Where there are recommended completion dates, and it is recommended that the Province monitor progress, it is our recommendation that should the District fail to act in a reasonable time frame or fail to act in a way that is consistent with the recommendations in this report, the Province may wish to intervene with a directive.

This is suggested for recommendations that are likely to significantly impact Oak Bay's housing supply or represent policy and process changes that are currently demonstrable obstacles to new housing supply.

We are not recommending that the Province reverse any existing Council decisions.

MARKET DEMAND/MORTGAGE RATES

In 2025, Oak Bay, one of the most desirable areas in Greater Victoria, is experiencing a balanced real estate market with stable pricing and increasing inventory. However, it remains one of the most expensive regions on Vancouver Island. This is a general analysis as of February 2025:

- **Desirability:**

Oak Bay is considered one of the most desirable neighbourhoods in Greater Victoria, known for its notable houses and proximity to the University of Victoria.

- **Price Stability:**

While the market is generally balanced, Oak Bay remains a high-cost area, with single-family homes averaging around \$2.4 million (Feb 2025).

- **Inventory:**

There is a noticeable increase in inventory, with a 9.8% increase in active listings on the Victoria Real Estate Board Multiple Listing Service in February 2025 compared to the previous month.

- **Current Market Cycle:**

The market follows a typical early spring cycle, which generally peaks in late spring.

- **Factors Influencing Housing Decisions:**

Many factors impact housing decisions, including global economic policies, which are currently unpredictable.

Like all municipalities, Oak Bay is subject to fluctuations in market demand and mortgage rates. However, by its nature, Oak Bay is affordable only to a tiny segment of the population.

In February 2025, the average single-family home price in Oak Bay was \$2.4 million. Even with a 20% down payment, a family would need an annual income of well over \$500,000 to afford an average single-family home mortgage. This means only the top 1% of Canadians can afford a single-family home in Oak Bay.

The average price of all homes of all types is \$1.63 million. A family with no other debts would need a family income of \$350,000 and a 20% down payment to afford the average home in Oak Bay. Only the top 2% of Canadian families can afford an average house in Oak Bay.

Therefore, a tiny segment of Canadian society can afford to buy a home in Oak Bay, significantly narrowing the market.

At the time of writing, mortgage rates in Canada were dropping primarily due to the global trade war underway. Mortgages in Canada remain somewhat affordable; however, they have increased in the last 24 months.

These factors are largely outside the control of the District, and therefore, there is no need to make recommendations. By increasing supply, however, the District may be able to slightly moderate the cost of housing or any increase in cost.

ORGANIZATIONAL REPUTATION FOR SUPPORTING HOUSING

One of the key issues facing Oak Bay is the District's reputation. Oak Bay has a powerful and long-established reputation for being unenthusiastic about development. This is an inevitable consequence of the District's low growth for decades. We heard repeatedly from people that they had paid a premium to live in Oak Bay so they would not have to experience growth or change.

Our observation in discussion with District staff and members of Council, including former members of Council, that the political dynamic of Council began to change after the 2018 election. After that election, more Council members supported building new housing. To Council's considerable credit, it has implemented several new policies after 2018 to support infill housing and second suites. However, today, Oak Bay Council members still consistently vote against housing and development. As well, other members of Council are more broadly supportive. There is a relatively even split on Council between those who usually support new housing and those who are typically opposed. Development and housing decisions often rely on one or two swing votes.

As with all longstanding reputations, Oak Bay's reputation cannot be changed overnight; however, we believe there are things the District can do to encourage more housing and signal to the development community that Oak Bay is interested in and supportive of adding housing.

Having said this, many of the development community representatives to whom we spoke still believe strongly that Oak Bay is either passively or actively obstructionist regarding development

issues. We saw no evidence that Oak Bay is actively obstructionist, but we found policies and practices that might create that impression. These are discussed below, and recommendations are made to address some issues.

As a first step, we recommend that the Mayor, Chief Administrative Officer, and Director of Planning meet regularly with appropriate representatives of the development community, particularly those who do housing development in Oak Bay. We were told that this does not currently happen as a practice. It is, however, a best practice in every municipality. There would be value for the development community and the Mayor and senior staff to have a regular opportunity to discuss challenges and opportunities for housing in Oak Bay and better understand each other's realities and constraints.

Recommendation	Priority	Provincial Role
The Mayor, CAO and Director of Planning and Development meet at least semi-annually with representatives of the development community	High	No

LAND ECONOMICS/LAND AVAILABILITY

One of the major challenges facing Oak Bay is the cost of land. Land cost is frequently the most significant economic consideration in any development decision. Even tear-down properties in Oak Bay tend to be \$1.4 to \$1.7 million. This is among the most expensive real estate in South Island or British Columbia.

It is essential to put this in context. Roughly 20 kilometres in Langford, a fully serviced brand-new residential lot, with no demolition required, can be purchased for approximately \$500,000.

There is little available land for immediate development within the boundaries of Oak Bay except for the two more significant sites discussed below, which are unlikely to produce any volume of housing within the next 4 years.

As a result, the District's primary opportunity to generate more housing is updating the OCP. The plan must identify areas where additional density is permitted and quickly move to ensure the zoning is concordant. Unless this happens, and a sufficient quantity of the District's current built form is up-zoned to allow for additional housing 'as of right,' the District will not meet its provincially mandated housing targets. The District will not meet its housing targets simply through infill and small-scale multi-unit housing. Those two housing opportunities will generate some net new housing in the District, but they do not have the potential to meet the housing targets fully.

Some representatives told us of the development community that the land economics in Oak Bay make it financially impossible to consider a fourplex on single-family home lots that require \$1.4M

to \$1.7M to purchase, demolition costs, fees and charges, construction costs, plus a reasonable profit margin. However, there has been a steady flow of applications for fourplexes in Oak Bay, so at least some developers feel that there are profitable opportunities to build this type of housing in the District.

We believe that in the regular meetings (proposed above) between the development community and the District, a standing agenda item should be a discussion of the land economics in the District and its relation to housing costs and the development of new housing.

Further, as the District finalizes a new OCP, it should also undertake a parallel analysis of how any up-zoning might impact land values in adjacent areas.

Recommendation	Priority	Provincial Role
A standing agenda item at all meetings with the development community and the District should be a discussion and continuing analysis of the land economics in the District	High	No
As the OCP is updated, the District should do a parallel analysis of the land economic impact of any up-zoning to adjacent areas	High	No

LAND AVAILABILITY - CARNARVON PARK

One of the specific mandates of this review was to consider the decision by Council not to develop housing in Carnarvon Park. In 2024, Oak Bay undertook a new master plan for Carnarvon Park, a large urban park with multiple recreational amenities. The review's focus was the northwest corner of the park, which contains a children's splash pad and a fieldhouse slated for demolition.

The Oak Bay Lawn Bowling Club facility, which is immediately adjacent to the field house, is not slated for demolition. The study also looks at options for a lacrosse box converted into pickleball courts. This issue arose when the District prepared conceptual options for how to develop what is currently a pickleball court, which itself is a converted lacrosse box.

In the context of this broader review of the facilities in the park, options were presented for public consultation regarding the building where the current fieldhouse and lacrosse box/pickleball courts stand.

The options considered included:

- Option 1: Downsizing the field house
- Option 2: A pavilion with a community room
- Option 3: A large pavilion with childcare space

- Option 4: A pavilion on the footprint of the lacrosse box with two stories of rental housing above it, as well as indoor pickleball courts at ground level

There is a misconception we encountered more than once that the proposed option 4 was to put housing where the current field house is situated. It should be stressed that that is not the case. The existing field house is relatively small, and its footprint would allow for little if any, housing of any type. The proposal presented to the community was to use the footprint of the current pickleball courts (the former lacrosse box) as the site for housing above the enclosed pickleball courts.

It is important to stress that there was no development proposal for housing in Carnarvon Park at the time. The options listed above were simply possible concepts for redesigning one portion of the park.

There was well-organized opposition to housing in the park (as expected in most communities). Some of the opposition was philosophical: People argued that a public park was sacrosanct and that green space available to the public should not be developed for housing. Others pointed out that few amenities are within walking distance of the proposed housing.

This review does not recommend that this decision be reconsidered or reversed by the Province. As stated, this was not a development proposal but one of four options in a conceptual conversation about the park's redesign. It has not been costed, servicing was not examined in detail, and as mentioned, there is substantial community opposition to the idea.

However, our primary reason for not recommending housing in Carnarvon Park is that we feel a far better alternative could accommodate substantially more housing than is possible in the Carnarvon Park conceptual model.

Intergovernmental Communications

As

mentioned above, the primary advantage of this site over Carnarvon Park is that there are numerous services and amenities within 500 meters, and the site is within a minute or two of walking to a major transit route.

This site could serve market housing, rentals, supportive housing, or a combination. The northern lot is currently surrounded on the west by housing five to six stories in height, on the north by a creek, on the south by the recreation centre, and to the east by a schoolyard. Reasonable height could be put on the site without impacting adjacent single-family home communities. The other lot is bounded by single-family homes to the west, a multi-residential complex to the south, and the Oak Bay works yard to the east.

Intergovernmental Communications

This photograph shows the recreation centre and its parking lots. The Oak Bay works yard is outlined in red. **Intergovernmental Communications**

. As seen in the photograph below, the works yard and adjacent parking lot would accommodate a substantial amount of new housing.



Recommendation	Priority	Provincial Role
The District should not build housing in Carnarvon Park.	High	No
As an alternative, the District should actively explore, in consultation with the development community and BC housing, opportunities for housing on municipal property adjacent to the Oak Bay Recreation Centre This could be expanded to include the existing works yard if an alternate location for the works yard can be found	High	No

SMALL- SCALE, MULTI-UNIT HOUSING

Another focus of this review is whether the District has fully implemented the zoning changes required to accommodate small-scale, multi-unit housing on single-family lots. We were asked to consider whether this had been implemented to encourage the development of single-family home lots into small-scale, multi-unit homes. In particular, we were asked to examine whether the District's decision to set heights, setbacks and other parameters in a way that did not precisely match the provincial guidelines ultimately served as an impediment to development.

Put simply, we did not find that Oak Bay has implemented small-scale, multi-unit housing in a way that constrains or circumvents the Province's intent for the legislation. In the first six months of the new zoning, 14 applications were made for small-scale, multi-unit residential redevelopment. Ten of these do not require Council consideration or approval. Four variances were needed of different types, including setbacks, permeability, and height, and therefore required review by Council.

In our opinion, the constraints associated with Oak Bay's implementation of small-scale, multi-unit housing have little to do with the zoning and much more with the fact that Council directly considers and votes on variances. We believe that having Council consider variances, rather than have that function delegated to staff, can discourage small-scale, multi-unit housing, particularly those proposals that might reasonably require a minor variance due to the nature of the development or constraints on the site. It is important to stress that we would make this recommendation in any municipality in British Columbia where the Council continues to consider variances.

Confidential

The table below shows the applications that do not require a variance and can be approved by staff.

Infill Housing / SSMUH Proposals to date

February 18, 2025

BP SSMUH Proposals						
Address	Proposal	Net New Units	BP Fee	Design Changes or Variances Required	Application Received	Decision Date
2268 Bowker	New Four plex	3	\$24,500	No	Sep 13, 2024	BP Issued Nov 12, 2024
3513 Henderson Rd	New Four plex	3	\$25,800	No	Oct 11, 2024	BP issued Dec 3, 2024
3022 Cadboro Bay Road	2 Duplexes	3		No	Oct 16, 2024	
916 Island Road	New Duplex and retaining existing house as an ADU	2		No	Oct 28, 2024	
543 Monterey	New SFD (Principal Bldg)	1		No	Oct 16, 2024	
3493 Henderson	New ADU	1	\$3,125	No	Sep 4, 2024	Nov 26, 2024
2118 Pentland Rd	New Four plex	3		No	Dec 11, 2024	
3333 Henderson Rd	New Four plex	3		No	Jan 22, 2025	
2455 Hamiota St	New Four plex	3		Lot coverage exceeded	Jan 30, 2025	
2559 Orchard Ave	New ADU	1		Building Height exceeded	Jan 17, 2025	

Four other applications have required variances and have been reviewed by Council:

1. The Board of Variance denied a triplex requiring a year rear setback on November 26h of 2024
2. A new ADU conversion requiring side and rear yard setback variances was approved by Council after initially being denied on November 25h, 2024
3. Council denied a triplex requiring a height variance on January 27h of 2025
4. A development of 4 plex that requires a permeability variance has yet to be considered by the Council

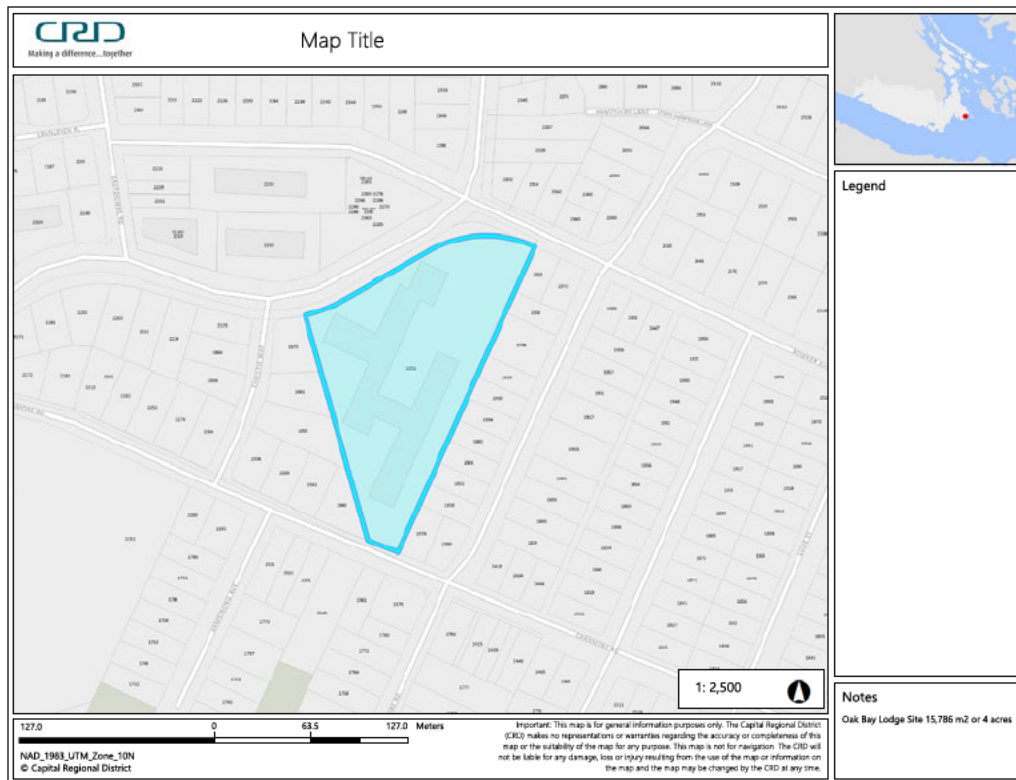
As indicated, only four of 14 applications to date have required variances, and in our opinion, none of these should have been considered by Council. As we have stated several times, we do not believe that Oak Bay's implementation of the zoning to support small-scale multi-unit housing is fundamentally flawed. Instead, we feel that the primary constraint is that Council continues to hear public input and deliberate on variances.

Recommendation	Priority	Provincial Role
The District should continue to monitor the take-up of small-scale multi-unit housing and identify any significant obstacles that are generating variance requests	High	No

OAK BAY LODGE

As mentioned above, a four-acre site that is relatively central in Oak Bay has been sitting vacant for many years. It is the former site of Oak Bay Lodge, a seniors care facility that has since been demolished. This site sits on a transit route, is reasonably accessible to the town centre, and, at four acres, has the potential for a substantial number of market, rental, or supportive housing units. It also sits adjacent to other new moderately dense infill housing.

The challenge with the site is that the Capital Regional District owns it and is subject to legislation and covenants that require it to be used for healthcare purposes. The Capital Regional District is conducting a consultation exercise on the site's future. Oak Bay staff and the Mayor are actively discussing the site's future with the CRD. **Intergovernmental Communications**



The District believes this site has the potential for a mix of housing that could include healthcare services. Around the District, the covenants are sufficiently flexible that a mix of different housing types can be built on the site.

It should be noted that just about every community organization representative we spoke to identified this site as an ideal spot for additional housing.

Policy Advice, Intergovernmental Communications

Recommendation	Priority	Provincial Role
The District should continue to engage with the CRD on the future of the site and actively advocate for a mix of housing and housing types on the site, in addition to healthcare uses	High	Policy Advice, Intergovernmental Communications

CEDAR HILL CORNER

A significant opportunity exists for thousands of new housing units on a 40-acre site owned by The University of Victoria but within the boundaries of Oak Bay. This property is known as Cedar Hill Corners and is currently vacant.

This property has the potential for substantial height and density, as well as a wide variety of housing. It also has the potential to incorporate retail and services into a development, which would be particularly valuable in a retail desert area. The site is within walking distance of a major transit hub.

All key parties must come together and begin to actively plan, although this site will not likely contribute any housing in the next four years. We learned that complicating this matter is neither the University nor Oak Bay has the capacity or expertise to lead a master planning exercise for a property this size, with multiple types of housing and retail. It was suggested to us that some seed money, possibly in the millions of dollars, would be needed to hire a consultant to do an appropriate master plan for the site on behalf of the University, ideally with active input from the District. Neither the University nor Oak Bay have the budget to do that. We were also alerted that there is a chicken and egg challenge with this site: The District would like to begin a planning process, and the University is waiting for the District to update its OCP. The University is clear they are not interested in spending resources and time on the site without certainty on the OCP and zoning.

During this review, we were told that virtually everybody, **Intergovernmental Communications**, strongly supports this property being

developed. It is also identified in the University of Victoria's corporate real estate strategy, which can be found here:

https://Oakbay.civicweb.net/document/100377/Mayor_s%20Correspondence%20-%202023-06-12.pdf?handle=C7C4DA010A7A4588816920BA5A48C89E

In 2023, Council directed staff to consider having the District act as the applicant for an OCP amendment to the site: June 122, 2023 – *Council tabled a Motion which was adopted as follows:*

THAT staff be directed to bring back a New Initiative Impact Assessment related to undertake an OCP update and community consultation process for Cedar Hill Corner, & the University land adjacent.

Intergovernmental Communications, Policy Advice

We feel there is some urgency to start a planning process, even if it is just a plan to create a master plan for the site. To this end, we highly recommend creating a facilitated working group to include the University, Oak Bay, perhaps supported by project management expertise. This group would be tasked with examining regulatory issues, timelines, potential costs, stakeholders, and key steps in moving toward a master plan for the site.

Intergovernmental Communications

Recommendation	Priority	Provincial Role
The District and the University should begin an active planning process for this site. At a minimum, they should work together to create an overarching plan for developing a master plan, including who should be part of the discussion, costing, timing, and key steps in moving towards a master plan. Ideally, this process would be facilitated by a neutral party	High	
As a priority, this working group should identify the high-level OCP and zoning for the Cedar Hill Corners site	High	No
Intergovernmental Communications, Financial Harm	High	No

ACTUAL APPLICATIONS

In the Mayor's letter to the Minister on January 15, 2025, the District indicates that 11 in-stream development applications could potentially deliver 61 net new dwelling units. Also, 70 units have been approved but not yet built. This total is 131 units at various stages in the 'pipeline.' It is the case that units in the pipeline, or approved and not yet built, do not count towards the housing targets, but we can confirm this number is accurate.

FEES AND CHARGES

The District charges the usual fees and charges for development applications, rezonings, building permits, demolition permits, etc.

In early 2025, the District approved Development Cost Charges (DCC) and Amenity Cost Charges (ACC).

The key report can be found here: <https://hdp-ca-prod-app-oakbay-connect-files.s3.ca-central-1.amazonaws.com/3217/3706/9094/Report-DCC-ACC-Bylaws-Dec92024.pdf>

These charges are new but similar to those in other municipalities with DCCs and ACCs. While these charges tend to be at the higher end of the scale compared to other British Columbia and South Island communities, they are not the highest. They are also slightly higher than other municipalities because Oak Bay opted to include fire and police costs in their DCCs, which most other South Island municipalities have not done or have not yet done.

An analysis of Oak Bay's charges and comparisons with charges in other municipalities can be found in this document: <https://hdp-ca-prod-app-oakbay-connect-files.s3.ca-central-1.amazonaws.com/3417/3277/5946/Development20Cost20Charge20and20Amenity20Cost20Charge.pdf>

When properly implemented, Development Cost Charges and Amenity Cost Charge programs are a fair means of allocating infrastructure costs in a municipality. Many smaller communities in BC have not implemented development cost charges, so many have lost critical funding for future infrastructure.

Homebuilders and the development community view these charges as a tax. In implementing development or amenity costs, time must be taken to work with industry and stakeholders to explain the inputs and assumptions being made as the program is built out. Implementing DCCs and ACCs is more than a technical exercise. Oak Bay did undertake broad consultations before approving DCCs and ACCs.

The Oak Bay DCC and ACC Bylaws are technically sound and follow a standard methodology used throughout the Province. There are two concerns about their implementation raised by the development community: First, in the words of the Victoria Residential Builders Association, "Stability and housing affordability are undermined by a \$35,652 per unit charge for low-density residential. For missing middle, which the Province is trying to encourage, the charge is \$23,188 per unit."

It is the case that DCCs and ACCs are typically passed on to the buyer. While they are not a tax, they make new homes less affordable, a legitimate issue in Oak Bay, where houses are already unaffordable to most of the population.

In the Council report dated December 99, 2024, Council was given four options and chose to implement The DCC and ACC bylaws immediately (with the legislated 12-month grace period). Staff also gave two other options (listed below), which may have been better under the current circumstances.

Option #2

Council could choose to reduce the rates in either or both programs through a temporary (phased-in approach) increase in the municipal assist factor; the following motion would be in order;

THAT Council directed staff to return with implications of increasing the municipal assist factor in the [DCC and/or ACC] program rates to [X] % for [y] years.

Option #3

Council could choose to reduce the rates in either or both programs by increasing the municipal assist factor, the following motion would be in order;

THAT Council directed staff to return with implications of increasing the municipal assist factor in the [DCC and/or ACC] program rates to [X] %.

In addition to the timing, there is concern about the assist factor. In a low-growth community with aging infrastructure, the allocation of benefits also becomes essential to ensure new development pays a fair share of the costs and the benefits are fairly allocated between existing residents and new. In this case, the allocation of benefits seems fair, but an increase in the municipal assist in some cases would help to transition the impacts of the new charges.

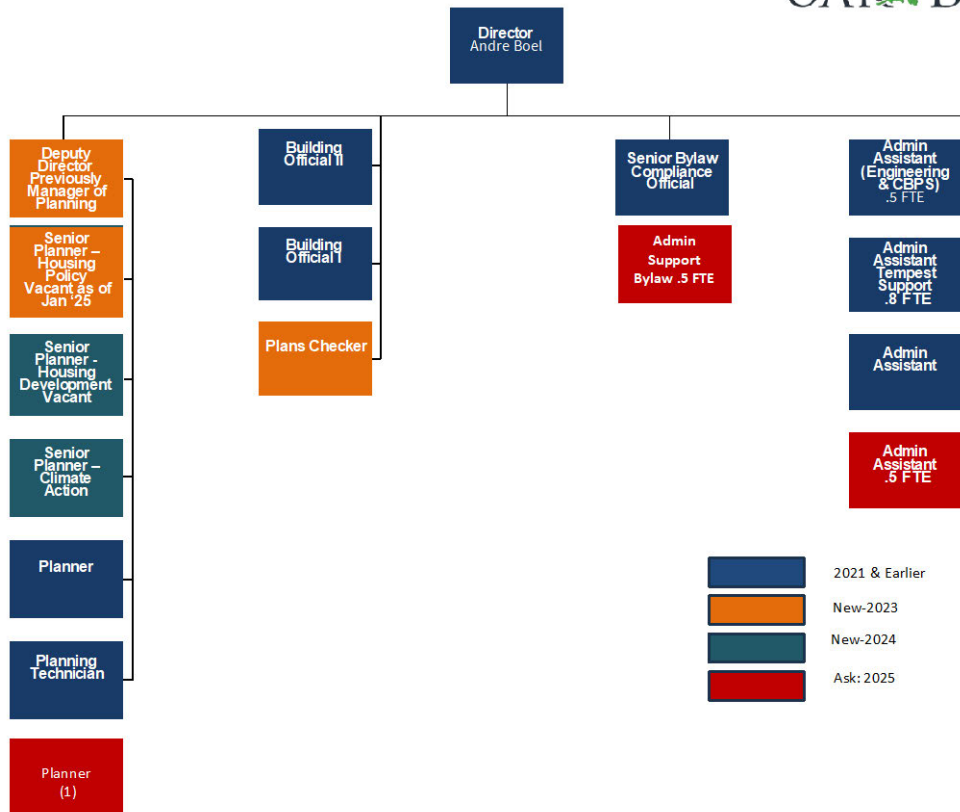
Recommendation	Priority	Provincial Role
District staff should meet with industry representatives for a workshop to discuss the projects that make up the DCC programme, their estimated costs, and the determination of benefits or municipal assist	High	No
Depending on the outcome or feedback, Council may want to revisit the matter and better transition the costs to lessen their impacts	High	No

RESOURCES AND PROCESSING TIMES

As mentioned earlier, the District hired its first planner in 2017 and has dramatically expanded its planning capacity. The organization chart below shows the current structure, when positions were added, and new positions requested in the 2025 budget. This rapid growth in a planning department is unprecedented in other municipalities. At the same time, the planning department has been putting together policies and practices that are needed and modern but also entirely new for the District.

The District has hired a reputable external firm to review its entire development process, and that work is currently underway. This is an essential and valuable step, particularly given that the department is largely new and now has to deal with new and different housing types that were not considered even 24 months ago.

Community Building & Planning



The District has progressed in speeding up development and processing times in recent years.

Type	Year	Number	Days to Consideration	Cancelled	Denied
HRA		1	495		
Rezoning	2023	4	397	1	
	2024	3	151		
DP	2023	4	213.75	4	
	2024	1	179		
DVP	2023	17	107	2	
	2024	11	88	2	2
Subdivision	2023	1	92		
	2024	6	93		

For building permits, processing times are gradually improving:

- 2022,
 - New homes, 16 weeks
 - Reno's, 11 weeks
 - Secondary Suites, 11 weeks
- 2023,
 - New home, 19 weeks
 - Reno's, 11 weeks
 - Secondary Suites, 11 weeks
- 2024,
 - New home, 13 weeks
 - Accessory Dwelling Units, 8 weeks
 - Fourplexes, 8 weeks
 - Secondary Suites, 13 weeks

We also asked for information about the applications that took the longest and shortest time.

Shortest:

- Uplands Siting and Design, 3475 Beach Drive, 40 days
- Development Variance Permit, varying required covered parking stall, 2072 Meadow Place, 40 days
- Development Permit, form and character, 1787 Elgin, 74 days
- Zoning Bylaw Amendment, to increase FAR to rebuild garage, 2465 Florence, 113 days

Longest:

- Uplands Siting and Design, 3611 Cadboro Bay Road, 298 days (applicant opted for two redesigns and two extra Advisory Design Panel reviews)
- Development Variance Permit, driveway access and setback variances, 2199 Lansdowne, 255 days (was combined with a Zoning Bylaw Amendment)
- Development Permit form and character, 2199 Lansdowne, 374 days (applied with Zoning Bylaw Amendment and approved after ZA approval)

- Zoning Bylaw Amendment, rezoning to single-family and duplex zones, 2199 Lansdowne, 360 days

Oak Bay has engaged a reputable external firm to help review its development processes and practices. As a result, we would expect that processing times will improve after this review is over and the recommendations are implemented. While the current processing times are longer than in some municipalities, they are far faster than in others.

A planning department's culture and service mindset are also influential factors in both processing times and the general success and approval of applications. We acknowledge and respect that the planning department in Oak Bay has been entirely new in the last eight years and is still defining its culture and role in the community to some extent. We strongly suggest that the planning department think actively and deliberately about its organizational culture and where it sits on the highly regulatory and service-focused continuum. The District should actively avoid being skewed towards being highly regulatory and find an appropriate balance between exercising its regulatory responsibilities and providing applicants with a positive customer service experience.

One area that should be seriously considered for a new additional resource is planning intake. The District would benefit from having a planner dedicated to dealing with incoming applications. This would ensure applicants, including walk-ins, get consistent information and support on processes and regulations. Ideally, this individual would have a strong customer service focus, a facilitation mindset, and an explicit mandate to help applicants work through the process and bring their applications to fruition.

This is particularly important because the District has a walk-in counter service for only one hour daily. At best, that is a nominal service level. That could be greatly significant with a dedicated intake planner.

Recommendation	Priority	Provincial Role
The District should continue to monitor processing times for various types of applications, particularly after the current process review is completed, to ensure that processing times have measurably improved	High	None
The planning department should think actively and deliberately about its organizational culture and where it sits on the continuum between being highly regulatory and highly service-focused	High	None
The District would benefit from having an intake planner dedicated to dealing with incoming applications and expanding service hours	High	None

REGULATORY ENVIRONMENT

Various District regulations have the effect of slowing down or constraining growth and development. They include the parking bylaw, blasting bylaw, and the political decision that Council will consider minor variances.

PARKING BYLAW

Oak Bay's parking bylaw is seriously out of date. It requires two parking spaces for every housing unit, a standard abandoned by most municipalities decades ago. This is such a constraint that the District has occasionally had to make exceptions to its bylaw through rezonings. It should be noted that in adjacent Saanich, there has been a recent development of seven townhouses with no parking spaces. Progressive municipalities worldwide are dramatically reducing mandatory parking requirements and minimums, and many are also putting in place maximums.

The parking bylaw can be found here: <https://www.Oakbay.ca/sites/default/files/municipal-services/bylaws/3540.pdf>

It is strongly recommended that the District quickly revamp its parking standards to reduce parking minimums and, ideally, establish parking maximums.

Recommendation	Priority	Provincial Role
The District modified its parking bylaw within 6 months to significantly reduce parking requirements for new housing	High	The Province should monitor progress on this recommendation

BLASTING BYLAW

The development community cited the District's blasting regulation as a significant impediment to development and timely construction. People noted that it appeared modelled after the West Vancouver blasting bylaw. The District is updating its blasting regulation; however, the key question is whether it should have a blasting regulation. Many municipalities do not and rely on their noise bylaw to regulate blasting. Moreover, the Province has substantial and stringent rules about blasting activities. In many cases, the Oak Bay bylaw adds additional layers of requirements and processes above and beyond what the Province requires.

A review of the blasting bylaw is currently underway. It should be noted that a small number of blasting permits are issued under the bylaw, typically a dozen or less.

As a further alternative, the District may want to consider creating a "Good Neighbour" policy and agreement for construction sites. Many other municipalities have implemented these, and there is typically an agreement signed by the developer and their construction agents that set out expectations concerning noise, dust control, trades parking, litter, and other irritants often associated with construction sites. This would be a much better approach to dealing with construction impacts than just a blasting regulation and a noise bylaw. It should be noted that numerous existing 'good neighbour' policies can be emulated with little effort.

Recommendation	Priority	Provincial Review
The District should work actively with the development community in the revisions to the Blasting Regulation	High	No
Alternately, the District should eliminate their blasting regulation in favour of an improved noise bylaw or a 'Good Neighbour' policy and agreement for construction sites	Medium	No

VARIANCES

One of the most significant observations made during this review is that even relatively minor variances are considered by Council. This has the effect of inviting public input on minor variances. We observed that this created an opportunity for those opposed to the development in the first instance to publicly and formally restate their opposition again. Put differently, in some cases, people were ostensibly speaking to the variance, but effectively, they were taking another opportunity to oppose the entire development.

Moreover, putting minor variances in front of Council invites public input and opposition from people not impacted by the variance; people who live blocks away would experience no personal impact from a sideyard setback variance of a foot or two.

Therefore, we strongly recommend that the District delegate variances to staff. Staff have prepared and presented three reports to Council asking for exactly this, and in each case, Council has declined to delegate variances to staff

A report was taken to Council on June 19e, 2023

<https://Oakbay.civicweb.net/document/100192/Land%20Use%20Procedure%20Bylaw%20Renewal.pdf?handle=6D68BCA567724AACAD8B1BA273B85C34>

And again, on March 11h 2024

<https://Oakbay.civicweb.net/document/116434/Delegation%20of%20Authority%20for%20Permit%20Approvals.pdf?handle=6C5AE8C77ED54386BC77E124C05350A3>

And most recently, on October 15, 2024

<https://Oakbay.civicweb.net/document/126627/Delegation%20of%20Approval%20for%20Minor%20Development%20Va.pdf?handle=4B511FB46A4A4453812BF90C4AF0E921>

We recommend that Council delegate variances to staff following the abovementioned guidelines in the October 15, 2024, report. This has been discussed at length in this report. Still, we feel very strongly that most variances are primarily technical and impact a small number of people, typically the site's immediate neighbours. Put differently, we don't believe that variances of the type set out in the guidelines in the October report are governance issues, and bringing them to Council only creates an opportunity for people to object to more significant issues in the proposal that are not properly in front of Council.

While watching videos of Council considering specific variances, we repeatedly observed public input and Council discussion that strayed far away from the issue properly in front of Council to other aspects of the development. Many comments were about issues that were a right under the zoning bylaw and, therefore, not properly in front of Council.

This practice also creates significant risk for Oak Bay. In watching the videos of some Oak Bay Council meetings where variances are being considered, a fair-minded person could conclude that Council made decisions to deny a variance for reasons that had little or nothing to do with it. Instead, the decision was made based on considerations about the development proposal, a right under zoning. This invites an opportunity for an applicant to pursue a Judicial Review of Council's decision if they feel that Council's denial of the application of the variance was made for reasons other than the circumstances of the variance itself.

To this end, we recommend that until variances are delegated to staff, whoever chairs a Council or committee meeting is diligent in ensuring that public comments and Council debate are strictly about the issue in front of Council and do not expand to include other concerns and objections that are not up for discussion or decision. It concerns us that some decisions that were supposed to be about variances ultimately were made for issues that had nothing or little to do with the variance.

We believe this is a sufficiently important recommendation that the Province continue monitoring this. It is not unreasonable to recommend that, given a report already written and guidelines already prepared, this change could happen within 90 days.

Recommendation	Priority	Provincial Role
Revisit the recommendations in the October 15, 2024, report from staff and delegate variances to staff following the draft guidelines in that report. Further, it is recommended that this be done in the next 90 days	High	The Province should monitor this recommendation for implementation and intervene with a directive if this recommendation is not implemented
Until variances are delegated to staff as set out in the recommendation above, whoever chairs Council or committee meetings should be extremely diligent in ensuring their comments are not made about anything except the variance in front of Council	High	None

ADVISORY BODIES

The District has several advisory bodies, as do many municipalities. In relation to housing and development, it has an advisory Planning Commission to consider design, another Advisory Planning Commission to consider land use, and a Board of Variance.

Although it happens infrequently, we believe that Council should not refer development proposals back to an advisory committee for a second review except in extremely rare cases. Those rare cases might include a substantial redesign of the proposal or a substantively new submission.

Advisory bodies are important in bringing informed and expert advice to counsel. Still, when Councils refer things back to advisory bodies more than once, they occasionally become an alternative to making a definitive and timely decision.

Recommendation	Priority	Provincial Review
The procedural bylaw should be amended to prohibit the referral of development applications back to an advisory committee for a second round of consideration and advice	Medium	None
Specific exemptions could be identified		

OCP

The current Official Community Plan in Oak Bay is generally described as a status quo planning document and does not open the door or permit considerable growth or intensification. It was approved in 2014 and amended three times since.

This reality is exacerbated because the zoning bylaw has not been brought into concordance other than periodic amendments. It was initially adopted in 1986 and is almost four decades old. However, the District is updating its OCP in the context of the housing targets set by the Province.

The District's interim Housing Needs Report (HNR) will be integrated into the revised OCP, and the development potential of district-owned properties will be assessed.

To the District's credit, it is wise only to prepare options for a new OCP that meets the provincial targets and the anticipated 20-year housing needs identified in the HNR. The District has engaged a reputable planning firm to assist with developing options to discuss with the community and Council, a consultation process that will likely begin in May. All the developed options will meet the provincial housing targets, albeit in different configurations. We expect this will be controversial with some segments of the Oak Bay community because all options will anticipate the intensification of some parts of Oak Bay. This may include corridors, the commercial core, Estevan village, and some single-family home neighbourhoods with potential for multi-unit housing greater than the current small-scale, multi-unit housing zoning.

Recommendation	Priority	Provincial Role
The District should continue its work on the development of its new OCP to complete it before the end of 2025	High	The Province should monitor this work
The District should under no circumstances waver from its current commitment to ensure that all options considered by the community and Council will generate sufficient housing to meet the Province's housing targets	High	The Province should monitor this work and intervene if the District considers OPC models that do not generate sufficient housing to meet its targets
Ideally, there will be some immediate work (as recommended earlier) with the University of Victoria to identify the OCP needs for the Cedar Hill Corner site	High	None
The District should develop master facilities plan to identify timing, location, cost and housing opportunities associated with replacing or expanding District facilities	Medium	None

ZONING

The District's zoning bylaw is seriously out of date. Some of those interviewed expressed concern that the existing zoning bylaw was not brought into conformity with the 2014 official plan once it was approved. As a result, people expressed concern that the 2014 OCP could not be implemented meaningfully without the zoning bylaw in concordance. As a result, many applications that are consistent with the OCP still require a rezoning.

More recently, the Province has mandated that zoning reflect the OCP in all BC communities and that public hearings will not be held when an application is consistent with the OCP.

It is vitally important that Oak Bay revise its zoning in parallel with the development of the new OCP. 0054 this work is underway.

Recommendation	Priority	Provincial Role
The District revised its zoning in parallel with the update to the OCP In updating the zoning, consideration should be given to doing this in phases, with the highest priority given to areas identified in the OCP as identification or intensification zones	High	Monitor

POLITICAL/COMMUNITY CLIMATE

The District of Oak Bay was a very low-growth community for many decades. The developments that did occur tended to replace single-family homes with newer single-family homes, some small commercial areas, a seniors' facility, a major hotel, and a few small multi-residential developments.

The longstanding OCP was a status quo community plan and did not identify areas of the municipality intended for significant growth or intensification.

This history of minimal growth in Oak Bay strongly reflected the desire of an influential segment of the community that desired very little change and little development in Oak Bay. During this review, we heard variations on the same message multiple times: People indicated that they paid a premium to live in Oak Bay precisely because it underwent very little change. People spoke passionately about the small-town feel of Oak Bay's commercial core and the single-family home character of most of the community. Concerningly, some people felt they had a right to be immune from growth and change just by living in Oak Bay.

We also heard from individuals who expect that the public should have input on every development in the community, including minor variances. 'As of right' development is a relatively new concept in Oak Bay that some vehemently oppose.

We also heard on at least two occasions the comment that people who move into small-scale multi-unit housing in Oak Bay are likely to be 'transients.' This word was clearly used as a pejorative, and it was explained to us that these 'transients' would not be invested in Oak Bay the way single-family homeowners are, nor would they live there as long. However, the clear implication was that these would be less desirable people to have living in Oak Bay. To the greatest extent possible, the Council and staff should push back and challenge this assumption whenever it is raised. Similarly, we heard comments effectively disparaging renters, suggesting that renters were less desirable than homeowners.

Before 2018, most of the Council opposed growth and intensification in the municipality. As mentioned earlier, this appears to have started to shift with the 2018 election. Since then, Oak Bay has taken several necessary and admirable steps to approve secondary suites, accessory units, and infill housing and implement small-scale multi-unit housing.

Policy Advice, Intergovernmental Communications

, there was support for additional housing, a wider variety of housing, and, ideally, housing affordable to a broader range of families. Neither of these two organizations suggested in any way that residential infill opportunities would attract less-than-welcome neighbours.

Recommendation	Priority	Provincial Review
Council and staff should actively aggressively address the perception held by some Oak Bay residents that renters and owners of small-scale multi-unit housing units are less desirable residents in Oak Bay	High	No

ASSET MANAGEMENT

It is important to note that Oak Bay has a robust asset management plan for municipal infrastructure. The District has also placed a taxation surcharge on its annual tax bill to help pay for asset maintenance and replacement. In this regard, they are well ahead of other BC municipalities and should be applauded. The District now comprehensively understands municipally owned assets, mainly underground infrastructure needed to support development.

The District is very wisely focusing its infrastructure replacement and enhancements on parts of the municipality with the highest potential for development in the future.

Roughly \$273 Million (in 2021 dollars) of the District's assets are beyond their useful life. In 2023, Council funded the creation of a new team of Engineers to support a 500% increase in infrastructure replacement to be ongoing for the foreseeable future (anticipated to be a 20–25-year process). The Engineering team moved from 7 staff to 13 in 2024 to reflect that direction.

The District should be commended for its work on asset management and the difficult decisions that have been made to put in place a tax surcharge to help address asset maintenance and replacement. Moreover, this work will help the District ensure adequate infrastructure in areas identified for intensification.

DEVELOPMENT ANALYSIS – REJECTED PROPOSALS

During this review, we asked for and received details of all development applications denied by Council since the housing targets were introduced.

We then reviewed the videos of the relevant Council meetings and public input. Listed below is an overview of the developments and our observations about the Council debate and the voting patterns:

As seen in the table below, although it is a small sample, members of Council vote in various ways. However, at least two seem relatively consistent in supporting or opposing development requests.

It is important to note that the table below reflects whether or not the members of Council supported the application, not how they voted on the actual motion, some of which were motions to deny the application.

	Murdoch	Appleton	Smart	Paterson	Braithwaite	Green	Watson
786 St Patrick	Support	Support	Support	Opposed	Opposed	Opposed	Opposed
3275 Upper Terrace	Opposed	Support	Opposed	Opposed	Support	Support	Support
2074 Neil Street	Opposed	Support	Support	Opposed	Opposed	Opposed	Support

The following are our observations regarding the rejected applications. Details of the applications themselves are in Appendix A.

Development Variance Permit – 786 St. Patrick Street January 27, 2025

Observation: Following a review of the Staff Report and the video of the Council meeting, it was evident that the members of the public did not limit their comments to the variances under consideration but opposed the design, size, and density of the project. In their deliberations, members of Council did not address the proposed variances but instead suggested the density size and design were inappropriate. In this instance, the Variance Process provided an opportunity for an alternative form of public hearing in violation of the spirit and intention of Bill 44. It is also deeply problematic that the decision to deny the variance may have been made on considerations not properly in front of Council or the public for discussion.

Zoning Amendment and Official Community Plan Amendment – 3275 Upper Terrace July 222, 2024

Observation: There was a debate about whether the application should be denied until the 2025 OCP review when densification in the Uplands can be dealt with more holistically. The Council liaison outlined why the two members of the Advisory Planning Commission had concerns. They felt that this was premature without the OCP review. The application was denied because some members of Council felt large Uplands lots should be exempt from SSMU. The belief is that for these large lots, consideration should be given to multiple units in a large dwelling without impacting the streetscapes, trees, etc. Council was not interested in subdivision in the Uplands. There were also concerns about the heritage aspect of the Uplands.

Development Variance Permit - 2074 Neil Street March 111, 2024

Observation: Following a review of the Staff Report, the video of the Council, the meeting, and the input of the public, it was evident that the members of the public did not limit their comments to the variances under consideration but opposed the design, size, density of the project. In their deliberation, members of Council did not address the proposed variances but instead suggested that the density size and design were inappropriate. In this instance, the Variance Process provided an opportunity for an alternative form of public hearing in violation of the spirit and intention of Bill 44. Once again, it is also deeply problematic that the decision to deny may have been made on considerations that were not properly presented to Council or the public for discussion.

In the case of at least two of these application denials, the Council considered factors not correctly addressed by the Council. This further illustrates why there is an urgent need to delegate variances to staff.

CONCLUSION

We do not find that Oak Bay has deliberately or consciously tried to subvert or thwart provincial legislation or has taken active steps not to meet its housing targets. We found they are making reasonable efforts to act on Provincial direction and legislation. In addition to the cost of land, the District's longstanding reputation for being unsupportive of change, Council's continued involvement in variances, and an outdated OCP with inconsistent zoning. Also, some bylaws are obstacles to growth, such as the parking bylaws.

We also think there are opportunities for medium-term housing on some District-owned properties, particularly the parking lots near the recreation centre and some smaller municipally owned properties. We also believe there is long-term potential for substantial additional housing, possibly thousands of units, on the Cedar Hill Corners site and a smaller but meaningful number of new housing units on The Oak Bay Lodge site.

However, the most crucial action the District can take is now underway. That is updating the OCP to identify explicitly areas in the District that can intensify and add housing. Inextricably associated with that work is the need to ensure that the District's zoning is brought into concordance with the new OCP as quickly as possible to ensure that housing can be built 'as of right' rather than requiring routine Council approval.

One caveat is that any new housing in Oak Bay is likely more expensive than in other parts of the Greater Victoria region. Put differently; it is doubtful that, given the cost of land in Oak Bay, housing can be built that will be affordable to a broad range of residents unless there are subsidies from some level of government to help with the cost of housing.

APPENDIX A: REJECTED DEVELOPMENT APPLICATIONS

Development Variance Permit (DVP000166) – 786 St. Patrick Street January 27²⁷, 2025

The purpose of the application is to reduce the minimum required second-storey setback from the south interior side lot line and to increase the maximum required building height of the R-5 Residential Use Zone to facilitate the proposed development of a three-unit infill housing project on the subject property.

The subject property is located on the west side of St. Patrick Street between Rosario Street and Central Avenue. The property is zoned R-5 Residential Use and currently contains a single-family dwelling constructed in 1926 (see Attachments 1-4 for site context). The area of the subject property is 619m²; as such, the maximum permitted density on the site is four dwelling units. The applicant is proposing to develop three townhouse-style dwelling units on the subject property. To facilitate the proposed development, the applicant has requested variances to the minimum required second storey setback from the south interior side lot line and to the maximum permitted building height of the R-5 zone.

To facilitate the proposed development, the applicant has requested to vary the minimum required second storey setback from the south interior side lot line from 3.0m to 1.5m and to vary the maximum permitted building height from 8.5m to 9.31m.

The proposed reduction of the second-storey setback requirement applies to the south elevation of the building only and serves merely to bring the upper storeys of the building in line with the ground floor. Due to its angled orientation on the lot, the second storey setback variance applies only to three triangular portions of the building rather than to its entire width (Attachment 6 – Site Plans).

The proposed variance to building height is being requested to allow sufficient living space on the upper floors to create family-oriented 3-bedroom units. Building height requirements are designed to reduce massing and encourage pitched roof designs, with the consequence of limiting useable floor area in upper storeys. By incorporating a flat roof, the applicant can create family-oriented units while still complying with the overall maximum roof height requirement of the R-5 zone.

Summary / Conclusion

Staff have reviewed this application in relation to the Official Community Plan and find that the requested variances are not in conflict with District policies. The application is supported by a sound rationale and the proposed construction of three family-oriented townhouse-style housing units on the subject property will make a positive contribution to the community and the District's housing goals. As such, staff believe that the requested variances can be supported, and the Development Variance Permit (DVP00166) for 786 St. Patrick Street, be approved.

July 2222, 2024

Zoning Amendment (ZON00050) and Official Community Plan Amendment (OCP00007) – 3275 Upper Terrace

The purpose of the application is to rezone the subject property from R-1 to R-2 and to amend the Official Community Plan (OCP) to permit a two-lot residential subdivision (an increase of one lot). The OCP amendment is required, as the table on page 66 of the OCP states, "No increases in density will be considered" in the Density column for the Uplands and this proposal represent an increase in density by one additional lot. The existing home will be kept on one of the parcels, while a new single-family home will be built on the other. An Uplands Siting and Design permit will be required before any new construction on the site.

Staff have reviewed the proposed development plans following the relevant Official Community Plan (OCP) policies and guidelines. Overall, as this application is generally, in alignment with the District's OCP and development goals, staff believe the application is supportable.

The subject property is a large (4,655 m², or 1.15 acres) double-frontage lot which is bounded by Upper Terrace on the west and Midland Road on the east. Within the blocks surrounding the subject property, some properties are larger (some greater than 4,800m²) and smaller – the smallest nearby lot is just a bit more than 1,400m² on Ripon Road. The two lots contemplated in this current proposal, which are 2,429m² and 2,226m² are, therefore, well within the range of characteristic lot sizes in this neighbourhood.

OCP Uplands Land Use Designation

Built Form: Stately and architecturally unique houses in a landscaped "park" setting

Characteristics: Curved tree-lined streets, near and distant views, some historic and heritage houses, and extensive landscaped areas.

Land Uses: Residential, Home-Based Business

Density: No increases in density will be considered

The line emphasized above in bold italics under the "Density" column is the focus of the OCP amendment portion of the current application. While the OCP generally supports subdivisions of larger lots that respect the character of the landscape and streetscape, this clause specifically seems to prohibit densification in the Uplands.

Zoning

The applicants propose to amend the zoning of the subject property from R-1 to R-2. These are both large-lot single-family residential zones which are found throughout the Uplands, with R-2 being the more common designation. The primary difference between the two zones and the reason for this rezoning request is that the R-2 zone has a

smaller minimum lot size for subdivision.

Housing Supply Act and Bill 44 Small Scale Multi-Unit Housing Analysis

The District recently updated its Zoning Bylaw to permit Small-Scale Multi-Unit Housing (SSMUH) throughout previously single-family and duplex-zoned areas in the community, including the R-1 and R-2 zones. As a property in the R-1 zone, 3275 Upper Terrace is subject to the SSMUH zoning regardless of the outcome of the current application. Notably, the SSMUH zoning change, which increased the permitted density to allow up to four units per lot in the R-1 and R-2 zones applies throughout the Uplands neighbourhood despite the OCP policy against densification. Consequently, the subject property is already permitted to contain four units, as would both lots resulting from the proposed subdivision. The SSMUH zoning changes, however, did not affect the minimum lot size for the subdivision of existing lots.

Summary/Conclusion

The proposed development application includes the rezoning of the subject property to permit a smaller minimum lot size, along with a site-specific amendment to the OCP to facilitate densification within the Uplands. The existing house on Lot A will be kept and upgraded, including by adding a secondary rental suite to it, while proposed Lot B will be developed with a new home containing a secondary suite. Both lots would be eligible for options under the Infill Housing Program.

On balance, staff find that the proposal is in alignment with the goals of the Official Community Plan and broader District housing policy goals. By creating a new lot (with a new vehicle driveway) accessing onto Midland, where currently there is none, the development will change the subdivision pattern of Uplands in a direct yet relatively minor way. No new roads are planned, and the proposed lots are in keeping with the size and shape of much of the surrounding neighbourhood. Staff, therefore, believe that The application is supportable and subject to securing the proposed amenity contribution. The proposed development will help to contribute to the District's housing needs, providing infill development that is consistent with the District's OCP vision, goals, and policy objectives.

March 1111, 2024

Development Variance Permit (DVP00147) - 2074 Neil Street

The subject property is a landlocked lot located on the north side of Neil Street between Henderson and Foul Bay Road, directly behind and accessed by easement through 2072 Neil Street. The 287.3 sq. m (3087 s.f.) existing non-conforming lot is nearly half of the required 558.00 sq. m (6,006.45 s.f.) lot area for RS-5 zoning. The parcel is currently not developed, and the access crossing and driveway permit have been approved by the District's Engineering department.

The applicant is proposing the construction of a 186.86 sq.m (2009.47 s.f.) two-storey single-family home and is seeking to vary Zoning Bylaw No. 3531 to permit the siting of the principal building and Parking Facilities, Bylaw No. 3540, to accommodate the A covered parking stall is necessary (Attachment 4 - Detailed Building Plans).

As per section A.1(a) of Schedule "A" of Parking Facilities Bylaw No. 3540, two (2) parking spaces would be required for the dwelling unit on the subject property, which is in the One-Family Residential Use (RS-5) Zone. Section 4.7 requires one-half of the required parking spaces to be within a building. The applicant is requesting a variance to allow the two required parking spaces for the dwelling unit to be located on the existing driveway at the front of the property.

As per section 6.5.4.(2) (b) of Zoning Bylaw No. 3531, the required rear lot line setback to the principal building is 7.62 meters. The applicant is requesting to vary the required rear lot line setback from 7.62 meters to 3.51 meters (Attachment 4 – Detailed Building Plans). The applicant has worked with the Community Building and Planning and the Parks departments to accommodate feedback received during the processing and review of their application, changing the location of their principal building to avoid constructing the foundation within the critical root zone of a large bylaw-protected tree and removing plans for an accessory building to be used as a garage to accommodate the new house configuration on an already limited lot.

Staff have reviewed this proposal in relation to the Official Community Plan and found that the requested variances are not in conflict with District policies (Attachment 7 - Draft Development Variance Permit) and, as such, believe that the application is supportable.