

THE CORPORATION OF THE
CITY OF WHITE ROCK
CORPORATE REPORT



DATE: January 29, 2024

TO: Mayor and Council

FROM: Anne Berry, Director, Planning & Development Services

SUBJECT: Update on Recent Provincial Housing Initiatives and Regulation Requirements

RECOMMENDATION

THAT Council receive the Corporate report, titled “Update on Recent Provincial Housing Initiatives and Regulation Requirements,” dated January 29, 2024, from the Director of Planning and Development, for information.

EXECUTIVE SUMMARY

This is an interim report intended for information purposes to provide Council with an overview of the recent provincial legislative changes, Housing Statutes Bills 44, 46, & 47, and how they are expected to affect the City of White Rock.

INTRODUCTION/BACKGROUND

Recently the BC Provincial Government introduced new legislation regulating housing in BC. Housing Statutes Bills 44, 46, & 47 are new regulations intended to increase housing stock across the province and to increase density in Transit Oriented and other Areas and change the way financing for development is undertaken. The purpose of this report is to summarize the new regulations and anticipated impacts, and to outline the next steps the City must take for compliance with legislated timelines. This report also provides a brief update on the new Short-term rental legislation (Bill 35) as it relates to the City of White Rock. Over the course of the last few weeks, staff have reviewed the new legislation, policy guidance documents, and have attended the webinars hosted by the province to date on these topics.

Elements of the Main Legislative Changes

Bill 44 – Residential Development

Restricted Zones:

This is a new term in the legislation, and it includes all zones that are restricted to single family or duplex dwellings as of the date Bill 44 received Royal Assent (December 7th). This will include all R Zones, and any single family or duplex Comprehensive Development Zones, within the City.

Small Scale Multi Unit Housing (SSMUH)

The SSMUH legislation is intended to increase and diversify the housing supply in British Columbia. It requires local governments, depending on location and context, to permit a minimum of two to six units of housing on lots that have been traditionally recognized as single-family or duplex lots. A Provincial Policy Manual has been prepared in order to provide guidance on understanding and implementing the new SSMUH regulations. The manual (and others) can be found on the Ministry of Housing website here: [Local government housing initiatives - Province of British Columbia](#)

1. Minimum of 6 Units:

A minimum of six units must be permitted on lots in a Restricted Zone that meet the following criteria:

- Wholly or partially within 400 metres of a prescribed bus stop*¹
- Greater than 280m²
- Wholly or partially within an urban containment boundary in a regional growth strategy

2. Minimum of 4 Units:

A minimum of four units must be permitted on each parcel of land greater than 280m² in size in a Restricted Zone that is wholly or partially within an urban containment boundary in a regional growth strategy. Figure 1 identifies these lots in yellow.

3. Minimum of 3 Units:

A minimum of three units must be permitted on each parcel of land 280m² or less in size in a Restricted Zone that is wholly or partially within an urban containment boundary in a regional growth strategy. Figure 1 identifies these lots in red.

4. Secondary Suites and Accessory Dwelling Units (ADU):

Secondary Suites and ADUs are a form of SSMUH, however the new legislation requires secondary suites/ADUs as an outright permitted use province-wide, with some conditions related to ADUs on lots not serviced by municipal sewer systems. Local governments must permit a minimum of one secondary suite or one ADU in the *Restricted Zones* and can now choose from the following options on those single family residential lots which are not required to comply with the higher 3-6 unit density requirement:

- Permit one secondary suite
- Permit one ADU
- Permit property owners to choose either an ADU or a secondary suite
- Permit both an ADU and a secondary suite

In the case of White Rock, this means that single family lots which are currently not zoned to permit suites (typically based on a minimum lot size), will now be eligible for suites. Clarification has been provided that any existing Section 219 Covenants prohibiting secondary suites still remain valid. It would be incumbent upon the property owner to request to discharge

¹ The City of White Rock has been identified in the Provincial Policy Manual on the list of local governments that may have prescribed bus stops. Staff will work with TransLink to determine this, as it is based on bus service frequency over the course of the day.

the document from title to their property. As a result of the work associated with each covenant, staff will look at the development of a policy to manage the process.

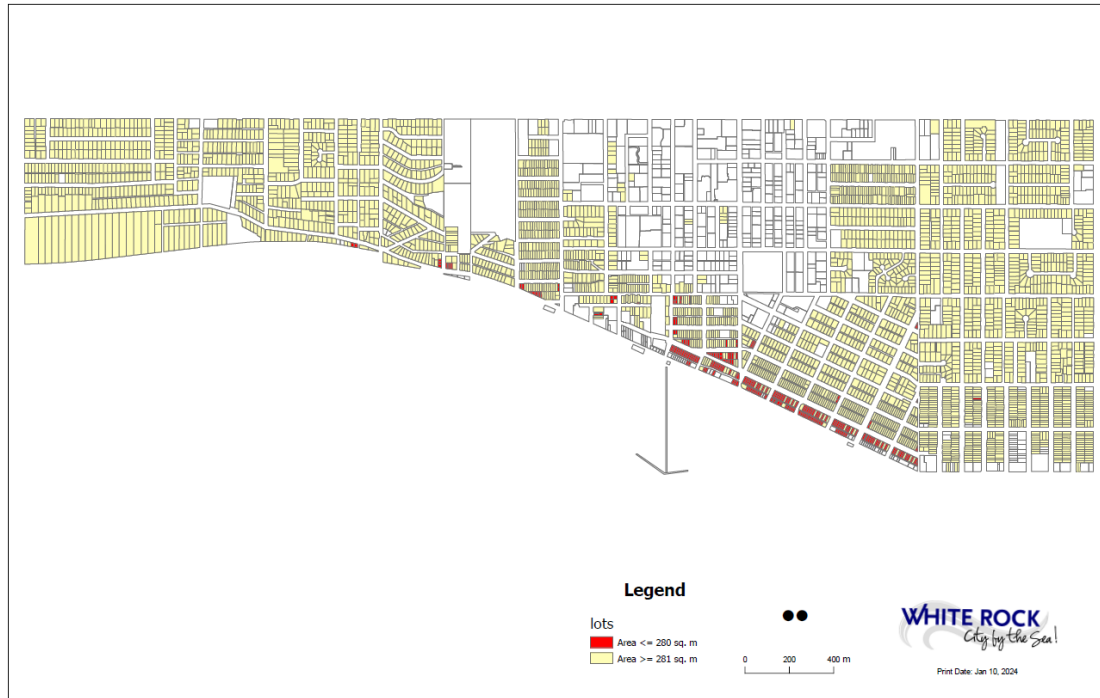


Figure 1 – Single Family Lots with the potential for up to 3 & 4 units, based on the new provincial legislation.

Important note: Figure 1 only assesses lots by size. The mapping is preliminary and does not account for the age of the current housing stock, or financial considerations for property owners. This mapping also does not account for the future subdivision of larger parcels, or for 6 units developments within 400m of a prescribed bus stop.

It is assumed that not all landowners will be interested in redevelopment of their property as infill housing. Other municipalities who have enacted similar regulations (eg. City of Victoria Missing Middle Housing Initiative) have had a slow uptake, indicating that while there is interest in learning more about potential opportunities, the immediate demand for redevelopment will not be extreme, and that this is a plan which will take effect over several years. Development of more infill housing will help increase housing diversity and can make homes more affordable than the average single-family home, thus creating more inclusive neighborhoods with more housing options.

Housing Needs Reports

The Province has set new requirements for Housing Needs Reports (HNR), which are already mandatory under previously approved legislation. HNRs must now be updated using standardized methods (a provincial guidance document is expected to be released in January 2024), every 5 years, and must now include 20 year projections.

Each local government is to prepare an interim HNR by January 1, 2025. This will require a review of the City's current HNR (2021) to include a more consistent, robust understanding of both local housing needs currently and over the next 20 years.

Subsequent OCP and Zoning Bylaw Updates:

In addition to the June 30, 2024 deadline to incorporate the SSMUH into the City's zoning bylaw, following the completion of the HNR updates municipalities are then expected to update their OCP's to address the findings of the HNR.

Municipalities are now required to update their OCP's every 5 years, in alignment with the HNR update requirements.

Bill 47 - Transit Oriented Areas and Designation of Transit Oriented Development (TOD) Areas

The Province has designated interim Transit Oriented Development areas. Currently, White Rock has not been identified as having a TOD area to designate. Areas within 400m of a Bus Exchanges that meet a specified list of criteria will be required to designate a Transit Oriented Area, with minimum density requirements under the legislation. At this time, the White Rock Bus Exchange (Johnston/152nd & North Bluff/16th Avenue area) has not been identified by the Province as requiring a designation at this time. Upgrades to this Bus Exchange in the future could trigger the requirement to designate the area. Future densities within the 400m range would be required to meet the following minimums:

- Within 200m or less from the bus exchange – 4.0 FAR & 12 storeys
- Within 200m to 400m from the bus exchange – 3.0 FAR & 8 storeys

Additionally, as transit services expand within the South Surrey & White Rock area, other transit oriented designations may be triggered. Ultimately, within all areas, the City is not restricted from designating higher densities and FARs and retains the ability to negotiate with developers for densities that are above and beyond the “as of right” densities required by the Province (including the SSMUH).

Bill 46 - Development Cost Charges and Amenity Cost Charges:

The list of eligible capital costs under the Development Cost Charge (DCC) provisions that can be collected for in a DCC bylaw has been expanded through this change in legislation. Until now, the legislation allowed DCC collection for the following services: sewer, water, roads, drainage, and parks. The new legislation has expanded the services list to also include: fire, police, solid waste and recycling facilities. The new changes are timely for the City as Engineering and Municipal Operations staff are in the process of commencing a DCC bylaw review as one of Council's strategic priorities.

An understanding of the impact on City services will follow the new HNR criteria and update work to be completed, and development of new zoning regulations which will include an assessment of the single family lot development potential in the City.

Also under this legislation a new Amenity Cost Charge (ACC) program has been introduced. As of right zoning reduces the ability for local governments to negotiate for amenity contributions. The Amenity Cost Charge has been introduced to collect money from new development for capital costs associated with amenities. This includes community/recreation centres, day care facilities, libraries, and public squares.

A bylaw will be required in order to collect ACC's. Currently, the City has a Community Amenity Contribution policy, which will require review. Traditionally, under the policy amenity contributions are secured and collected at the time of rezoning. Under the new legislation provisions have been made to collect ACC's at building permit and subdivision approval, since the rezoning tools have been limited. Affordable housing is not addressed under the new ACC regime. It is understood by staff that affordable housing can still be negotiated, however more review is needed to understand where the limitations lie in this regard.

Bill 35 – Short-term Rental Restrictions

In October 2023, Bill 35 was enacted to put in place restrictions on short-term rentals in an effort to curb loss of housing in favour of vacation rentals. Under provincial definitions a short term rental is a rental for a period of 90 days or less. The Act set requirements that prohibit a property owner from offering a Short-Term Rental for rent unless the Short-Term Rental being offered is in that person's principal residence, in a secondary suite or other accessory dwelling unit on the same property as the principal residence such as a basement suite or laneway home, or in both (the "Principal Residence Requirement"). If a Short-Term Rental is being offered for rent, the advertising will have to include: a valid registration number and a valid business licence number (if a business licence is required to operate a Short-Term Rental). It also allows the local government to be more restrictive than the base provincial requirements.

There is no required action on the part of the City with respect to this new legislation as the City already only permits short-term rentals in secondary suites and requires a business licence to operate. Further, the City restricts short term rentals to no more than 30 days, and already requires that the business licence number be posted on all advertising for the rental.

Staff notes that one of Council's strategic priorities is to review the City's short-term rental regulations. These new provincial regulations will restrict the parameters for any expansion of the City's current program, however, there is potential expansion of short-term rentals through the new secondary suite regulations.

Public Hearings

One-off, site by site public hearings for rezonings have been eliminated (for projects that are 50%+ housing), with a shift to community engagement focused OCP updates. Development Permits, Building Permits and any required zoning changes will still require local government approval. Public Hearings will continue to be required whenever local governments update or develop new OCPs or consider rezoning for projects that are not consistent with the official community plan. It is expected with the newly mandated OCP review frequency, that public consultation on long-term community planning will be sufficient, eliminating the difficulties that can occur in realizing the vision of the OCP via the currently often onerous development application processes and public hearings on rezonings for applications already consistent with the OCP.

In the interim, in order to update the zoning bylaw to accommodate the new SSMUH requirements, local governments are prohibited from holding a public hearing to adopt the SSMUH regulations and shall adopt these bylaw amendments regardless of whether the zoning is consistent with the OCP, as outlined further in the legal implications section below. It is expected that the OCP updates will be completed by January 1, 2025, as noted in the Legal Implications section in this report.

Areas that require further information and analysis:

There are several areas where further understanding of the regulations is required, in addition to further guidance documents expected to be issued by the Province, to help understand how the following issues will be addressed:

1. SSMUH specific:

- Development Permits are still a tool available to local governments but cannot be used so as to restrict development in such a way that development is no longer able to meet the provincial requirements. For example, form and character development permits cannot be so restrictive as to limit density.

- Exemptions to SSMUH may be considered for environmental lands and hazardous areas. A report from qualified professional must certify for the local government that increasing the density would significantly increase the threat or risk from the hazardous condition and that the threat or risk from the hazardous condition cannot be practically mitigated.
- Assessing the uptake that is to be expected as a result of these new regulations. Many lots in White Rock will meet the 4 unit criteria, but more work is needed to assess the current housing stock and subdivision potential of existing SF parcels. Further, an understanding of the financial impact redevelopment would have on the desire of the average single family homeowner to pursue redevelopment will help assess development potential.

2. General:

- Future Bus Exchange and Transit improvements will impact zoning and OCP requirements, including future transit oriented areas designations. While the City could undertake land use planning along the North Bluff corridor and the Uptown area it should be taken in context with the new regulations.
- Estimated population/housing unit growth numbers are needed to understand the impact to City services, the road network, and parking. This is expected to be accomplished in conjunction with the review of the City's HNR, and a GIS analysis of property development capacity.
- Affordable Housing is not identified as eligible for ACCs. Understanding how affordable housing can be accommodated in the new regulatory scheme is necessary.

FINANCIAL IMPLICATIONS

As a result of the Provincially legislated timeline for implementation, the required updates to the City Zoning regulations, Housing Needs Report, and Official Community Plan, must be prioritized ahead of other previously planned policy and procedure work. Due to the limited staff capacity in the Planning Division and in order to maintain current service levels, staff anticipates that it will be necessary to retain the services of consultants, and recruit for additional staff to accommodate the significant work that needs to be undertaken.

The Province has allocated \$51M to be distributed between local governments across the province. The City has been notified that it will receive \$246,896. The funds can be utilized for the hiring of staff and consultants, with detailed guidelines supplied by the province establishing parameters for the specific use of these funds.

Long term, staff expect that there will be an ongoing operational impact as a result of the legislated reviews and updates (e.g., 5 year OCP and HNR updates, development applications, secondary suite legalization and construction, building permits) which is anticipated to necessitate additional staffing resources in the planning and building divisions. It should be noted that currently there is NO more capacity to physically allocate new staff and this should be an additional consideration for the staff report on tonight's agenda titled "Temporary Office and Council Chambers Options"

LEGAL IMPLICATIONS

It is mandatory that the City achieve compliance with the province's requirements for regulation implementation and bylaw updates.

By legislation, local governments cannot enact new zoning regulations that do not comply with that government's Official Community Plan (LGA s. 478 (2)). However, zoning bylaw updates required to ensure that the City is in compliance with the SSMUH legislation are excluded from the provisions of s. 478 of the LGA until December 31, 2025.

Key dates include:

- June 30, 2024 – Zoning must accommodate SSMUH. Guidance documents have been made available to local governments and the public.
- January 1, 2025 – Interim Housing Needs Report must be complete. Guidance documents are anticipated to be made available in early 2024.
- December 31, 2025 – Updated OCPs and Zoning Bylaws that reflect housing needs must be complete. Note that the guidance documents to complete this work will not become available until June/July 2024.

COMMUNICATION AND COMMUNITY ENGAGEMENT IMPLICATIONS

The holding of a public hearing is prohibited for the upcoming zoning amendments required to comply with provincial legislation. This may be perceived by the community as a lack of communication on the part of the City. It is recommended that information be shared via the City's website clearly explaining that these changes and the process to adopt them are legislated by the province.

INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS

Liaising with other City departments will form part of the next phase as new regulations are developed. Staff will also work to develop an understanding of uptake that is to be expected and the immediate demands on services that will result from the legislative changes.

CLIMATE CHANGE IMPLICATIONS

Increasing density has the potential to increase lot coverage and increase the demand for City services. Staff will work to further explore the climate change implications through the OCP amendment process.

IMPLICATIONS FOR TREE PRESERVATION AND TREE CANOPY ENHANCEMENT

Staff reached out to the Ministry to better understand the implications of the new regulations as they relate to the City's Tree Protection Bylaw, as White Rock is one of several BC municipalities with tree bylaws. In summary, Ministry staff noted that:

- Tree protection bylaws cannot be used to restrict the permitted density in a zoning bylaw. This means that although a tree protection bylaw may be in place, the property must be allowed to have the applicable Small-Scale Multi-Unit Housing built.
- If a tree cutting bylaw prevents all of the uses permitted by the applicable zoning bylaw OR the density permitted by the zoning bylaw, then the council must either compensate the owner or provide a development permit, development variance permit or other method that allows an alternative means for the parcel to be used for a permitted use or developed to the permitted density.

ALIGNMENT WITH STRATEGIC PRIORITIES

The new legislation is ultimately in alignment with Council's priority to improve permit processing times, as it will eliminate the requirement for landowners to go through a rezoning process to increase the density on single family type lots, thereby reducing time and process prior to building permit applications. However, the required timeline for completion will shape the 2024 & 2025 departmental workplan for the planning division, and impacts other areas of the organization, which will necessitate a review of the anticipated timing of work to complete Council's strategic priority projects.

OPTIONS / RISKS / ALTERNATIVES

There is no direction being sought by staff at this time. Staff will continue to review and assess new policy manuals as they become available and will work to implement the new regulations. A further update report will be forthcoming once the full course of action has been developed to align the City's bylaws with the new legislation. Staff will also provide considerations for interim policies to address in-stream applications and manage enforcement challenges (e.g., legalization of existing non-conforming construction).

CONCLUSION

This report is intended to summarize the new regulations and anticipated impacts, and to outline the next steps the City must take for compliance with legislated timelines.

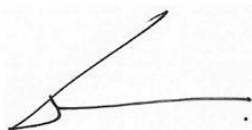
Respectfully submitted,



Anne Berry,
Director, Planning & Development Services

Comments from the Chief Administrative Officer

As Council is aware that the legislation was introduced abruptly and comprehensively, posing significant challenges for small municipalities lacking the resources to comply with all the mandated requirements. While our staff has diligently interpreted the new legislation, Council should be aware that we are continually learning more about it each day. Addressing and adapting to these changes will require considerable staff time, which we currently lack. Municipalities across the region are facing similar challenges and are likely competing for the same pool of staff and consultants who could provide additional capacity to support this legislation. Planning for contingencies and surpluses could aid in securing funding beyond the minimal amount provided by the province for this purpose.



Guillermo Ferrero
Chief Administrative Officer