



REPORT TO COUNCIL

Council Meeting: July 8, 2025

500 Matterson Drive, Ucluelet, BC V0R 3A0

FROM: RICHARD HARDING, CHIEF ADMINISTRATIVE OFFICER

FILE NO: 3360-20RZ24-13

SUBJECT: 221 MINATO ROAD (ERIF): RE-INTRODUCTION OF 2ND READINGS OF OCP AMENDMENT & REZONING
BYLAWS No. 1366, 2024 AND 1367, 2024

REPORT NO: 25-73

ATTACHMENT(S): APPENDIX A - JANUARY 28, 2025, 221 MINATO ROAD (ERIF) STAFF REPORT

APPENDIX A.1 – JANUARY 28, 2025, 221 MINATO ROAD (ERIF) STAFF REPORT – APPENDIX A

APPENDIX A.2 – JANUARY 28, 2025, 221 MINATO ROAD (ERIF) STAFF REPORT – APPENDIX B

APPENDIX A.3 – JANUARY 28, 2025, 221 MINATO ROAD (ERIF) STAFF REPORT – APPENDIX C

APPENDIX B - OCP AMENDMENT BYLAW No. 1366, 2024

APPENDIX C - ZONING AMENDMENT BYLAW No. 1367, 2024

RECOMMENDATIONS:

1. **THAT** Council give second reading to *District of Ucluelet Official Community Plan Amendment Bylaw No. 1366, 2024 as amended.*
2. **THAT** Council give second reading to *District of Ucluelet Zoning Amendment Bylaw No. 1367, 2024 as amended.*
3. **THAT** Council indicate that approval of *District of Ucluelet Official Community Plan Amendment Bylaw No. 1366, 2024*, and *District of Ucluelet Zoning Amendment Bylaw No. 1367, 2024*, would be subject to the owners of the property at 221 Minato Road registering a restrictive covenant on the title of the property, to ensure the development proceeds as proposed - to the satisfaction of Council - and direct staff to work with the municipal solicitors and the applicant to bring amended housing agreements and an amended restrictive covenant back for Council consideration at the earliest opportunity.
4. **THAT** Council refer the District of Ucluelet Official Community Plan Amendment Bylaw No. 1366, 2024, and the District of Ucluelet Zoning Amendment Bylaw No. 1367, 2024, to a public hearing scheduled at 2:00 PM on July 31, 2025, and a Special Council Meeting scheduled at 4:00 PM on July 31, 2025.

CAO's COMMENTS:

Not applicable/CAO's report.

BACKGROUND:

At its January 21, 2025, special meeting Council held a public hearing on the District of Ucluelet Official Community Plan Amendment Bylaw No. 1366, 2024, District of Ucluelet Zoning Amendment Bylaw No. 1367, 2024, and District of Ucluelet Housing Agreement Bylaw No. 1368, 2024. (the “Bylaws”) and subsequently gave third reading of the Official Community Plan (OCP) and Zoning amendment bylaws at the January 28, 2025 Council meeting. The January 28th, 2025, third reading report is attached as **Appendix A** for Council’s information.

However, following the receipt of new information after third reading and a subsequent request from the proponent for changes to the bylaws, Council rescinded second and third readings of the Bylaws at its June 24, 2025 meeting. The bylaws attached for Council’s consideration incorporate slight changes to the development proposal.

DISCUSSION:

The amended bylaws to consider for second reading are attached as **Appendices B and C**. As noted, the development proponent has requested changes to their proposal which necessitates changes to the amendment bylaws. As outlined in the December 10, 2024, Council Report, the development proposal in general requires amendments to both the zoning bylaw and the Official Community Plan (OCP). The current zoning of the property is CD-6 Minato Road which was adopted in 2022 for a 212-unit proposed housing development. The changes requested to date result in an increase of housing units and also greater allowance for short-term rentals. As noted in the [December 10, 2024, Council Report](#), bylaw changes have been largely drafted by the development proponent, with guidance provided to simplify the regulations and avoid conflicts within the structure of the regulatory regime. The recommendations of this report have been drafted to accommodate the proposed changes and ensure proper procedure is followed for their consideration.

Changes to Development Areas

The developer (ERIF) has requested to relocate the majority of the attainable homes component from the areas in the zoning identified as Lot 1 to Lot 5 (see **Figure 1**). Their rationale for this change is to accelerate delivery of these priority affordable housing units for Ucluelet residents as the original placement on the area identified as Lot 1 would require extensive grading work and significant retaining walls to meet flood level compliance requirements, which would increase both construction costs and timeline delays. By moving the majority of the attainable homes to the area identified as Lot 5, where the terrain requires simpler grading and fewer retaining walls, the developer can begin construction earlier and more cost-effectively, enabling faster delivery of these community priority housing units. This change requires amendments to the OCP mapping to reflect the new location designation for attainable housing within the development phasing plan.

To provide greater clarity in the bylaw, a distinction has been made in the table outlining maximum density. The developer is proposing a flexible approach to a portion of the housing units. There will be 3-bedroom condominiums designed so that the third bedroom can function as either multigenerational living space or as a mortgage-helper unit. This flexible design allows homeowners to adapt their living arrangements to their changing needs. As such, flexibility is required in the zoning bylaw as the three-bedroom units may also function as two-bedroom units plus a suite.

The maximum density permissions are as follows:

Development Area	Principal Use	Density (max # of buildings)	Density (max # of principal dwelling units)	Maximum number of secondary suites
Lot 1	Multiple Family Residential	18	75*	36
Lot 2	Rental Multiple Family	16	75	32
Lot 3	Single Family Waterfront	11	11	11
Lot 4	Retail Trade & Services	1	-	-
Lot 5	Multiple Family Residential	10	46	20
TOTAL		56	207	99

This results in the maximum density for principal dwellings being 207 units with a possible 99 secondary suites. The proponent is also requesting the maximum height provision be changed from 11.5 m to 12.0 m for the retail component in development area identified as Lot 4.



Figure 1: Update to proposed development areas.

Short Term Rental Restriction Change

The developer is requesting the repositioning of the short-term rental provision from Lot 5 to a portion of Lot 1, aligning the land use with the priority attainable homes being on Lot 5, and the short-term rentals being a later phase in Lot 1 Part 2. The Lot 5 short-term rental use was restricted to 29 dwelling units, and the developer is requesting this be increased to 46 units in the new Lot 1 Part 2 location. Their rationale is that eliminating this restriction is essential for the financial viability of providing attainable housing (capped-price and capped-rent units). The developer's rationale states that the revenue potential from unrestricted short-term rentals on Lot 1 Part 2 is necessary to offset the increased costs associated with delivering affordable housing, including escalating construction costs, project delays, and the expense of meeting environmental and flood mitigation requirements. This request essentially establishes short-term rental use as a primary permitted use for the portion of land on Lot 1 Part 2, capped to a maximum number of 46 units could be used for short-term rental use on Lot 1 with this change.

Parcel Coverage/Floor Area Ratio

The developer and municipality have agreed to simplify the current complex regulatory approach in section "6.5 Maximum Size (Gross Floor Area)" which uses a detailed table to regulate building sizes on the parcel. The proposed amendment would replace this table-based system with a more streamlined approach that establishes distinct "development areas" within the zone, each with their own specific

Floor Area Ratio (FAR) and parcel coverage regulations (see **Table 1**). This revision would simplify the regulatory framework by aligning it with the subdivision and development phasing process, while maintaining the original planning intent for controlling development density and building coverage across the site. The change represents a more practical and administratively efficient way to achieve the same regulatory outcomes.

Development Area	Land Use	Max FAR	Max Lot Coverage
Lot 1	Multi-family:	0.35	25%
Lot 1	Tourist Commercial:	0.45	30%
Lot 2	Multi-family:	0.40	25%
Lot 3	Single family TC:	0.25	20%
Lot 4	Retail Trade Services	0.50	30%
Lot 5	Multi-Family:	0.35	20%

Table 1: Zoning bylaw update to use Floor Area Ratio and parcel coverage.

Housing Agreement

As in previous reports, Staff recommend that approval of District of Ucluelet Official Community Plan Amendment Bylaw No. 1366, 2024, and District of Ucluelet Zoning Amendment Bylaw No. 1367, 2024, be subject to the owners of the property at 221 Minato Road entering into a housing agreement and registering a restrictive covenant on the title of the property, to ensure the development proceeds as proposed. The District has been working with legal counsel and the development proponent to clarify how attainable housing will be calculated and to correct inconsistencies that have been identified in the draft housing agreement to date. The updated bylaws incorporating all proposed amendments will be brought forward to Council under a separate report.

Additional Development Approvals

Following any adoption of the proposed land use changes, the development will require additional approvals through the development permit process. An environmental Development Permit for the proposed subdivision will be required as a condition of the subdivision preliminary layout approval (PLA), with the approving officer having advised that the PLA will be issued following adoption of any proposed land use amendments. Additionally, a form and character development permit will be required for the build-out of the project to ensure compliance with design guidelines and community standards. These additional development approvals are appropriately structured to be considered at the relevant stages of the development process and do not need to be contemplated at second reading of the bylaws, allowing for a phased approval approach that aligns with the subdivision and construction timeline while maintaining appropriate regulatory oversight at each stage of development.

ANALYSIS OF OPTIONS:

Based on the proposed changes to the bylaws, Council has two primary options for consideration:

Option 1: Proceed with Proposed Changes - Council may provide second reading of the amended bylaws and direct staff to refer the updated bylaws to Ucluelet First Nation - Yuułu?if?ath Government and other agencies, schedule a Public hearing and consider third reading of bylaws. The amended zoning bylaw includes the relocation of attainable homes to Lot 5, clarity on the number of permitted principal dwelling units and secondary suite units, repositioning of short-term rental restrictions to 46 units on Lot 1 Part 2, and add Floor Area Ratio regulations.

Option 2: Do Not Proceed with Proposed Changes - Council may decline to advance the proposed amendments and provide alternate direction to staff regarding how to proceed with the original bylaws or any modified approach Council wishes to pursue.

NEXT STEPS:

Materials for a preliminary application for subdivision have been submitted by ERIF and are being refined based on District feedback. If Council grants second reading of the updated bylaw amendments, the next stages of the approval process include the following steps:

1. Re-introduction of housing agreement and covenants
2. Referral to Ucluelet First Nation - Yuułu?if?ath Government and other agencies, schedule Public hearing and consider third reading of bylaws
3. Consider adoption of bylaws
4. Process subdivision application
5. Issue Environmental Development Permit to enable subdivision and site works
6. Authorize municipal off-site infrastructure works and Form and Character Development Permit
7. Building Permit applications for each structure

Respectfully submitted: Richard Harding, CAO
Ed Chow, Manager of Corporate Services