CITY OF CHARLOTTETOWN
SPECIAL MEETING OF COUNCIL
COUNCIL CHAMBERS, CITY HALL, 199 QUEEN STREET
THURSDAY, NOVEMBER 12, 2026 AT 5:00 PM

Meeting Live Stream Available @ www.charlottetown.ca/video
Meeting Package posted to the City's website by 9:00 am Thursday, November 12th

- Land Acknowledgement

1) Call to Order
2) Declarations of Conflict of Interest
3) Approval of Agenda
4) Discussion Item:
    a) Review of the Draft Zoning & Development Bylaw (Attachments)
5) Adjournment

City of Charlottetown Committee Report

Report no. PH-2026-11-15

Date: November 12, 2026

Directed to Council through the following Committee:
Committee of the Whole

Reporting Department:
Planning and Heritage Department

Other Associated Departments:

Prepared by: Donna Miller-Ayton – Manager Policy and Heritage
Michael Ruus – Director, Integrated Growth

Attachments:

- Lot Analysis

Report Title:
Proposed Changes to the Draft Zoning and Development Bylaw as Requested by the Committee of the Whole at Its Meeting on October 22, 2026

Report Purpose:
The purpose of this report is to present Council, sitting as Committee of the Whole, with options for addressing the proposed revisions to the draft Zoning and Development Bylaw identified at its meeting on October 22, 2026, and to seek further direction on outstanding matters to facilitate the finalization and approval of the proposed Bylaw.

Staff Recommendation:
That Council, sitting as Committee of the Whole, consider the proposed options outlined in this report and provide direction to staff on the preferred approach to addressing the outstanding matters, with a view to advancing the finalization and adoption of the new City of Charlottetown Zoning and Development Bylaw, pursuant to the *Planning Act*, R.S.P.E.I. 1988, c. P-8.

Report Details:
In 2025, the City of Charlottetown initiated a comprehensive review of its Zoning and Development Bylaw. The Bylaw serves as the City's primary regulatory instrument for managing land use, development, subdivision, and the construction and alteration of buildings and structures throughout the municipality.

The draft Zoning and Development Bylaw was presented to Council, sitting as Committee of the Whole, on October 22, 2026. During the meeting, Committee members identified several areas requiring further consideration and requested that staff return with additional options to inform the finalization of the proposed Bylaw.

The principal matters identified for further review were:

1. Building heights and development density within the historic 500 Lot Area (Downtown Zones) and Growth Node (GN) zones;
2. Accessory Dwelling Unit (ADU) allowances;
3. The potential to permit up to four dwelling units as-of-right, where appropriate; and
4. Proposed waterfront development regulations, particularly building height allowances.

In response to this direction, City staff, in collaboration with Fathom Studio, the City's planning consultants, have undertaken additional assessments and developed alternative regulatory approaches for Committee's consideration.

The following sections outline the proposed options, their principal implications, and the matters for which further direction is being sought.

Building Heights and Density Within the 500 Lot Area (Downtown Zones)

Option A – Reduce As-of-Right Building Heights by Four Storeys, With Up to Four Additional Storeys Through Bonusing: Under this option, the proposed maximum as-of-right building heights would be reduced by four storeys within the applicable downtown zones. Development proposals could seek approval for up to four additional storeys through the Bylaw's discretionary height-bonusing provisions,

Option B – Reduce As-of-Right Building Heights by Four Storeys, With Up to Two Additional Storeys Through Bonusing: Under this option, the proposed maximum as-of-right building heights would similarly be reduced by four storeys. However, the additional height available through bonusing would be limited to two storeys.

This approach would establish a lower overall maximum building height than Option A. While the height-bonusing mechanism remains available, the opportunity to achieve additional building height would be more limited.

Building Heights Within the Growth Node (GN) Zone

Proposed Option – Reduce Maximum Building Height From 14 Storeys to 12 Storeys: Under this option, the proposed maximum building height within the applicable Growth Node areas would be reduced from 14 storeys to 12 storeys.

The proposed reduction would moderate the maximum scale of development while maintaining opportunities for higher-density residential and mixed-use development within designated Growth Nodes.

Accessory Dwelling Units and the Provision of Four Dwelling Units As-of-Right, as appropriate

The draft Bylaw introduces provisions intended to facilitate incremental residential intensification within established neighbourhoods, including opportunities for Accessory Dwelling Units (ADUs) and additional dwelling units on appropriately sized residential properties.

The assessment assumes a maximum ADU size of 80 m² and maximum lot coverage allowances of 50% in the RN Zone and 90% in the DN Zone, inclusive of the additional ten percentage points permitted under the applicable ADU provisions. See Lot Analysis attachment.

Option A – Permit Four Dwelling Units on Lots of 0.25 Acres or Greater - Under this option, properties with a minimum lot area of approximately 0.25 acres (1,012 m²) would be eligible for consideration of up to four dwelling units, subject to compliance with applicable zoning and development standards.

The analysis indicates that approximately 42% of the 9,334 properties assessed would meet the proposed lot-size threshold.

This option would provide greater opportunities for incremental residential intensification throughout established neighbourhoods while continuing to regulate development through lot coverage, setbacks, parking, servicing, and other applicable requirements.

Option B – Permit Four Dwelling Units on Lots of 0.5 Acres or Greater - Under this option, the minimum lot area required to accommodate four dwelling units would increase to approximately 0.5 acres (2,023 m²).

The analysis indicates that approximately 472 properties, representing 5% of the properties assessed, would meet this threshold.

Increasing the minimum lot-size requirement from 0.25 acres to 0.5 acres would significantly reduce the number of potentially eligible properties.

This approach would concentrate four-unit development opportunities on larger residential lots while maintaining the potential for up to three dwelling units on a greater proportion of properties.

Waterfront Development Regulations
The proposed Bylaw introduces revised development regulations for the Downtown Waterfront (DW) Zone, including building height controls, public-realm considerations, built-form requirements, and provisions intended to support appropriate development along the City's waterfront.

During October 22, 2026, Committee of the Whole meeting, concerns were raised regarding the proposed building heights and their potential implications for the future character of the space.

Proposed Approach – Reduce Base Building Heights by Two Storeys While Retaining Additional Height Through Bonusing: Under this approach, the maximum as-of-right building height would be reduced, with additional storeys considered through a discretionary approval process in exchange for qualifying public benefits.

Eligible public benefits may include affordable housing, publicly accessible spaces, public art, green roofs, additional open space, and urban canopy improvements.

Housekeeping Amendments
In addition to the specific options outlined above for Committee's discussion and consideration, the draft Zoning and Development Bylaw has been updated to incorporate provisions that were inadvertently omitted from the previous draft, along with a number of housekeeping amendments. These revisions are intended to strengthen the Bylaw's legal defensibility and enforceability, improve clarity and consistency across its regulatory provisions, and ensure alignment with the approved Official Plan and applicable legislative requirements.

Notable amendments include the introduction of provisions to support the consideration of rezoning applications within the Neighbourhood (RN) Zone, as well as the inclusion of the Development Agreement (DA) approval pathway within the Growth Corridor (GC) Zone. These changes are intended to provide greater clarity and flexibility in the administration of development applications while maintaining consistency with the City's planning policy framework.

Conclusion

The options presented in this report respond to the matters raised during October 22, 2026, Committee of the Whole meeting and are intended to facilitate further consideration of the proposed Zoning and Development Bylaw.

Following Committee's direction, staff will work with the planning consultants to incorporate the preferred changes into the draft Bylaw, undertake any necessary technical and legal review, and advance the revised document through the applicable statutory approval process under the *Planning Act*, R.S.P.E.I. 1988, c. P-8.

Council or Committee History:
Planning Board Meeting August 5, 2026, Council Meeting August 11, 2026.

Financial Implications:
In January 2024, Council authorized the City to enter into an agreement with the Canada Mortgage and Housing Corporation (CMHC) under the Housing Accelerator Fund (HAF). The agreement was fully executed in February 2024 and provided for up to **$10,059,000** in funding to the City, to be advanced through four payments, for the implementation of eight agreed HAF initiatives. In April 2026, CMHC reduced the City's funding allocation by **$1,257,375** because of delays in completing the agreed initiatives within the established timelines.

The implementation of the new Zoning and Development Bylaw is a foundational component of the City's HAF commitments and supports the delivery of several of the remaining initiatives. Further delays in advancing and implementing the Bylaw may therefore create additional risk to the City's HAF funding, including the potential for further funding reductions or, in a more significant circumstance, termination of the funding agreement by CMHC.

Any further reduction or cancellation of HAF funding could have broader financial and operational implications for the City. Several HAF-supported initiatives are already in advanced stages of implementation. If federal funding is reduced or withdrawn, Council may be required to reconsider the timing, scope, or continuation of these initiatives or identify alternative municipal funding through future budget processes to complete outstanding work. This could also affect the implementation of other programs and expenditures approved through the attached City's HAF Spending Plan.

Failure to meet the City's HAF commitments may also have implications beyond the current agreement. Delays in implementing the Zoning and Development Bylaw may also affect the City's eligibility for future federal housing, infrastructure, and related funding opportunities. Reduced access to these funding sources could, in turn, affect the pace at which the City is able to advance planned housing, infrastructure, and related municipal improvements.

Public Engagement and Communication:
In tandem with the public engagement strategy, a communications campaign was implemented to raise awareness of opportunities for residents to participate in the review of the Draft Zoning and Development Bylaw. This included public service announcements, social media posts, radio advertisements, and newspaper advertisements promoting the engagement activities and encouraging public participation.

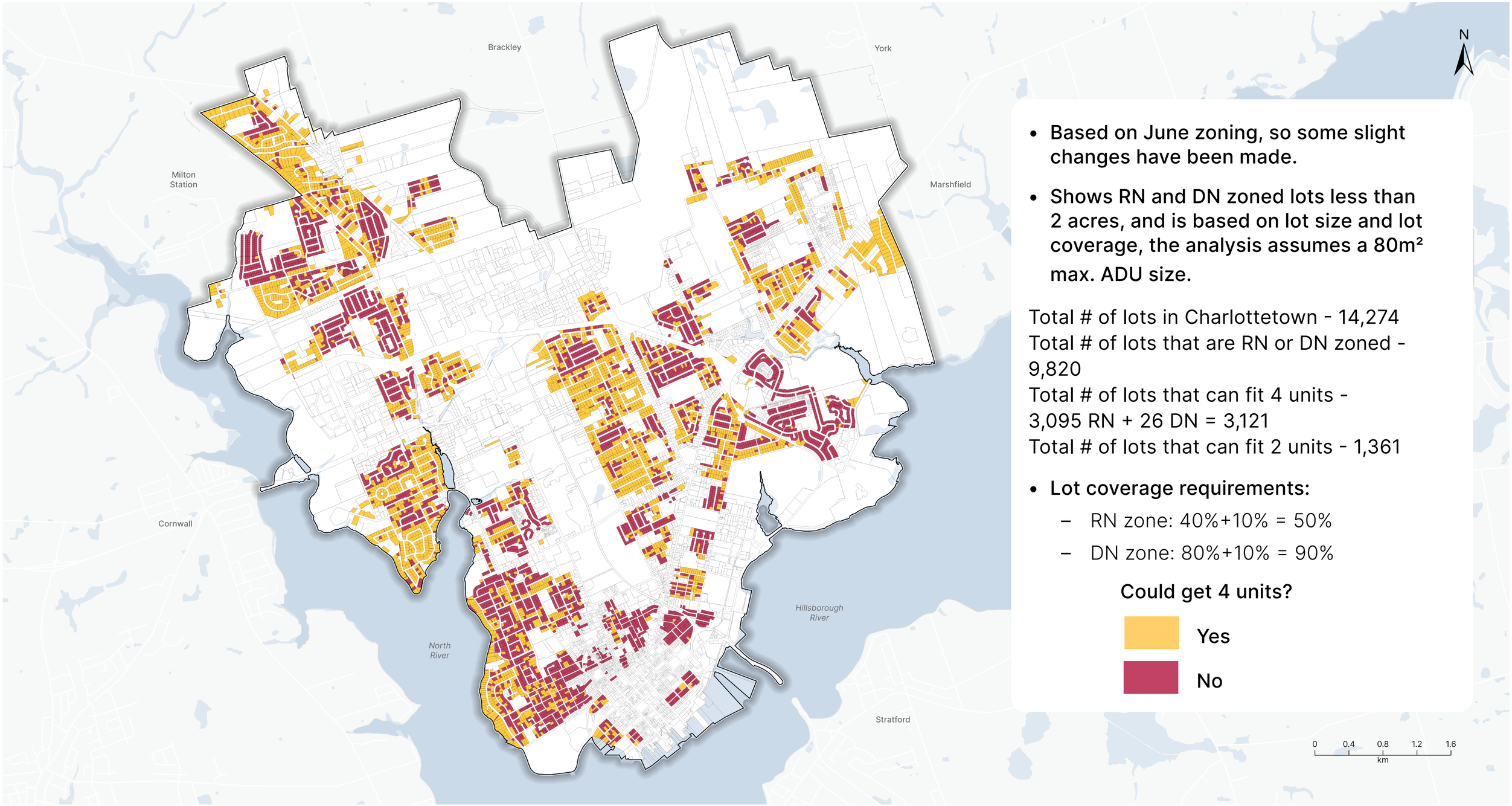
Legislative Authority:
PEI Planning Act, Municipal Government Act

Strategic Alignment:
Vision: Embracing the Future, Creating a community for everyone
Purpose: Delivering community-focused programs and services that matter most to our residents. Provide accountable, accessible, and fiscally responsive local government to build a sustainable and resilient city
Guiding Principles: People-focused, Welcoming, Accountable, Safety
Commitments: Sustainability, Reconciliation, Collaboration and Partnership, Inclusion, Residents and Visitors, Transparency, Engagement, Communication, Growth
Pillars: Community Building and Placemaking; Governance & Civic Engagement; Inclusive Economic Growth; Infrastructure and the Environment

Reviewed By:

Manager	**Director**
Original document signed by Donna Miller-Ayton	Original document signed by Michael Ruus

Committee Recommendation: (if differing from staff)



- Based on June zoning, so some slight changes have been made.
- Shows RN and DN zoned lots less than 2 acres, and is based on lot size and lot coverage, the analysis assumes a 80m² max. ADU size.

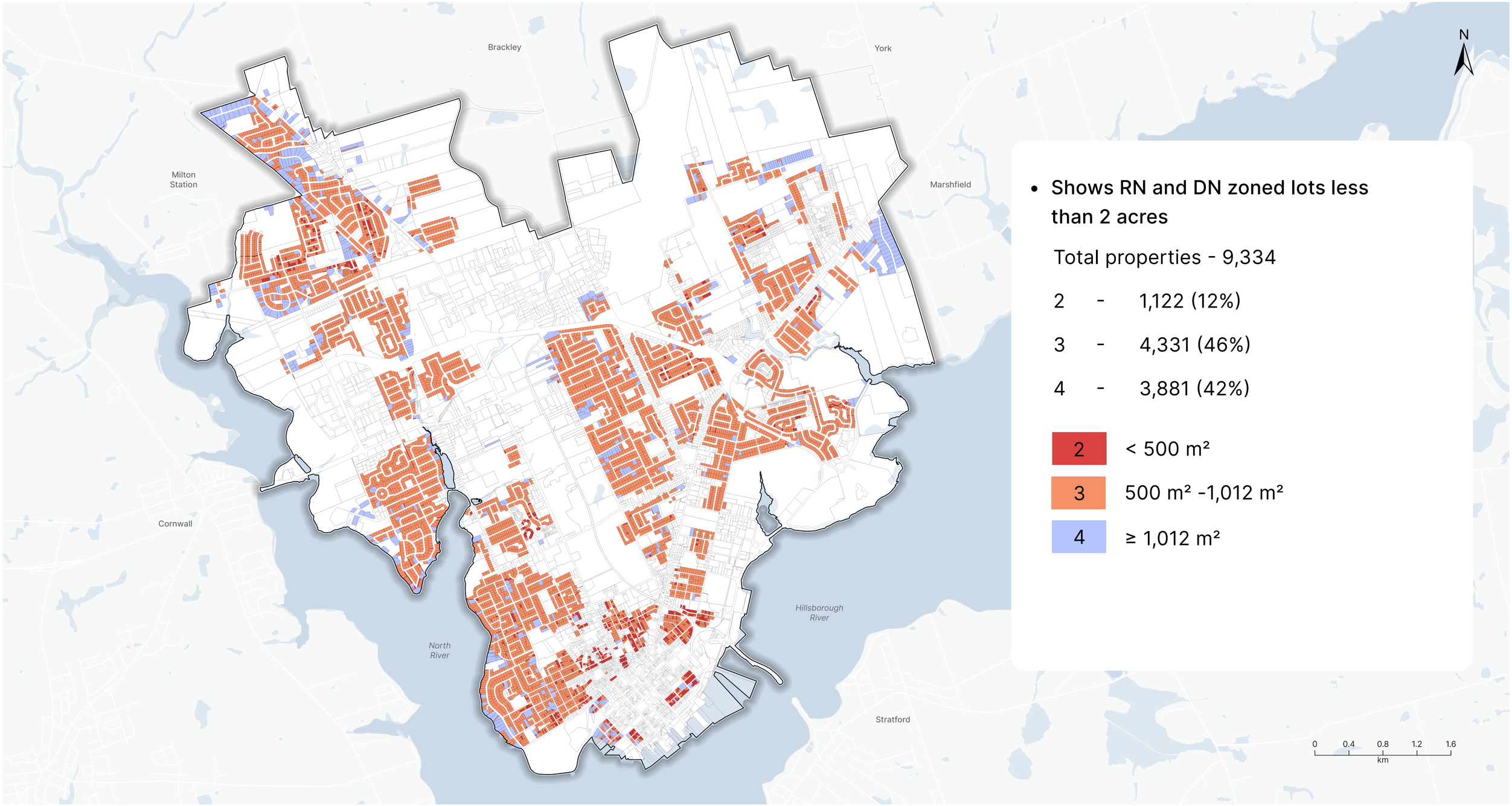
Total # of lots in Charlottetown - 14,274
Total # of lots that are RN or DN zoned - 9,820
Total # of lots that can fit 4 units - 3,095 RN + 26 DN = 3,121
Total # of lots that can fit 2 units - 1,361

- Lot coverage requirements:
  - RN zone: 40%+10% = 50%
  - DN zone: 80%+10% = 90%

Could get 4 units?

Yes

No



- Shows RN and DN zoned lots less than 2 acres

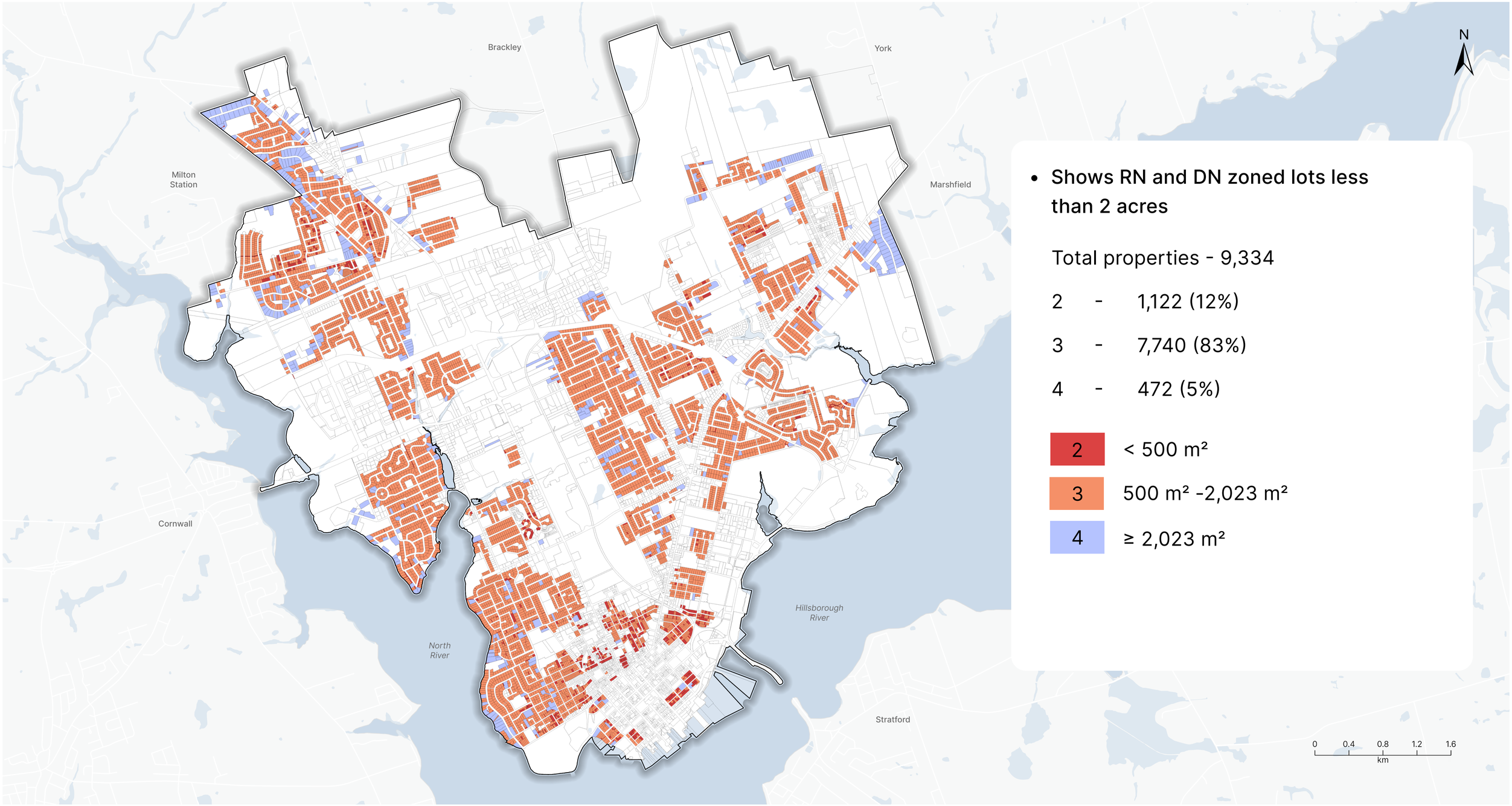
Total properties - 9,334

2 - 1,122 (12%)

3 - 4,331 (46%)

4 - 3,881 (42%)

2	< 500 m²
3	500 m² -1,012 m²
4	≥ 1,012 m²



- Shows RN and DN zoned lots less than 2 acres

Total properties - 9,334

2 - 1,122 (12%)

3 - 7,740 (83%)

4 - 472 (5%)

2	< 500 m²
3	500 m² -2,023 m²
4	≥ 2,023 m²