
To: His Worship Mayor Harrison and Members of Council

From: Melinda Smyrl, Manager of Planning and Building

Date: January 15, 2024

Subject: Bill 44 Housing Statutes (Residential Development) & Bill 46 Housing Statutes (Development Financing) Amendments to the *Local Government Act*

For Information

In an effort to increase housing supply the Province enacted legislation in December 2023 that will have a significant impact on local government processes for approving residential development and the tools that local governments use to finance community growth. This report provides a summary of the legislation and timelines to implement the required amendments with regard to two key pieces of legislation - Bill 44 Housing Statutes (Small Scale Multi Unit Housing) and Bill 46 Housing Statutes (Development Financing).

Bill 44 – Housing Statutes (Residential Development) Amendment Act 2023

This legislation intends to expedite the development of Small Scale Multi-Unit Housing (SSMUH). Examples of the housing types include: secondary suites, detached dwellings, triplexes, townhomes and house-plexes. Streamlining the development of these types of units is predicted to increase the supply of units and have a positive impact on housing affordability. To this end, any zone that would permit a Single Family Dwelling must now be amended to allow for up to four units. Residential rezoning applications that are consistent with the Official Community Plan (OCP) and located within the Urban Containment Boundary will be processed differently than other rezoning applications.

Staff are in the process of reviewing the OCP, zoning and development procedure bylaws in order to make the necessary amendments to be compliant with the legislation. The City will have until June 30, 2024 to complete the majority of the bylaw amendments; however, there are changes to Zoning Bylaw amendment procedures that take effective immediately.

Effective Immediately: Council is **prohibited** from holding a Public Hearing for residential zoning amendment bylaws

The *Local Government Act* has been amended to add the following under Section 464 (3):

A local government must not hold a public hearing on a proposed rezoning bylaw if:

1. The subject property is within the Urban Containment Boundary;
2. The zoning amendment bylaw is consistent with the Official Community Plan (OCP);
3. The zoning amendment bylaw is to permit in whole or in part residential development and;
4. The residential portion of a mixed use building accounts for at least half of the gross floor area of the building.

With immediate effect, any rezoning application that meets the above noted conditions will not be subject to a Public Hearing. The legislation still requires that the Local Government provide notice to occupiers and owners within 30m of the subject property and ads in the newspaper. The bylaws are required to be

available for inspection and under current processes the City makes those available via the City's website. A Notice of Development sign is not required.

Given the new process, staff will send notices to adjacent land owners at least 10 days in advance of first reading of the bylaw. Any written submissions from the public will be posted on the website with the bylaws. After first reading of the bylaw no more written submissions will be posted. Appendix 1 and 2 are flow charts that outline the rezoning process after December 2023 and the process for those applications that do not meet the above noted criteria.

In 2022 and 2023, there were 40 Statutory Public Hearings for residential rezoning applications, 33 of those zoning applications were consistent with the OCP. Of those 40 Public Hearings 27 were R1 (Single Family Residential Zone) to R8 (Residential Suite Zone) applications. All of those bylaws were adopted by Council. Additionally, in the same two years, 4 Public Hearings were held for properties rezoning from R1 (Single Family Residential Zone) to R4 (Medium Density Residential Zone) which would have met the above noted conditions. 3 of those rezoning bylaws were adopted and 1 was defeated. Under Bill 44, none of those Public Hearings would have been held.

The OCP is the strongest indicator of whether a proposed rezoning would be supported. Staff anticipate that given the effect of the OCP on rezoning applications, there will be more public interest in the review of the OCP bylaw (currently in the initial review stages).

Deadlines for other regulatory amendments - OCPs, Zoning Bylaws, Amenity Bonuses & Housing Needs Assessments

The legislation grants local governments until June 30, 2024 to amend zoning bylaws and OCPs to incorporate SSMHUs accordingly. Further to this local governments are also required to implement an annual review of the community Housing Needs Assessment (HNA) and make any necessary bylaw amendments in order to achieve the number of units identified in that report.

June 30, 2024 – Eliminate zoning that permits Single Family Dwellings only and incorporate zoning for SSMHUs

Number of Permitted Units

In order to expedite the construction of these units Bill 44 requires that OCPs and zoning bylaws be amended such that a parcel that would permit a single family dwelling would allow for up to four units. This will require amendments to the City's OCP and Zoning Bylaw as well as policies related to development applications. There is a substantial amount of bylaw and policy review to be done in order to complete this work within the given timeline.

January 1, 2025 & December 31, 2025 – Interim Reporting on Housing Needs Assessment (HNA) & OCP and/or Zoning Bylaw Amendments

In 2020 Council received a Housing Needs Assessment (HNA) that was completed based on the criteria required by the province at that time. Bill 44 outlines a more robust process that links the annual reporting on community housing needs to any necessary OCP and/or zoning bylaw amendments. On an annual basis HNAs are to be reviewed and published by each local government. The interim report may identify regulatory changes necessary to meet housing projections. If this is the case, the local government is then directed by this legislation to make the necessary OCP and/or zoning bylaw amendments within the same year that the interim report is received. The first cycle of under the legislation would be the submission of an interim Housing Needs Assessment by January 1, 2025 with OCP and Zoning amendments to be completed by December 31, 2025. The Province is providing guidance and criteria for the HNAs to municipalities later in 2024.

Bill 46 – Housing Statutes (Development Financing)

Bill 46 relates to those sections of the *Local Government Act* that govern Development Cost Charges and introduces the authority for local governments to add a Amenity Cost Charges (AAC) bylaw for development. Prior to the legislative changes DCCs were charged for roads, sewerage, water, storm and parks only. Bill 44 broadens the scope of levies which may be charged to include additional fees for fire

protection, police, highway and solid waste and recycling facilities to the above noted charges. The City's DCC Bylaw is slated for review in 2024 at which time the entirety of Bill 44 can be assessed.

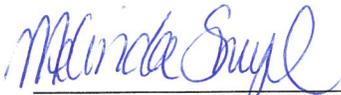
Amenity Cost Charges (ACC) are fees that communities have been requiring developers to pay in addition to DCCs. AACs have been used by many municipalities to finance affordable housing, recreation facilities, etc. The City has not implemented this tool to date. Bill 46 formalizes the use and types of amenities that can be financed through this tool. Amenities include:

- Community, youth or seniors centres
- Recreational or athletic facilities
- Library
- Day Care Facilities
- Public Squares

The new legislation requires that AACs be established and administered in much the same way as DCCs are collected and administered. The City could consider such a program in 2025 or later, subject to Council review and consulting resources being provided in a future budget.

Conclusion

This report is a brief summary of the legislative changes and does not reflect the full scale of various bylaws and policy work to be undertaken by the City to be compliant with the legislation. In December 2023 the City received a \$240,000 grant to assist with the work required to implement these changes within the timeframe allotted. It should be noted that the Bill 44 enactments require some immediate changes with regard to public hearings and rezoning applications for residential development; however, other changes prompted by the legislative changes can be addressed through multiple bylaw and policy revisions which will be brought forward to Council ahead of the June 2024 deadline. To assist local governments with the transition the Province has published a policy manual and site standards guidebook as well as several online workshops for planning staff.



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Zoning Bylaw Amendment – Prior to December 2023

Note: This process remains in place for those Zoning Bylaw Amendments for residential uses that require an OCP amendment and are located outside of the Urban Containment Boundary, or for the rezoning to or from Commercial, Institutional and Industrial zones.

Typical Application Timeline

*Weeks 1-12:
Application
review & Report
Drafting period*

Week 13: Meeting

Week 14: Meeting

Week 16 -20: Meeting

*Week 22-24:
Meeting*

Application Submitted by Applicant

- Once a completed application is submitted internal and external agency review typically takes about 30-45 days

Development and Planning Services Committee

- The committee reviews the staff report and application submitted.

Council First and Second Reading

Public Hearing Scheduled for Council Meeting (7:00pm)

- Notification Period 10 days before Public Hearing:
1. Notices mailed and hand delivered to owners & occupiers within 30m radius
 2. Notice of Development Sign Posted
 3. Newspaper ads placed

Bylaw Third Reading & Forwarded to MOTI if Required
(timeline dependent on MOTI processing times)

Zoning Amendment Bylaw Adoption

Zoning Bylaw Amendment Process – After December 2023

Note: This for those Zoning Bylaw Amendments for residential development that does not require an OCP amendment and is located within the Urban Containment Boundary.

Approximate Application Timeline

