

# REPORT

## *Planning and Development*

**To:** Mayor Johnstone and Members of Council in Workshop      **Date:** June 3 and May 27, 2024

**From:** Jackie Teed, Director, Planning and Development      **File:** #2464322

**Item #:** 2024-311

**Subject:**    **Infill Housing and Townhouse Acceleration Work Plans**

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### **RECOMMENDATION**

**THAT** Council direct staff to proceed with the work plan for the Infill Housing Acceleration program as outlined in this report.

**THAT** Council direct staff to proceed with the work plan for the Townhouse Acceleration program as outlined in this report.

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### **PURPOSE**

To present a scope of work for Infill Housing and Townhouse Acceleration Programs for Council's consideration.

### **SUMMARY**

This report outlines proposed work plans for two related initiatives:

1. Infill Housing Acceleration: Pre-zone to permit up to six residential units in single detached dwelling and duplex zones.
2. Townhouse Acceleration: Pre-zone lands to make it easier to construct new townhouse units.

The infill housing program would be developed in the context of the new small scale multi-unit housing (SSMUH) housing legislation. However, this City initiative proposes going beyond what is mandated by the Province by considering allowing six units throughout most of the City, rather than only on sites in proximity to frequent transit, and by including sites already zoned to allow three units. The initiative would further support the intention of the Province's Homes for People Action Plan, and align with Council's Strategic Priorities Plan.

A townhouse acceleration program is also proposed. While the infill program would focus on facilitating redevelopment of individual lots, the goal of the townhouse program would be to facilitate the consolidation and redevelopment of more than one single detached dwelling property. In order to increase the number of new units constructed, this initiative would explore amending the Zoning Bylaw to: allow townhouses outright; increase the density permitted; allow lock-off units; and make regulatory and policy improvements based on lessons learned from past projects.

**BACKGROUND**

**Strategic Priorities Plan**

Council’s 2023-2026 Strategic Priorities Plan identified Homes and Housing Options as a focus area. The goal being to clear the way for all types of homes needed by people today and tomorrow, prioritizing homes for those with the greatest need. One of the outcomes identified in the Plan is:

- Infill Housing: Allow for diverse housing options in all neighbourhoods of New Westminster.

In 2021, less than 7% of the City’s housing stock were units other than single detached dwellings and apartments. Increasing housing choice is a high priority of the City and the community, as many members cannot find suitable housing as their needs change.

**Provincial Housing Legislation: Small Scale Multi-Unit Housing (SSMUH)**

In fall 2023, the Province introduced changes to housing legislation to deliver on the priorities of the Homes for People Action Plan. One of the changes requires small scale, multi-unit housing to be permitted as of right on single detached and duplex zoned properties. Local governments are required to update zoning to allow:

- 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 to transit stops with frequent service. Off-street vehicle parking minimum requirements will also be removed for these lots.

The City’s approach to meeting the legislated SSMUH requirements is outlined in another report on this agenda. The Province has also issued a Provincial Policy Manual, which the legislation requires be considered when the City amends the Zoning Bylaw relevant to small scale multi-unit housing. The Infill Housing program will need to consider the Manual, including the direction recommended on details such as density, setbacks and height. Local governments are also required to update Official Community Plans (OCPs) to align with new legislation, including small scale multi-unit housing. The update to the OCP must be completed by December 31, 2025.

**Official Communality Plan and Phase One Infill Housing Program**

One of the City’s overarching objectives for the process that lead to the 2017 OCP was to increase housing choice. As a result, a key focus of community consultation was about which new infill housing forms would be a good fit for New Westminster, and where they should be located. Based on the community priorities, an infill housing program was launched which focused on laneway and carriage houses, and infill townhouses (strata) and rowhouses (fee-simple). This program ran concurrent to the OCP process and was adopted at the same time as the OCP. The work included creating zoning regulations and development permit guidelines for each housing form. For laneway and carriage houses, most single detached dwelling properties on the mainland were pre-zoned to allow these uses outright, in addition to a secondary suite.

**WORK PLAN**

**Key Tasks and Timeline: Infill Housing Acceleration**

This initiative would explore pre-zoning to permit infill housing. This infill housing program would be developed in the context of the new SSMUH housing legislation. However, this City initiative will explore going beyond what is mandating by the Province by considering allowing six units throughout most of the city, rather than only on sites in proximity to frequent transit, and by including sites already zoned to allow three units.

The work plan would include the following steps:

1. *Background Research (Summer – Fall 2024)*  
This step would include an assessment of the current context, review of past feedback, and research into approaches taken in other municipalities. The phase would also include consideration of the new direction mandated by the Province, which will significantly influence the approach taken to allowing infill housing.
2. *Program Development (Fall 2024 – Spring 2026)*  
A consultant would be retained to help draft development permit guidelines and zoning regulations. This step would also include community, industry and other agency consultation focused on gathering feedback that would inform the creation of the guidelines and regulations. The City’s consultation approach would provide community members clarity on what program details can be adapted based on community feedback, and which are already set by legislation.
3. *OCP Amendment (Winter 2025)*  
The new Provincial legislation requires local governments to update OCPs to align with new legislation, including small scale multi-unit housing, by December 31, 2025. Staff would consolidate all of the required amendments to the OCP into one process. The OCP amendment will include elements related to this initiative:
  - The existing RGO – Residential Ground Oriented Infill land use designation would be amended to align with the intent of the SSMUH legislation.

- The existing RD – Residential Detached and Semi-Detached land use designation would be replaced by the revised RGO land use designation, in alignment with the intent of the SSMUH legislation.
- New development permit guidelines would be created for infill housing, including form and character, and other guidelines. These guidelines must consider the provincial policy manual, but there is opportunity for community, industry, and external agency input.

4. *Zoning Bylaw Amendment (Spring 2026)*

A new zoning district (or districts) would be created that would allow for the construction of up to six units on single detached dwelling and duplex zoned properties outside of Transit Oriented Development Areas. The new zoning regulations would consider the guidance provided by the Province. Properties would be rezoned, providing an as of right opportunity to build infill.

5. *Implementation (Summer 2026)*

Once the Zoning Bylaw amendment is adopted, applications to develop infill housing could be submitted in alignment with the new zoning. Staff would create materials (revising web content, guides and other related supporting material) to assist applicants navigating the approval process.

**Key Tasks and Timeline: Townhouse Acceleration**

There has been limited uptake of the Infill Townhouse and Rowhouse program since adoption in 2017. Consultation findings have indicated that the rezoning process and allowable density is a barrier for some applicants, despite interest in redevelopment. In order to increase the number of new units constructed, this initiative would explore amending the Zoning Bylaw to: allow townhouses outright; increase density permitted; allow lock-off units; and make regulatory and policy improvements based on lessons learned from past projects. While the Infill Program would focus on facilitating redevelopment of individual lots, the goal of this program would be to facilitate the consolidation and redevelopment of more than one single detached dwelling property.

Staff had originally conceived that this initiative would have considered allowing townhouses as of right on the 250 properties designated for this use in the Official Community Plan. However, many of the locations designated Infill Townhouse in the OCP are now captured by the Transit Oriented Development (TOD) area legislation and envisioned for higher density. Through this process, staff would explore locations that should be considered for townhouses. Townhouses will still meet a critical need in the city for increased housing choice, specifically ground oriented family friendly housing.

The work plan would include the following steps:

1. *Background Research (Summer 2024)*

This would include an assessment of the current context, review of past feedback and research into approaches taken in other municipalities. A comprehensive review was conducted in 2022, which included community and industry consultation. The findings of this work would be incorporated into this program (See Attachment 1).

2. *Program Development (Fall 2024 – Fall 2025)*

A consultant would be retained to help draft revised development guidelines and zoning regulations. This step would include community, industry, and external agency consultation. During this phase, staff would explore:

- Revising or creating new development permit guidelines.
- Allowing larger units to improve viability and respond to engagement feedback.
- Allowing lock off units (e.g. secondary suites) in order to generate additional rental units. This would also provide flexibility to future households.
- Identifying additional areas where townhouse forms would be appropriate.

3. *Zoning Bylaw and OCP Amendments (Fall 2025)*

Staff will bring a proposal forward to Council for consideration to amend the Zoning Bylaw to rezone properties and implement related changes to zoning regulations. Amendments would also be proposed to the OCP to revise design guidelines, and identify new areas where townhouses are envisioned.

4. *Implementation (Winter 2025)*

Once the Zoning Bylaw amendment is adopted, Development Permit applications for townhouses could be submitted in alignment with the new zoning. Staff would create materials (revising web content, guides and other related supporting material) to assist applicants navigating the approval process.

**FINANCIAL IMPLICATIONS**

A new Housing Division and other interdepartmental resources are required to deliver the outcomes of 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. This new Housing Division will be responsible for advancing the Infill Housing and Townhouse Acceleration Programs.

The Infill Housing Acceleration Program requires a budget in the order of \$290,500 and the Townhouse Acceleration Program a budget in the order of \$220,000. These funds would be used to retain a consultant to lead the development of the program, and for costs related to community consultation. These amounts are included in the approved 2024-2028 Budget for Planning and Development.

**INTERDEPARTMENTAL LIAISON**

Staff across multiple departments would be engaged in both initiatives, including: transportation, climate action, infrastructure planning, and building.

**OPTIONS**

The following options are presented for Council's consideration:

1. That Council direct staff to proceed with the work plan for the Infill Housing Acceleration program as outlined in this report.
2. That Council direct staff to proceed with the work plan for the Townhouse Acceleration program as outlined in this report.
3. That Council provide alternative direction.

Staff recommends Options 1 and 2.

**ATTACHMENTS**

Attachment 1: Infill Housing Phase One Review: Summary of Engagement Findings

**APPROVALS**

This report was prepared by:  
Lynn Roxburgh, Manager Housing and Land Use Planning

This report was reviewed by:  
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This report was approved by:  
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