

This report is presented in three Sections: A. Implementation of Small Scale Multi-unit Housing; B. Implementation of Transit Oriented Development (TOD) Areas; and C. Summary of Other Legislation Changes.

A. Small Scale, Multi-Unit Housing (SSMUH)

In response to the legislation, the City is required to: 1) rezone 'restricted zone' properties to allow small scale, multi-unit housing as a right (between three to six units, depending on lot size and proximity to transit); and 2) remove off-street parking minimums for properties in proximity to frequent transit.

Most single detached properties in New Westminster do not require rezoning under the Provincial legislation, as zoning already allows a detached dwelling, secondary suite and an accessory dwelling unit (laneway house). However, staff have identified 160 duplex zoned properties that are required to be rezoned for compliance with the legislation. Through the proposed Zoning Amendment Bylaw, these properties would be rezoned to a new Duplex Residential District (RD-1) zone, which would permit up to four units per property (two principal units and two secondary suites). Staff recommend that the Zoning Bylaw amendment that incorporates these changes be considered at the June 10, 2024 Regular Council meeting in order to comply with the June 30, 2024 Provincial requirements.

B. Transit Oriented Development (TOD) Areas

The new legislation requires local governments to designate TOD Areas around transit hubs and establishes minimum densities and building heights for these areas. There are five TOD Areas in New Westminster, defined as land within 800 metres of a SkyTrain station. TOD Area legislation applies to all properties in the area that are zoned to permit "any residential use". Local governments must not require off-street parking spaces for residential uses in TOD Areas. Staff recommend two bylaws be considered at the June 10, 2024 Regular Council meeting:

- TOD Bylaw that would designate the five areas, as required by the legislation.
- Zoning Bylaw amendment that would revise parking requirements, as required by the legislation, and remove caretaker suite entitlements to continue to ensure that commercial, institutional and industrial properties are clearly zoned for their intended uses.

C. Summary of Other Legislation Changes

Additional legislation changes were made in fall 2023 that are summarized in this report (e.g. Development Financing), and spring of 2024. New authorities allow local government to continue to secure important outcomes, such as tenant protection, that are currently negotiated through the rezoning process, even when a site is pre-zoned. The legislation changes are also intended to increase transparency and certainty in the development approval process. Some of these additional changes will be the subject of future Council reports and/or workshops, as staff advances understanding of and works to implement the new legislation.

BACKGROUND

The Provincial Government introduced wide ranging changes to the housing legislation that governs how municipalities plan for and approve new development, to deliver on the priorities of the Province’s Homes for People Action Plan. On January 29, 2024, staff presented a report that provided an overview and outlined the implications of the new Provincial legislation, [which can be viewed here](#).

While these changes are, in principle, consistent with Council’s Strategic Priorities Plan, the legislation results in unprecedented changes to the planning framework for local governments across BC. The new legislation is intended to facilitate more housing of all types and, while the most recent changes give municipalities some tools intended to advance affordable housing, the reality is that achieving shelter, supportive, and affordable rental units will continue to require senior government funding to achieve.

SECTION A. IMPLEMENTATION OF SMALL SCALE MULTI-UNIT HOUSING (SSMUH)

SSMUH Summary

Through the new legislation, local governments are required to change the zoning of “restricted zone” properties to permit additional units by June 30, 2024. Through Bill 44, “restricted zones” are zones in which the permitted residential use is restricted to:

- One single detached dwelling unit;
- One single detached dwelling unit and one additional housing unit (either a secondary suite or an accessory dwelling unit);
- Duplexes; or,
- Duplexes with secondary suites or two accessory dwelling units.

Local governments are required to rezone “restricted zone” properties to permit:

- Three units on lots smaller than 280 square metres (3,014 sq. ft.);
- Four units on lots larger than 280 square metres (3,014 sq. ft.); and
- Six units on lots larger than 280 square metres (3,014 sq. ft.) and within a prescribed distance of transit stops with frequent service. Off-street vehicle parking minimum requirements must also be removed for these lots.

The SSMUH legislation does not apply to properties located within a Transit Oriented Development Area, where the City is required to authorize greater residential density. Additional information on the SSMUH legislation is included in Attachment 1.

Interpretation of SSMUH Legislation and Subject Properties

Single Detached Dwelling Properties

Most single detached zones in New Westminster permit a single detached dwelling unit and two additional housing units – an accessory dwelling unit (laneway house) and a secondary suite. As such, these zones are not considered restricted zones and the City is not required to change the zoning.

Duplex Dwelling Properties

There are 160 duplex zoned properties that are considered restricted zones. As such, these zones are considered restricted zones and their zoning is required to be changed.

Queensborough Properties

As accessory dwelling units are not currently permitted in Queensborough, single detached and duplex zoned properties in this neighbourhood are considered restricted zones. However, additional study is required to understand the impact of additional densification on the area's infrastructure system. The City has applied to the Province for an extension to the June 30, 2024 deadline to enable this study. At this time, Queensborough zoning remains unchanged pending feedback from Province on the extension application.

Zoning Bylaw Amendments

The proposed Zoning Amendment Bylaw would enact the necessary changes for both SSMUH and TOD Areas. The proposed bylaw is included in Attachment 2.

For the purposes of SSMUH, the attached Zoning Amendment Bylaw would: 1) rezone 160 properties, currently zoned for duplex development, to a new Duplex Residential Districts (RD-1) zone; 2) modernize secondary suite requirements for all zones; and 3) update parking requirements for duplexes with secondary suites. Through the RD-1 zone, up to four units would be permitted per property in the form of two primary duplex dwelling units and two rental only secondary suites. The key principles of this zone are as follows:

- Align with Provincial SSMUH requirements to enable delivery of small scale, multi-unit housing.
- Support the viability of SSMUH by considering the Province's recommended approach, as detailed by the *Provincial Policy Manual and Site Standards*.
- Support delivery of rental housing units, required to meet Housing Needs Report targets.
- Consider Council's Seven Bold Steps for Climate Action.

Projects would be processed in accordance with the City's streamlined approvals process, in which Development Permits and minor Development Variance Permits, where required, are delegated to City staff for approval.

Additional details on the Zoning Amendment Bylaw approach are included in Attachment 1.

Infill Housing Program

Over and above the proposed new duplex zone, which would implement the baseline required components of the Province’s SSMUH legislation, staff propose launching an Infill Housing Program, which would further support the intent of the Province’s Homes for People Action Plan, and align with Council’s Strategic Priorities Plan. This program would be launched immediately and would explore rezoning single detached dwelling and duplex properties to further facilitate infill housing. Additional information on the proposed program is outlined in another report on this agenda.

Staff Recommendation

Bylaw for Consideration

The Provincial legislation requires the above be implemented by the City before June 30, 2024. Toward this, staff recommends the Zoning Amendment Bylaw included in Attachment 2 be forwarded to the June 10, 2024 Regular Meeting for Council consideration that would:

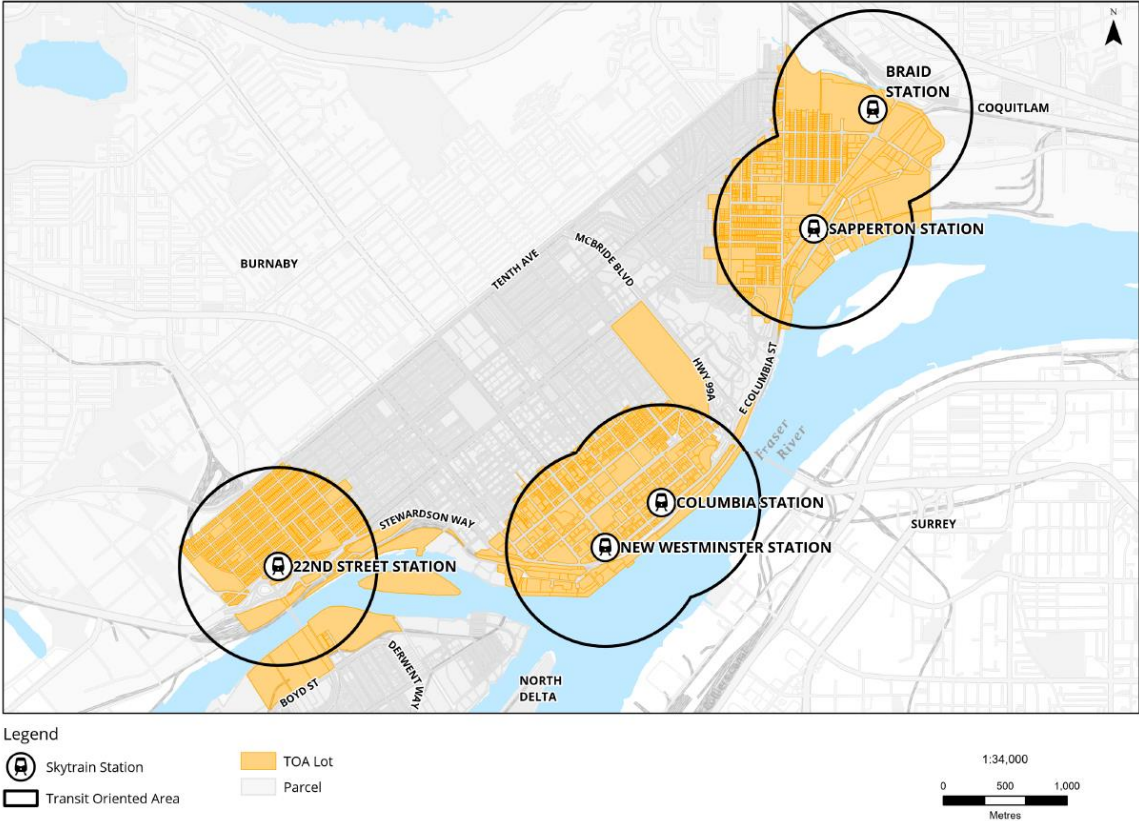
- rezone 160 properties, currently zoned for duplex development, to a new Duplex Residential Districts (RD-1) zone
- modernize secondary suite requirements for all zones, and,
- update parking requirements for duplexes with secondary suites.

SECTION B. IMPLEMENTATION OF TRANSIT ORIENTED DEVELOPMENT (TOD) AREAS

TOD Area Summary

The new legislation requires local governments to designate Transit Oriented Development (TOD) Areas near transit hubs with the stated goal of encouraging more transit oriented housing. There are five TOD Areas in New Westminster, defined as land within 800 metres of a SkyTrain station. Local governments are responsible for mapping their TOD catchment areas based on prescribed coordinates set by the Province and including such maps within a bylaw designating the areas. The designation map is shown in Figure 1.

Figure 1: Areas Designated for Transit Oriented Development

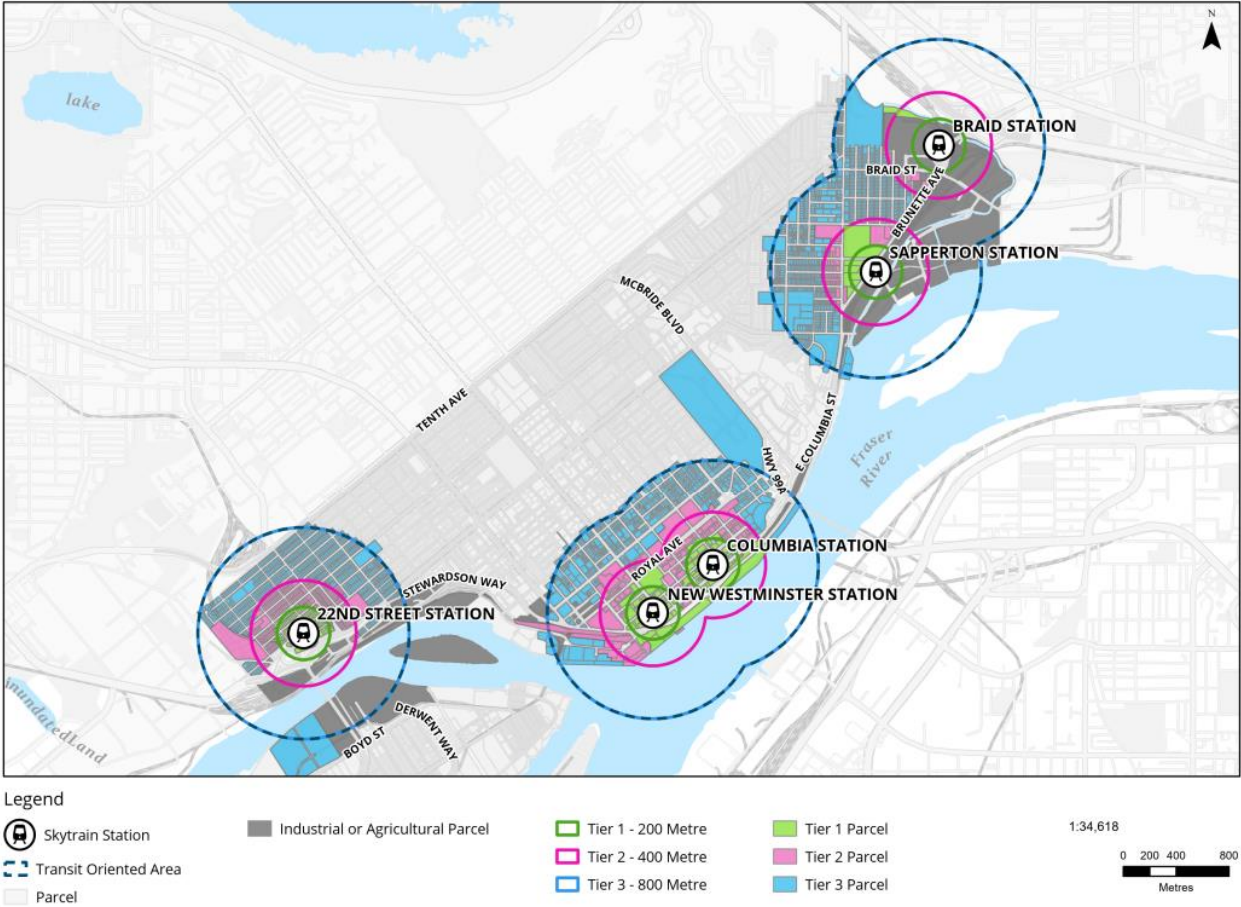


The prescribed minimum heights and densities for these areas, in ‘tiers’, are shown in Figure 2 below. A map illustrating the properties are included in each tier is included in Figure 3 (and Attachment 5). TOD legislation applies to all properties in the Area zoned for “any residential use”. Industrial and agriculturally zoned lands are exempt, which is reflected on the map in Figure 3.

Figure 2: TOD Areas Minimum Allowable Density Framework (MD Framework)

	Distance from Rapid Transit	Minimum Allowable Residential Density (FSR)	Minimum Allowable Height (Storeys)
Tier 1	200m or less	Up to 5.0	Up to 20
Tier 2	201m to 400m	Up to 4.0	Up to 12
Tier 3	401m to 800m	Up to 3.0	Up to 8

Figure 3: New Westminster TOD Areas with Tiers



Rezoning will continue to be required for all development proposing increases to permitted density within TOD Areas, including for development with heights and densities outlined in the MD Framework. The TOD Area regulations do not change the existing rezoning process (e.g. application fees, submission requirements, staff review) or the ability to establish certain conditions of rezoning approval (e.g. tenant protections, off-site servicing requirements, etc.). Generally:

- Applications that meet but do not exceed the provincially mandated height and density would be supported when there is also alignment with other City policy, including that such applications must be 100% secured rental.
- All applications will continue to be reviewed using the Interim Development Application Review Framework endorsed by Council January 29, 2024.
- Applications that exceed the provincially mandated height and density may also be considered, where appropriate.

The legislation requires local governments to remove off-street residential parking minimums in order to allow parking to be determined based on market need on a project by project basis. Municipalities are still able to require accessible parking spaces for people living with disabilities, parking for commercial uses, and loading, as well as bike parking and transportation demand management measures.

Implications of Applying the TOD Area Legislation

There are some broader implications resulting from this legislation:

- Land Use: The TOD Areas are larger than anticipated by the OCP, providing more opportunities for growth and enabling a more dispersed population and housing supply than previously planned for, which impacts planning for infrastructure (sewer, water, electrical) and services (parks, fire halls). As a result, asset management and strategic plans will need to be updated with consideration for these new growth areas. This could have potential cost implications to applications that are required to upgrade services. This also affects projects funded by senior government (e.g. schools, transit, child care).
- Caretaker suites: The City has commercial, institutional and industrial zones that fall within the TOD Area that only allow residential for the accommodation of a caretaker, manager or security personnel. Properties with this zoning are not intended to redevelop with a residential component in the Official Community Plan, but to provide much needed commercial, institutional and industrial properties to serve the city. These properties do not include mixed use sites that allow residential along with other uses. Staff recommends removing the residential use in situations where only ancillary residential is permitted.
- Heritage: Existing heritage designations and heritage revitalization agreements (HRAs) are not overridden by the TOD Area legislation. Moving forward, these tools may continue to be used for protection of physical assets provided the Provincially mandated heights/densities are also accommodated on-site. In addition, protected properties in the Queen’s Park Heritage Conservation Area are not affected by a TOD designation. An owner would still need a heritage alteration permit for work that requires it, and the City would assess applications for heritage alteration permits in the usual way. Once all of the legislated requirements have been met, staff could explore opportunities to incentivise the retention of heritage assets under this new legislation.

The proposed Zoning Amendment Bylaw and Transit Oriented Area Designation Bylaw implementing TOD Area Legislation requirements were prepared with consideration given to the Provincial Policy Manual for Transit-Oriented Areas (Version 1.0, December 2023 and Version 2.0 March 8, 2023).

Staff Recommendation

Bylaws for Consideration

The Provincial legislation requires the above be implemented by the City before June 30, 2024. Toward this, staff recommends the following bylaws be forwarded to the June 10, 2024 Regular Meeting for Council consideration:

- A bylaw that designates the five TOD Areas, as illustrated in Figure 1 above. This Bylaw is included as Attachment 3.
- A zoning bylaw amendment, which for the purposes of TOD Areas, removes residential parking requirements in alignment with the legislation. The Bylaw is included as Attachment 2.
- A Zoning Amendment Bylaw that removes caretaker suite entitlements, to ensure that zones such as commercial, institutional and industrial are clearly zoned for their intended uses. The Bylaw is included as Attachment 2.

User Guide

Staff will create a TOD Areas user guide for New Westminster applicants, land owners, and community members. The guide will highlight details such as:

- The role of the Interim Development Review Framework in outlining the City’s approach to evaluation of applications while City regulations and policies are updated in alignment with new legislation.
- Ongoing expectations for applications to align with City policy (e.g. Tenant Relocation Policy, Draft Rental Replacement Policy).
- TOD Area Maps that identify details such as:
 - Which tier a property is included in (see Figure 3).
 - Industrial and Agricultural zoned properties that are exempt from the TOD Area legislation (shown in Figure 3).
 - Properties zoned commercial or institutional with no residential use permitted have not been identified as exempt but are not entitled to the height and density proposed by the Province, which only applies to properties zoned to permit residential use (not yet mapped).

SECTION C. SUMMARY OF OTHER LEGISLATION CHANGES

Additional changes to housing legislation have been made, some of which will be the subject of future Council reports and/or workshops, as staff advances understanding of and works to implement the new legislation.

- *Prohibition on Public Hearings* – As of November 30, 2023 public hearings are prohibited for housing focused rezoning applications, consistent with the Official Community Plan (OCP). Council direction is no longer required regarding public hearings, for a majority of rezoning applications. The City must give notice in advance of Council considering first reading of zoning bylaws that will not have a public hearing.
- *Long Range Planning* – Local governments are now required to regularly update Housing Needs Reports, OCPs and Zoning Bylaws to include housing capacity for at least the next 20 years. The Province aims to speed up housing approvals by reducing rezonings and OCP amendments. Work is underway to update the City's 20 year population and housing projections, and to create the Interim Housing Needs Report by the end of 2024. Zoning and OCP updates will be undertaken in 2025.
- *Financing Growth* – Financing growth refers to funding the infrastructure, services and amenities needed by a growing community. Ideally “growth pays for growth” (i.e. development pays). For various reasons, this has not been feasible for some time. The legislation seeks to create a more consistent and transparent charge structure, that is more affordable to development. Development Cost Charges (DCCs) may now include solid waste and recycling facilities, fire protection services, and police facilities. A new Amenity Cost Charge (ACC) is intended to help fund community amenities such as a youth or seniors' centres, recreational facilities, libraries, or daycares. Work is underway to revise the City's development financing approach.
- *Short Term Rentals* – Short term rentals may only be permitted in the host's principal residence, plus one secondary suite or accessory dwelling unit on the property. No change is required to the City's approach of permitting short term rentals when the operator has a valid Bed and Breakfast business license. Tools will be put in place by the Province to support monitoring and enforcement. Staff will monitor the implementation of this new approach by the Province.

Additional legislation was released in Spring 2024, which includes:

- *Inclusionary Zoning* – The Province amended legislation to enable inclusionary zoning, to support the delivery of affordable housing. This, as well as current market conditions, means that the City's approach to inclusionary housing needs to be revisited. This work will be undertaken in 2024.
- *Tenant Protection* – Local Governments are enabled to require tenant protections by bylaw, including: financial compensation for the termination of tenancy; financial or other assistance to find and relocate to a comparable unit; and opportunities for right of first refusal on units in a new building. This legislation allows the City to convert its tenant protection from policies to bylaws, which means the protection continue to apply even when a site is pre-zoned (which is not being considered at this time in TOD Areas). Staff will review this opportunity. City policy remains in place for all rezoning applications.

- *Works and Services Authorities* – New legislation expands the City’s authority to require street amenities (e.g. directional signage, parklets, streetlamps and recycling containers); active transportation infrastructure; and design features that provide for energy and water conservation, reduction of greenhouse gas emissions, and climate resilience.
- *Transportation Demand Management (TDM) Authorities* – New legislation confirms the City’s authority to require car share spaces, charging stations, transit shelters, bike parking and end of trip facilities (e.g. repair/wash stations, charging, change rooms/ showers).

NEXT STEPS

Staff have taken a “light touch” approach, whereby baseline requirements are being advanced to meet the tight timelines mandated by the Province. Once deadlines have been met, staff will undertake a second phase of work incorporating further analysis and refinement of the initial work completed, including through the launch of an Infill Housing Program. This will also include work required to meet the longer term deadlines mandated by the Province to further increase housing supply.

Immediate and Legislatively Required Actions

- Council Consideration of Bylaws (June 10, 2024):
 - Transit Oriented Area Designation Bylaw to designate the five areas.
 - Zoning Amendment Bylaw that would rezone 160 properties to a new Duplex Residential Districts (RD-1) zone, amend parking requirements, and remove caretaker suite entitlements.
- Referral of Zoning Bylaw to the Ministry of Transportation and Infrastructure (June 11, 2024)
- Council Consideration of Adoption of Bylaws (June 24, 2024)
- Referral of Bylaws to the Minister of Transportation and Infrastructure and Minister of Housing (July, 2024)

Long Term Actions

Work to be undertaken includes:

- Completing an Interim Housing Needs Report.
- Launching an Infill Housing and Townhouse Program.
- Substantially revising the City’s inclusionary housing approach in response to direction from the Province, and market challenges.
- Revising the City’s approach to financing growth, including revisions to Density Bonus and Development Cost Charge programs, and creating of a new Amenity Cost Charge Program.

- Creating new Development Permit Areas for Transit Oriented Development Areas.
- Completing an update of the Official Community Plans and Zoning Bylaw to align with the interim Housing Needs Report, TOD Areas, and Infill Housing Program.

FINANCIAL CONSIDERATIONS

The work is legislated and non-discretionary; a new Housing Division and other interdepartmental resources are required to meet the ongoing legislated requirements and to align with Council’s Strategic Priority Plan – Homes and Housing Options. \$1.53M for nine new staff positions, four temporary to permanent position conversions, and two new temporary positions was included in the 2024 Operating Budget. As the legislation was announced after the 2024 budget was under Council review, consideration of the full range of required studies was not possible; staff is aiming to fund the required projects through reallocation within the department’s 2024 budget, as currently proposed.

The legislation is expected to have significant and on-going financial implications that staff are still working to understand, as it has significant impact on the City’s ability to finance the additional infrastructure and services needed by a growing community.

The Province announced \$51M million support funding, of which New Westminster received \$0.53M in January 2024. Staff continues to explore other funding sources as they arise. Staff expects to advance discussions with Council related to allocation of any funding received as part of the 2025 budget process.

INTERDEPARTMENTAL LIAISON

Several departments will be involved in implementing the legislation. The Zoning Bylaw amendment was developed in consultation with staff from Engineering, Transportation, Electrical, and Building Divisions.

OPTIONS

The following options are available for Council’s consideration:

1. That Council forward Zoning Amendment Bylaw (Transit Oriented Area and Small Scale Multi Unit Housing Amendments) No. 8453, 2024 and Transit Oriented Area Designation Bylaw No. 8460, 2024 to the June 10, 2024 Regular Meeting of Council for consideration of First, Second and Third Readings; and
2. That notice be given in accordance with the Local Government Act.
3. That Council provide staff with alternative direction.

Staff recommends Options 1 and 2.

ATTACHMENTS

- Attachment 1: Additional SSMUH Background Information and Discussion
- Attachment 2: Zoning Amendment Bylaw (Transit Oriented Area and Small Scale Multi-Unit Housing Amendments) No. 8453, 2024
- Attachment 3: Transit Oriented Areas Designation Bylaw No. 8460, 2024
- Attachment 4: SSMUH Properties Map
- Attachment 5: TOD Area Maps with Tiers

APPROVALS

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