



# 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 – Zoning Amendments

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### **RECOMMENDATION(S):**

*THAT Council support the approach for a new zoning framework outlined in the report received January 22, 2024, including that the framework address all residential zones within the Urban Containment Boundary.*

**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:**

The purpose of this report is to provide Council with information on how staff propose to approach zoning amendments in response to provincial Bill 44/Small Scale Multi-unit Housing legislation. The legislated requirements were released late 2023 and staff have begun delving into the legislation with consideration of how to apply the new requirements to the District's zoning framework before the legislated deadline of June 30, 2024. This report is intended to provide an introductory overview and staff will report back to Council with more details as the project proceeds.

### **BACKGROUND:**

There are no comparable examples of a provincial requirement where a local government must undertake a comprehensive change to one of the fundamental powers of local governments (land use and development) in recent years. Although the province's approach has undoubtedly challenged most local governments to respond within an exceptionally short time frame on such a significant topic, staff believe it also provides an opportunity to look more broadly at the District's overall zoning framework and update it to better reflect our current context. Therefore, this report will outline the overall approach proposed when developing a new zoning framework and outline key principles that would be applied to both address the legislative requirements, while also improving and simplifying zoning regulations.

### **DISCUSSION:**

There are two main aspects outlined that could apply to advancing housing strategies in response to several provincial legislative requirements, the District's Strategic Plan, and Official Community Plan policies.

#### 1. Small Scale Multi-Unit Housing Legislation

The following principles outline the general approach that would be used to develop new zoning for residential uses in response to the provincial legislation. Where properties, lands, or lots are referred to, that refers only to the residential zones inside the Urban Containment Boundary unless explicitly stated otherwise.

#### *Inside the Urban Containment Boundary*

For lands affected, any lot 280m<sup>2</sup> or less in area, zoning must allow for up to three dwelling units, and lots over 280m<sup>2</sup> must be allowed four dwelling units.

- The majority of R-zoned lots would be permitted 4 housing units, therefore develop “multi-unit zones” for all lands inside UCB and move away from “single family dwelling” references.
- Going forward, the approach would be to retain existing lots in a size more conducive for small scale multi-unit housing typologies rather than support small lot subdivisions.
- Future subdivisions will predominately occur as building stratas rather creating more fee simple lots.
- Apply a ‘sliding scale’ approach so that the number of permitted dwelling units is determined by lot area. By allowing more density on larger lots, the incentive to subdivide would be significantly decreased.
- By encouraging larger lots to develop with a small scale multi-unit typology, the opportunities for better site adaptive planning are improved through opportunities to cluster buildings, retain areas for tree retention, have more efficient parking layouts and municipal servicing, consider areas for environmental protection, and having more area for well-designed outdoor living space (eg: garden space, play areas, gathering areas).
- Retain “Single Family Dwelling” (SFD) as a permitted typology for smaller lots and ‘neighbourhood’ zoning to reduce the number of legal non-conforming sites created by the amendments and enable the most flexibility for property owners.
- Explore advantages or disadvantages of requiring at least a secondary suite in new SFD’s.
- Along travel corridors apply similar zone as neighbourhoods (ie: sliding scale for lot area to determine number of permitted dwellings) but at higher density.

#### *Outside of the Urban Containment Boundary*

There is also a relatively minor impact to rural and agricultural lands through the provincial legislation, which is to permit a secondary suite or detached accessory dwelling in all zones that otherwise are limited to a single-family dwelling, including outside of an Urban Containment Boundary. In the District that would require amends to four site-specific Agricultural Zones (A-3 Fairground, A-5 Historical Artifacts, A-6 Veterinary, A-7 Model Aerodrome) and the Rural Estate RE-5 zone (Island View/Beach View). The review of accessory dwellings on ALR and Rural Estate lands is part of a separate project with a report to Council expected in the spring.

## **2. District Housing Strategy**

The 2024-2027 Strategic Plan includes ‘Expand Supply of Affordable, Attainable, and Rental Housing’ as a priority, with a goal to ‘Adapt and respond to emerging legislation that seeks to remove barriers and incentivize a broader range of housing options.’ For any new major housing project, it is anticipated that a zoning amendment to provide the density to make a project economically feasible would be required; therefore, Council could include amendments to the Core Commercial and higher density multi-unit zoning as part of this initiative as well.

Although the objective of the legislation is focused on single family or duplex zoning, a number of our multi-unit zones include single family or duplex dwellings as a permitted use (RM-1, RM-2, RM-3, RM-4, RP-1), therefore it is recommended that all residential zones, including commercial/ mixed-use, residential apartment, and residential attached zones be reconsidered as part of this project and within a new zoning framework. Not including the higher density zones at this time may create a significant gap in a new zoning and land use framework that would remain to be addressed at a later time. Including all residential zones would be guided by, and implement, a number of land use policies in the recently updated OCP. It is anticipated this would include amending the C-1 Core Commercial zone, establishing 2-3 residential zones for higher density apartment or townhouses developments, and reduce the overall number of zones.

It is also anticipated that this is the form of housing proposals the District will continue to receive, in part due to the increased funding available to housing providers. Therefore, reconsidering these zones would be beneficial in the long term for improving the application process.

### 3. Other Considerations

Other potential amendments may be recommended to address a number of unintended consequences arising from such a comprehensive change to zoning, such as parking, subdivision, and home occupation regulations. Additionally, separating the Land Use Bylaw into three separate bylaws: a Zoning Bylaw, Subdivision Servicing Bylaw, and Sign Bylaw may be considered, which may be more conducive when Engineering regulations and specifications are updated through separate projects in the future.

### **IMPLICATIONS:**

**OCP** - Typically, all bylaws adopted have to be consistent with the Official Community Plan; however, s. 788 of Bill 44 exempts local governments from this requirement for the adoption of zoning bylaws to address Small Scale Multi-Unit Housing. However, the OCP must be updated by December 31, 2025 to reflect new zoning bylaws. Furthermore, local governments must update their Housing Needs Reports using a more prescriptive methodology, such as considering housing needs over a 5 and 20 year period. Therefore the Official Community Plan should be updated to reflect both an updated needs report and the zoning framework adopted to comply with Bill 44/ Small Scale Multi-Unit Housing legislation.

**Legislative/Policy** – Zoning amendments will be required by provincial legislation.

**Strategic** - The District has identified a number of related projects, such as updating Engineering Plans and completing the Parks Master Plan, that were anticipated to occur over the next couple of years as part of the Strategic Implementation Plan (SIP). These projects will become more complex since the impact of such a broad sweeping change in zoning and number of permitted dwellings, and how that would affect population projections will need to be extensively reviewed.

**Financial/ Resource** – With this level of fundamental change to land use regulations, development potential, and community input processes, there is a significant impact to all departments that must occur within legislated timeframes. This will have an impact on existing workplans.

**Communications** – Ensuring public information becomes available, and remains updated, as various projects proceed will be imperative. Fortunately, our website has become a key tool for providing community information and continuing to support future improvements to the website and providing up-to-date information to our communications staff will need to be a component for all projects resulting from this legislated requirement.

**OPTIONS:**Option 1:

Support the approach outlined in this report, including zoning amendments to address Bill 44/ Small Scale Multi-Unit Housing and higher density residential zones (Recommended).

Option 2:

Limit zoning amendments to neighbourhood residential zones as minimally required to satisfy Bill 44/ Small Scale Multi-Unit Housing legislation.

**CONCLUSION:**

The province is mandating that local governments amend their zoning regulations to increase the number of permitted dwelling units to a minimum of four for most residential properties that are currently zoned for single family or duplex dwellings. While this will require a comprehensive review of the zoning regulations in a short time frame, there is opportunity to improve and simplify the regulations. Therefore, including the higher density residential zones is recommended in order to develop a more comprehensive zoning framework.

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