



The Corporation of the District of Central Saanich

SPECIAL COUNCIL REPORT

For the Special Council meeting on Monday, January 22, 2024

Re: Provincial Housing Legislation Implementation Plan

RECOMMENDATION(S):

1. *That staff be directed to proceed with the Action Plan to meet the requirements of the Provincial Housing Legislation.*
2. *That 2024 budget early approval be provided for an eighteen month for temporary planning staff, plus consultants and general project costs, for the District's Housing Implementation Plan, funded from the Local Government Housing Initiative grant.*

NOTE: This report is one of four companion reports being presented to Council at the January 22, 2024 meeting pertaining to advancing housing strategies in response to a number of provincial legislative requirements, previously identified Council initiatives, and Official Community Plan policies.

PURPOSE:

This report proposes an implementation plan to advance housing strategies in response to the Ministry of Municipal Affairs Development Approvals Process Review (2019) and the significant housing legislation Bills 35, 43, 44, 46, and 47 which propose substantive changes to the *Local Government Act*. This requires all BC municipalities to play a part in both expediting the development approvals process and increasing the opportunity for more housing options, particularly small scale, multi-unit housing (SSMUH) also known as “missing middle”. This report proposes an implementation plan for the District to uptake the legislative changes by the deadlines imposed by the Province.

BACKGROUND:

The Province released ‘Homes for People’ (December 2022), an action plan to meet challenges for housing with the aim of delivering more homes for people, faster. The action plan has paved the way for significant changes to legislation that guide land use planning and development to create more housing. The key changes that affect planning and land use are summarized below. Appendix A includes a list of Provincial Housing Legislation resources.

Ministry of Municipal Affairs Development Approvals Process Review (2019)

The Development Approvals Process Review (DAPR) report was initiated prior to the Homes for People Action Plan and addresses ways that municipalities can expedite the development approvals process. Much of the recommendations have informed the Provincial Housing Legislation, but many aspects also

apply to municipal development approval processes. Key insights on improving development approval processes include:

- Local government application process, expedited bylaw approval process;
- Delegation of Authority, delegate development approvals to staff (development permits, minor variances);
- Public input process, no public hearing where consistent with the Official Community Plan;
- Development Finance Tools, consistency with amenity negotiations;
- Subdivision, enabling resources for small municipalities and regional districts;
- Provincial referrals and regulatory requirements; improved communication between local governments and the Province; and
- Overarching topics, training, resources, model bylaws, other jurisdictions.

Summary of Bill 35 – Short Term Rental Accommodations

This Bill is an attempt to increase the supply of rental housing by increasing the length of stay requirements for short term rental to 90 days. This Bill amends the *Local Government Act* and *Community Charter* to support increased fines, data sharing, accountability, principal residence requirement, and end of legal non-conforming uses (no protection to allow Short Term Rentals to continue operating where not permitted in local bylaws). Bill 35 also establishes a Provincial Registry requiring short-term rental hosts to register with the Province as well as a Provincial compliance and enforcement unit to support enforcement of the new legislation. The District does not allow Short Term Rental in residential areas. Staff have recently improved the messaging in the District's brochures and on the website to provide more detailed information on the restrictions.

Summary of Bill 43 – Housing Supply Act

In May 2023 the Housing Supply Act came into force to help increase the amount and pace of new housing by giving the Province authority to set housing targets for 47 municipalities. The Ministry of Housing committed to reviewing 16 to 20 municipalities per year and released the first 10 municipalities in Summer 2023 by Ministerial Order 328: Housing Supply Regulation. The Housing Supply Act allows the Province to issue housing orders by ministerial order that sets out the total minimum number of new housing units that must be completed over a five-year period. If the cumulative housing target has not been met, the municipality will be required to submit planned actions they will take within two years to meet the target. The District of Central Saanich is one of the 47 municipalities identified in the Regulation. The Province is selecting municipalities based on the greatest housing pressures. If selected, the District may be subject to a ministerial order to supply and build more housing.

Summary of Bill 44 – Housing Statutes (Residential Development)

This Bill makes key changes to the *Local Government Act* to allow for more types of housing on residential lots; 4 units on one lot or up to 6 units where in proximity to transit. This is a significant reconsideration of single-family zoning and approvals for housing for what is specifically referred to as 'Small Scale, Multi-Unit Housing' (SSMUH). SSMUH includes a range and combination of "missing middle" type housing from single family, duplex, triplex, fourplex, townhomes, secondary suites, and detached dwelling units. The changes apply to municipalities with greater than 5,000 residents, like the District of Central Saanich. Highlights of Bill 44:

- **No public hearing** where a land use amendment bylaw for a specific development is consistent with the Official Community Plan, effective January 1, 2024;
- **Enablement of SSMUH:** Amendments to the Land Use Bylaw to be adopted by June 30, 2024 to allow more housing as described in the table below:

| Email Minimum # of SSMUH Units to be Permitted | Requirements |
|--|---|
| 1 Secondary Suite <u>or</u> 1 Detached Accessory Dwelling Unit (ADU) | <ul style="list-style-type: none"> Local Government may choose to do any of the following for single-family lots to which the higher density requirements for a minimum of 3-6 units do not apply (generally outside UCB): <ul style="list-style-type: none"> Permit only a secondary suite, Permit only one ADU, Allow landowners to choose either a secondary suite or ADU, or Permit the construction of both a secondary suite and ADU. |
| 3 Housing Units | <p>Must be permitted on each parcel of land <u>280sm or less</u> where:</p> <ul style="list-style-type: none"> Wholly or partly within an Urban Containment Boundary within a municipality with a population greater than 5,000 |
| 4 Housing Units | <p>Must be permitted on each parcel of land <u>greater than 280sm</u> where:</p> <ul style="list-style-type: none"> Wholly or partly within an Urban Containment Boundary within a municipality with a population greater than 5,000 |
| 6 Housing Units* | <p>Must be permitted on <u>each parcel of land</u> where all requirements are met:</p> <ul style="list-style-type: none"> Wholly or partly within 400m of a <i>prescribed</i> bus stop. Greater than 281sm. Wholly or partly within an Urban Containment Boundary within a municipality with a population greater than 5,000. |
| *Does not apply to the District of Central Saanich as no prescribed bus stops considered at this time. | |

- **Housing Needs Report** for a 20-year projection to be completed by December 31, 2024, and required to be updated every five years.
- **Zoning and Official Community Plan Amendments** to enable 20-year housing need, adopted by December 31, 2025

Summary of Bill 46 – Housing Statutes (Development Financing)

This Bill expands the current requirements for Development Cost Charges (DCCs), to require consideration for police, fire, and solid waste and recycling facilities in addition to storm drainage, sanitary sewer, water, parks and highways. This Bill also adds a new Amenity Cost Charges (ACC) requirement. ACC is a tool to allow local governments to collect funds for community centres, recreational facilities, libraries, day care facilities, public squares and capital costs and are to be remitted to the District in the same manner as DCCs at the time of subdivision or building permit. Local governments are not allowed to charge ACCs on affordable housing developments (as prescribed by regulation). ACCs will replace amenity contribution policies and negotiation for amenities with developers to help achieve amenities in a consistent and fair manner.

To develop ACCs local governments will need to:

- Identify areas where more housing supply is planned (based on OCP and Housing Needs Report);
- Determine ACC amounts in accordance with legislation;
- Consult during the creation of the ACC bylaw and charge rates; and
- Pass a bylaw that implements the charge.

The Province is expected to release guidance to support implementation of the DCCs and ACCs in February/March 2024, which may provide clarity to its application for commercial and industrial development, if amenities can be secured through negotiation for rezoning applications, and whether

ACCs include active transportation and transit facilities. Although, not a concrete timeline, the Province has indicated that adoption of bylaws related to DCCs and ACCs should align with the December 31, 2025 deadline associated with updates to the Land Use Bylaw and Official Community Plan.

Summary of Bill 47 – Housing Statutes (Transit Oriented Development)

This Bill requires communities with identified Transit Oriented Development (TOD) areas to update their zoning bylaws to enable TOD by June 30, 2024. The District of Central Saanich is not on the list of 104 locations that will be required to support TOD at this time. In general, this Bill increases the density within TOD areas to support densities greater than would be enabled by SSMUH. TOD areas will have significant limitations on parking requirements for the residential component of a development.

DISCUSSION:

Significant updates will be required to the District's bylaws and policies to advance the Provincial housing legislation and to approve development proposals that support the creation of housing. The District's Strategic Priorities, Official Community Plan, and Infill Guidelines align with the Provincial housing legislation in many ways.

Strategic Plan

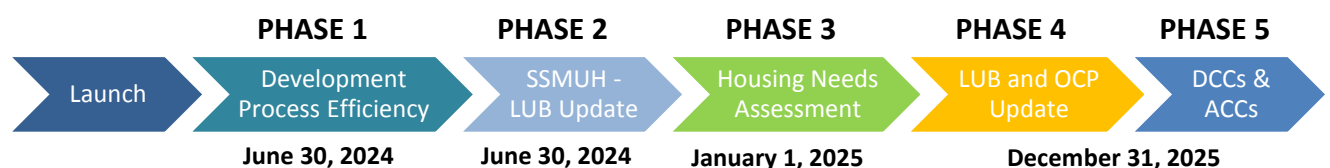
One of the District's Strategic Priorities for 2024 – 2027 is to address the lack of available housing and diversity in housing supply. The Strategic Plan goals align with the intent of the Provincial Housing Legislation to strengthen availability of housing in the District including to adapt and respond to emerging legislation that seek to remove barriers and to incentivize a broader range of housing options as well as to support and encourage development proposals that expand housing diversity, including purpose built rental, affordable housing and legal suites.

Official Community Plan and Land Use Bylaw

The Official Community Plan was adopted in 2023, which defines growth areas to support housing demand. The OCP defines the Urban Containment Boundary and enables up to eight dwellings in a mix of housing forms in Neighbourhood Residential designated areas (single-detached, secondary suites, accessory cottages, duplexes, pocket-neighbourhoods, and multi residential buildings containing up to eight dwellings). Villages, small commercial nodes, and main corridor development enable a greater development density to foster a walkable, healthy community, and help meet the District's housing needs. The Land Use Bylaw was recently amended to include the RM-6 Zone, which allows for up to eight units based on lot size and density. This zone allows for a range of "missing middle" housing including duplex, townhomes, multiplexes, and apartments where consistent with the OCP.

Implementation Plan for Provincial Housing Legislation

To address the key changes to the legislation imposed by the Province by the required deadlines, the proposed Implementation Plan has been prepared by staff. A project charter is attached in Appendix B and provides greater details of the project scope and process.



Phase 1: Development Approval Process and Efficiency

Opportunities for development approval improvements to align the District's bylaws and policies with the updated provincial recommendations and legislation include:

- A new Public Notice Bylaw (Separate report January 22, 2024);
- Amendments to the Development Application Procedures Bylaw for changes to the bylaw approval process without a public hearing and an updated public notification process (Separate report January 22, 2024);
- Delegation of Authority for Development Permits for Cottages (Separate report January 22, 2024);
- Housing Priority Policy (Separate report January 22, 2024); and
- Delegation of Authority for minor Development Permits related to SSMUH, and Variances with guidelines (subject of future Report following SSMUH Zoning).

Phase 2: Updated Land Use Bylaw for SSMUH

The District will be required to meet the Provincial targets for updating the land use bylaw by June 30, 2024, to allow SSMUH in all single family and duplex zones. Staff will undertake a significant amount of work to draft revisions to the Land Use Bylaw to implement the SSMUH requirements and schedule a Committee of the Whole meeting for discussion in March/April 2024. It should be noted the Province has indicated no public hearings will be held for this process. However, the public will be able to attend public meetings and staff will prepare a communications plan to address other ways the public can be informed about these changes. This is the subject of a separate report, *Provincial Housing Legislation – Zoning Amendments*, January 22, 2024.

Phase 3: Housing Needs Report with 20-year Projection

The District will be required to complete a Housing Needs Report with a 20-year projection by January 1, 2025. The details for what is to be included in the report will be released by the Province in July of 2024, following adoption of the land use bylaw amendments for SSMUH. The updated legislation requires a new Housing Needs Report every five years.

Phase 4: Updated Land Use Bylaw and Official Community Plan with 20-year Housing Needs

The resulting housing needs identified in the Housing Needs Report will require an update to the Land Use Bylaw and the Official Community Plan. The Province requires this update to be completed by December 31, 2025, one year following the Housing Needs Report. The updated legislation requires Official Community Plans are reviewed and updated every five years. Because public hearings can no longer be offered for site specific development applications, the more regular review and update of the OCP will allow for more consistent public input and engagement about the growth of the community.

Phase 5: Development Financing

The District will be required to review and update the Development Cost Charges Bylaw to incorporate additional cost services and develop a new Amenity Cost Charges Bylaw to streamline amenity contributions. The requirements for developing DCCs and ACCs are already established in the *Local Government Act* so the District may begin this process at any time. More information is to be provided by the Province to guide municipalities in adopting an ACC bylaw for adoption by December 31, 2025.

FUNDING:

The Province has earmarked \$51 million to support the implementation of the Provincial housing legislation through the Local Government Housing Initiative (LGHI) grant fund. The LGHI is allocated to local government for implementation of the legislative changes to support housing initiatives, including small-scale multi-unit housing and proactive planning, development finance, and transit-oriented development. On December 21, 2023 the District received a letter from the Province indicating that \$233,695 will be provided to the District at the end of January 2024 to support activities or projects specific to the provincial housing legislation (see Appendix C). Immediately, staff propose to use the funding to hire a temporary planner for an 18-month period to assist with implementing the legislative housing requirements between mid-2024 and December 2025. The temporary planner position and workload associated with the provincial requirements has not been considered a part of the District's draft financial plan and workforce plan and will be supported by the funding provided from the Province. Staff recommend that early approval be provided for temporary planning staff, consultants, and general project costs, for the District's Housing Implementation Plan.

IMPLICATIONS:

Strategic – The proposed Action Plan aligns with the District's Strategic Plan to expand the supply of affordable, attainable, and rental housing and demonstrate organizational effectiveness.

Legislative/Policy – The proposed Action Plan aligns the District with the Provincial Housing Legislation changes to the *Community Charter* and *Local Government Act*. The District's OCP supports a wide range of housing types within the Urban Containment Boundary.

Financial/ Resource – Meeting the Action Plan may require support from consultants and may impact current department timelines for policy and development application processing. Refer to Project Charter for more details.

Communications – The District has created a Housing Page on the District's website to share information about the changes imposed by the Province. Each task in the Action Plan will include a communications strategy.

CONCLUSIONS:

This report is the first of four reports addressing housing strategies for the District on January 22, 2024. This report provides a summary of the Provincial Housing Legislation (Bills 35, 43, 44, 46, and 47), which amends the *Community Charter* and *Local Government Act*. To address this new legislation, this report presents the District's proposed Implementation Plan to improve development approvals and efficiency and to implement the requirements of Bill 44 and 46. Bill 43 and 47 currently do not apply to the District of Central Saanich; however, the District is on the list of 47 municipalities that may be subject to housing targets imposed by the Province (Bill 43). The forthcoming three reports will address bylaw amendments to improve development approvals and efficiencies, a housing priority policy, and an overview of the Small-Scale, Multi-Unit Housing (SSMUH) zoning to be adopted by June 30, 2024.

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| Report written by: | Kerri Clark, Manager of Development Services |
| Respectfully submitted by: | Jarret Matanowitsch, Director of Planning and Building |
| Concurrence by: | Christine Culham, Chief Administrative Officer |

ATTACHMENTS:

Appendix A: Provincial Housing Legislation Resources

Appendix B: Project Charter

Appendix C: Letter from Province on Funding Allocation