



The Corporation of the District of Central Saanich

REGULAR COUNCIL REPORT

For the Regular Council meeting on Monday, May 13, 2024

Re: Bill 44 - Draft Zoning for Small Scale Multi-Unit Housing

RECOMMENDATIONS:

1. That Zoning Bylaw Amendment Bylaw No. 2196, 2024 (Bill 44 – Housing Amendments for Small Scale Multi-Unit Housing, Inside Urban Containment Boundary) be introduced and given First Reading.
2. That a community information session to inform the public about the proposed Zoning Bylaw Amendments be scheduled on a date prior to the Public Hearing.
3. That a public hearing on Zoning Bylaw Amendment Bylaw No 2196, 2024 (Bill 44 – Housing Amendments for Small Scale Multi-Unit Housing, Inside Urban Containment Boundary) be scheduled for June 10th to consider permitting more than the minimum number of prescribed housing units of Bill 44.
4. That Council considered the provincial recommendations outlined in the Provincial Policy Manual and Site Standards prepared for Bill 44, Housing Statutes (Residential Development) Amendments Act, 2023, and specifically Site Standards Package B and C for lots requiring a minimum of 3 or 4 dwelling units prior to adoption of Zoning Bylaw Amendment Bylaw No. 2,196, 2024 (Bill 44 – Housing Amendments for Small Scale Multi-Unit Housing, Inside Urban Containment Boundary).

Resolutions for Consideration following the June 10 public hearing:

1. That Zoning Bylaw Amendment Bylaw No. 2196, 2024 (Bill 44 – Housing Amendments for Small Scale Multi-Unit Housing, Inside Urban Containment Boundary) be given Second and Third Reading.
2. That Zoning Bylaw Amendment Bylaw No. 2196, 2024 (Bill 44 – Housing Amendments for Small Scale Multi-Unit Housing, Inside Urban Containment Boundary) be adopted.

PURPOSE:

The purpose of this report is to introduce draft zoning regulations to Council that were prepared in response to Bill 44 for lands inside the Urban Containment Boundary (UCB). This report will outline key aspects of the proposed amendments and provide a number of documents for Council's reference.

For lands outside the Urban Containment Boundary, a separate report on this agenda outlines recommended zoning amendments to comply with Bill 44, which includes draft Bylaw No. 2172 for consideration.

BACKGROUND:

An introductory report was provided at the January 22, 2024 Council meeting outlining the new provincial legislation and presented an approach for amending the zoning bylaw that included the following:

- Apply a sliding scale approach to determine the number of permitted units based on lot size,
- Allow more units on larger lots to encourage larger lot retention and decrease the need to subdivide,
- Support more units on larger lots to make missing middle typologies more feasible,
- Retain larger lots to improve opportunities for site adaptive planning, cluster buildings, improve tree retention, have more efficient parking layouts, consider areas for environmental protection, and have area for well-designed outdoor living space (eg: garden space, play areas, gathering areas), and
- Along travel corridors apply similar regulations as neighbourhoods but at a slightly higher density.

Draft regulations for residential properties inside the Urban Containment Boundary have been prepared for discussion and consideration of First Reading. Following Council input the draft regulations could be amended as required.

Through enactment of Bill 44 the province is requiring local governments to amend their residential zones within Urban Containment Boundaries to permit a minimum of 4 dwellings on most properties. The requirement is different for lots under 280 m², which must be permitted 3 dwelling units, or for lots within 400 m of a bus stop that meets a specified service frequency, a minimum of 6 units with no on-site parking requirement is required. Furthermore, the province provided recommended zoning regulations that must be considered by Council when implementing Bill 44 for aspects such as height, lot coverage, setbacks etc., and that particularly reducing, or even removing parking requirements is encouraged as the provision of parking is often one of the more difficult and costly aspects of a development proposal to provide.

For the District, the following elements of Bill 44 would apply inside the Urban Containment Boundary:

- there are 8 lots under 280 m² that must be permitted 3 dwelling units,
- there are currently no areas requiring 6 units because the current level of bus service on the weekends does not meet the minimum required by Bill 44, and
- approximately 3,742 properties require new zoning regulations to permit a minimum of 4 dwelling units.

DISCUSSION:**Official Community Plan Context**

The District recently adopted a new Official Community Plan (OCP) which includes policies to encourage more missing middle housing with the goal of achieving more diversity in our housing stock, supporting opportunities for more inclusive and intergenerational living, and creating compact, and walkable communities. A new zoning framework driven by Bill 44 for Small Scale, Multi-Unit Housing (SSMUH) aligns with many of the Fundamental Principals, Objectives and Policies in the OCP

The District's OCP contains the following:

Neighbourhood Residential Designation Purpose:

Within the Urban Containment Boundary to permit a mix of housing types in areas predominately consisting of residential uses. Supported housing forms include single-detached, secondary suites, accessory cottages, duplexes, pocket-neighbourhoods and multi-unit residential buildings containing up to 8 dwellings.

Policy 4.1.5.

Along main travel corridors (e.g., Wallace Drive, East Saanich Road, West Saanich Road, and Verdier Avenue), support smaller multi-unit redevelopments up to 8 units and moderate and high density housing forms, including townhouses and apartments up to 4 storeys, where it can be demonstrated that the development is sensitive to the surrounding neighbourhood. The geographical extent of where moderate and high-density housing along main travel corridors is supported as shown on Schedule F: Land Use Plan as “Main Corridor Development”. These development proposals would require approval from Council for amendments to this OCP and the Land Use Bylaw, and require a Development Permit to ensure the form and character is consistent with guidelines and sensitive to the neighbourhood context.

Policy 4.1.16

Within residential neighbourhoods, support secondary suites and a mix of infill housing forms, including small lots, panhandle lots, pocket neighbourhoods, duplexes, small scale multi-unit development and townhouses, where they are consistent with infill design guidelines.

It is important to keep in mind the province’s objective is to enable more housing, and specifically more missing middle housing, by removing the uncertainty associated with the rezoning process, but this can be done while maintaining consistency with the housing policies in our OCP. That is not to dismiss that the approach of forcing local governments to pre-zone properties is causing a fundamental change in how housing developments are approved. By adopting a zoning bylaw that aligns with the OCP to allow more dwelling units in a manner that is compatible with the District’s pattern of development and reflective of development proposals that have been previously approved, property owners would have more options to consider should they want additional dwelling units without the risk, costs and time involved with the rezoning application process.

It is important to note that Council approval is still necessary for infill developments since approval of a development permit, and alignment with our OCP Design Guidelines is required to ensure sensitive design, however the timeline is shorter and the risk to the property owner is lower.

Proposed Zoning Approach

Implementing Bill 44 in a manner that works best for our community becomes not just a challenge, but an opportunity to streamline our zoning regulations, make them more user friendly, and align with the OCP and Residential Infill and Densification Project (2020). A key consideration in preparing the zoning amendments is to consistently apply density across our residential neighbourhoods and to encourage a development pattern that increases density on the main roads close to villages, commercial nodes, and public transit, which aligns with growth management policies of our OCP.

The proposed zoning would apply a “sliding scale approach” where more units are permitted as lot size gets larger. A majority of the lots (72%) would be permitted four units, 21.8 % of lots would be permitted 6 units and 6.6 % of lots would be permitted 8 units. (Appendix H – Unit Distribution Map). Permitting up to 8 units on larger lots, would conform to the Neighbourhood Residential designation of the OCP. The sliding scale approach considers infill based on property sizes typical in the District without the need to subdivide. This would result in a more consistent pattern of development across

the District when compared to an approach of continuing to create additional smaller lots that could result in more intensive infill developments and it would support a greater range of missing middle housing types on larger lots while retaining a compatible build out density with smaller lots.

Accordingly, the minimum lot size for subdivision is proposed to be 750m² in the Residential Neighbourhood Zone, which is smaller than the most common R-1 zone (780 m²), but larger than most residential zones. In the Residential Corridor zone the minimum lot area for subdivision would be 1,000m² to discourage subdivision and encourage land assemblies for missing middle housing. Even with this larger lot size, further subdivision may still occur under the proposed zoning and rezoning applications are still anticipated regardless of adopting new zoning since there are always unique circumstances and reasons to consider a proposal. This approach permits the minimum number of units per lot required by Bill 44 and applies a consistent housing density (unit per hectare) to achieve the development pattern intended for infill housing in the OCP.

For the majority of lots the neighbourhood density of the proposed zones would be in the range of 40-60 dwellings/ha, however it does increase for smaller lots with a 500m² lot at 80 dwellings /ha up to 143 dwellings/ha on a 280 m² lot.

When comparing lots near the average lot size (700 to 1000 m²), the density in the Residential Neighbourhood Zone would be in the 40-50 dwelling/ha range, whereas in the Residential Corridor Zone they would be in the 50-60 dwelling/ha range.

Therefore, the analysis shows that using a sliding scale approach to enable more units on larger lots does not increase overall neighbourhood density (dwellings/ha) and may lead to a more consistent development pattern.

Infill developments are one of the most common proposals the District receives, and Council has been at the forefront of supporting gentle densification of our neighbourhoods as demonstrated by no fewer than 90 small lots under the R-1XS zone lots approved in recent years and adopting the RM-6 infill zone designed for 3 to 8 units. The proposed zoning bylaws scale up the base density as required by the province without losing sight of the long-term vision for the community and the pattern and design of infill housing.

Regardless of the provincial efforts to encourage more housing by increasing the number of permitted dwellings by rights-of-zoning and working to reduce approval timelines, development proposals continue to be dependent upon a property owner wanting to redevelop and financial viability. Even though the provincial legislation drastically changes municipalities zoning framework, the uptake on development is still anticipated to be gradual with a significant amount of District oversight through the development permit process.

Zoning Analysis

As outlined in the January staff report, because we must amend eleven zones inside the UCB in response to Bill 44, it creates an opportunity to improve and simplify zoning regulations. There are two new proposed zones that would replace 11 existing zones with 91% of properties being in a new “Residential Neighbourhood” zone and 9% being in a new “Residential Corridor” zone.

Once draft zoning was prepared, the District contracted with a planning and design consultant to test a number of hypothetical proposals to see if the zoning regulations would reasonably support the minimum number of dwelling units permitted (Appendix F – Site Level Graphics). Several unit number

ranges were tested. Additionally, another consultant was contracted to review proposed amendments to the parking regulations to determine if they are appropriate within the context of Central Saanich (Appendix I: Proposed Off-Street Parking Review). Those reviews in general showed that the proposed zoning regulations appear to be reasonable and enable higher density while striking a balance between supporting more housing and integrating new developments into an existing neighbourhood.

Attached as Appendix A is a series of questions and considerations that guided the analysis undertaken and informed creation of the draft zones; most responses in Appendix A direct the reader to more detailed information provided in subsequent Appendices B through J.

NEXT STEPS:

Following Council direction at the May 13 Council meeting the following next steps are proposed:

- May 27 – should Council direct any substantial amendments to the proposed zoning, staff would revise the zoning bylaw, and bring back to Council for consideration of 1st Reading.
- On a date prior to the public hearing, the District would hold a Community Information Session, in an Open House Format, inviting the public to speak with staff, ask questions and become informed about the proposed rezoning.
- June 10 – Public Hearing. The District can hold a Public Hearing because we are considering to permit more than the minimum number of prescribed housing units of Bill 44. This public hearing could be waived by Council. The staff recommendation includes holding a public hearing.
- June 10, following the Public Hearing, Council would consider 2nd and 3rd reading.
- June 24 – Adoption of Bylaw 2196.

OPTIONS:

The legislative requirements of Bill 44 must be implemented through local government zoning bylaws by June 30, 2024. The following options are available for Councils consideration:

Option 1: (Recommended)

- Proceed with the draft zoning bylaw to implement a “sliding scale approach”, where a minimum of 4 units are permitted on smaller lots, and as lot sizes increase, permit up to 8 dwelling units.

This option is consistent with the Neighbourhood Residential Designation of the OCP, where up to 8 dwelling units are permitted.

Under this option, Council is not prohibited from holding a public hearing, as the bylaw would allow for more than the minimum required dwelling units required by Bill 44. The staff recommendation includes holding a public hearing, however this could be waived by Council.

Option 2:

- Direct staff to amend the draft zoning regulations to implement a “sliding scale approach”, where as lots get larger, more units than what is currently permitted under the OCP are enabled.

In the Neighbourhood Residential Zone, up to 12 units would be permitted on the largest lots, and in the Corridor Zone, units are limited by density and lot size, but up to 4 storey apartments may be permitted on the largest lots. This approach would require a public hearing, as it is beyond what is permitted in the existing OCP. However an OCP amendment would not be required until December 31, 2025. This

option may result in the greater increase in housing supply and a greater range of housing unit types. Should Council wish to proceed with this option, staff will bring back revised bylaws at the next available Council meeting.

Option 3:

- Direct staff to revise the bylaw to implement only the minimum requirements of Bill 44.

Under this approach, every residentially zoned lot within the Urban Containment would be permitted 4 residential units (3 units for lots (8 lots) under 280 m²). This approach would create an uneven development and residential density pattern, where lots small as 280 m² would be permitted the same number of units (4) as lots that are over 1500 m², as an example.

Under this approach, the District would continue to require property owners to pursue the costly and uncertain rezoning and subdivision process, where they may attempt to subdivide larger lots to achieve more housing units. However, the proposed legislation is bringing about significant changes to local government zoning, and Council may want to take a gradual approach to implementing these zoning changes.

Should Council prefer this option, a Revised Bylaw 2196 would be presented to Council for First Reading as soon as possible, and the District would be prohibited from holding a public hearing.

CONCLUSION:

Zoning amendments must be adopted to comply with Bill 44 before the June 30 deadline. Due to the recent adoption of a new OCP, the District is well positioned for this new zoning implementation. This work also presents an opportunity to reconsider our zoning framework to:

- better reflect current trends in development,
- consider what types of development have been previously supported in the District,
- to have a more consistent zoning approach across the District, and
- simplify the zoning bylaw.

The draft zones would help achieve District goals of more missing middle housing with the goal of achieving more diversity in our housing stock, supporting opportunities for more inclusive and intergenerational living, and creating compact, and walkable communities and align with the Fundamental Principals, Objectives and Policies in the OCP.

Report written by:	Andrea Pickard, Community Planner
Respectfully submitted by:	Jarret Matanowitsch, Director of Planning and Building Services
Concurrence by:	Emilie Gorman, Director of Corporate Services / Acting Chief Administrative Officer

ATTACHMENTS:

Appendix A: Questions and Considerations Guiding Zoning Analysis
 Appendix B: Provincial Recommendations Consideration Table
 Appendix C: Proposed Zoning Maps
 Appendix D: Residential Analysis – Existing Conditions
 Appendix E: Density Comparison
 Appendix F: Site Level Graphics
 Appendix G: Residential Analysis – Future Conditions
 Appendix H: Unit Distribution Map

Appendix I: Proposed Off-Street Parking Review

Appendix J: Draft Bylaw 2196, 2024