

ADMINISTRATIVE REPORT



TO: Planning & Development Committee

FROM: J. Zaffino, Chief Administrative Officer

DATE: January 9, 2025

RE: Land Use Bylaw Amendments — SSMUH Implementation (X2025.001-ZONE)

Administrative Recommendation:

THAT amendments to the Electoral Area “A”, “C”, “D”, “E”, “F”, “G” & “I” Official Community Plan (OCP) bylaws be prepared in order to undertake the following:

- i) introduction of a new policy supporting a maximum residential density of 44 units/ha in the Low Density Residential (LR) OCP designation (e.g. 2 units/parcel);**
- ii) introduction of a new policy supporting a maximum residential density of 75 units/ha when lands are served by a community water system and a community sewer system in the Medium Density Residential (MR) OCP designation;**
- iii) repeal of the Multiple Family Development Permit Area designation (Area “D”);**
- iv) repeal of the Protection of Farming Development Permit Area designation (Area “C”);**
- v) revision of the Okanagan Falls Town Centre Development Permit Area designation (Area “D”);**
- vi) revision of the Naramata Village Centre Development Permit Area designation (Area “E”); and**

THAT amendments to the Okanagan Valley Zoning Bylaw No. 2800, 2022, and Electoral Area “G” Zoning Bylaw No. 2781, 2017, be prepared in order to undertake the following:

- i) combining the current RS1, RS2, RS3, RS4, RD1 and RD2 zones into a new Low Density Residential One (RS1) Zone;**
- ii) setting the setbacks for principal structures in the proposed RS1 Zone to 6.0 metres (front & rear), 1.2 metres (interior side) and 3.0 metres (exterior side);**
- iii) setting the setbacks for accessory structures in the proposed RS1 Zone to 6.0 metres (front), 1.5 metres (rear), 1.2 metres (interior side) and 3.0 metres (exterior side);**
- iv) deleting the maximum floor area limit of 125 m² for secondary suites;**
- v) deleting the minimum building width requirement for principal dwelling units of 5.0 metres;**
- vi) deleting the density restriction prohibiting a “secondary suite” if an “accessory dwelling” has already been developed on a parcel zoned SH3, SH4, LH1, LH2, AG1, AG2, AG3 or RA; and**

THAT the amendment bylaws be brought forward for consideration at a forthcoming meeting of the Planning and Development (P&D) Committee;

AND THAT options be presented at a forthcoming meeting of the P&D Committee for how this project can be accommodated within the Strategic Plan Tracker.

Proposal:

The purpose of this report is to provide options to the Board in relation to proposed land use bylaw amendments required to ensure compliance with changes enacted to the *Local Government Act* in 2023 related to Small-Scale Multi-Unit Housing (SSMUH).

Legislative Requirements:

Pursuant to Section 481.3(2) of the *Local Government Act* (the “Act”), the Regional District is required to have zoning in place by June 30, 2024, that permits for a minimum of two (2) dwelling units per parcel and, in certain circumstances, up to four (4) dwelling units per parcel.

Section 481.3(7) of the Act also requires that a local government developing or adopting a zoning bylaw to permit the use and density of use required under Section 481.3 must consider any guidelines issued by the Minister in relation to Small-Scale Multi-Unit Housing (SSMUH).

Compliance:

The Regional District is required to notify the Minister of Housing, in writing, that the bylaw(s) have been adopted, the location(s) of any exempted land(s) and the legislative provisions supporting the exemptions.

Under Section 584 of the Act, the Minister retains authority to determine a bylaw to be contrary to the public interest of British Columbia and to direct a local government to alter the bylaw to address the Minister’s objections.

If the local government does not alter the bylaw in accordance with a notice from the Minister, the Minister may, with the prior approval of the Lieutenant Governor in Council, order the bylaw to be altered in accordance with the notice. On the date of such an order by the Minister, the local government’s bylaw is conclusively deemed to be altered in accordance with the notice.

Background:

The issue of housing affordability has been considered by the Board on multiple occasions over the past number of years, including:

- **February 18, 2021:** Director’s Motion was carried by the Regional District Board request that “staff prepare a discussion paper to identify key considerations for regulating sleeping accommodations in accessory buildings and in vehicles (i.e. bunkies, mobile tiny homes and RVs).”
- **April 1, 2021:** the Board received the *Regional District of Okanagan-Similkameen 2021 Housing Needs Assessment* report, which provided a comprehensive overview of the current housing situation across the region, and estimated how this could evolve over the next five years.
- **March 2, 2023:** the P&D Committee considered an Administrative Report outlining a number of options related to “Alternative Housing Options”, being a response to the items contained in the Notice of Motion of February 18, 2021, as well as the following options:
 - replacing zoning that limits density to a single detached dwelling with zoning that allows for duplexes in Primary Growth Areas serviced with community water & sewer;

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- allowing secondary suites to be developed within a duplex or townhouse development, subject to servicing;
 - replacing density restrictions on additional dwellings to allow for a secondary suite and accessory dwelling on a parcel, subject to servicing;
 - reviewing the maximum floor area requirements for secondary suites and accessory dwellings;
 - waiving Development Cost Charges (DCCs) for secondary suites and accessory dwellings;
 - reducing DCCs for affordable housing projects;
 - Requesting that the Okanagan Basin Water Board (OBWB) reconsider its application of the “1.0 ha Policy” to accessory dwellings;
 - replacing the current zoning regulation that limits “mobile homes” (certified as being constructed to the Canadian Standards Association Z240 standard) to parcels greater than 4.0 ha in area;
 - reviewing use of Multiple Family Development Permit Area designation as it may be a possible regulatory burden to encouraging higher density; and
 - proceeding with a review of vacation rental policies and regulations.
- **June 15, 2023:** the P&D Committee resolved “that the OBWB be requested to amend its interpretation of the ‘1.0 ha Policy’ to allow detached accessory dwellings on parcels less than 1.0 ha when they are connected to the same on-site private sewage system servicing the principal dwelling.”
 - **September 7, 2023:** the Board adopts Zoning Amendment Bylaw No. 2800.29, 2024, to allow an “accessory dwelling” to be in the form of a “mobile home” (i.e. CSA Z240) on parcels greater than 1.0 hectare in area.
 - **November 30, 2023:** the provincial Legislature adopted Bill 44, which introduced a number of substantial amendments to the *Local Government Act*, the intent of which was the delivery of “more small-scale, multi-unit housing for people, including townhomes, triplexes and laneway homes, and fix outdated zoning rules to help build more homes faster.”
 - **December 7, 2023:** the provincial government released *Provincial Policy Manual & Site Standards* (Small-Scale, Multi-Unit Housing) as a resource to assist local governments with the implementation of zoning bylaw amendments required to comply with the changes to the Act
 - **February 22, 2024:** the P&D Committee considered and resolved to support a number of land use bylaw amendments related to SSMUH Implementation.
 - **February 22, 2024:** the P&D Committee further directed that an “Application to Request an Extension to SSMUH Compliance Deadline” be submitted to the Minister of Housing in relation to Okanagan Falls and Heritage Hills.
 - **March 28, 2024:** the Board participates in a “Housing Workshop” facilitated by Tracey Lorenson of Civic Excellence.

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- **May 9, 2024:** the P&D Committee resolved that an “Application to Request an Extension to SSMUH Compliance Deadline” be submitted to the Minister of Housing in relation to those lands comprised within the Faulder Water System Service Area.
 - **May 9, 2024:** the Committee further resolved to reduce permitted residential densities within the areas served by the Vintage Views Wastewater System and Lakeshore Highlands water system.
 - **June 13, 2024:** the Board resolved to approve first and second reading of Official Community Plan Amendment Bylaw No. 3062, 2024, Okanagan Valley Zoning Amendment Bylaw No. 2800.37, 2024; and Electoral Area “G” Zoning Amendment Bylaw No. 2781.01, 2024.
 - **June 30, 2024:** the deadline for SSMUH compliance by local governments passes.
 - **July 4, 2024:** a public hearing in relation to Amendment Bylaw Nos. 3062, and was attended by seventeen (17) members of the public present (6 in attendance and 11 on-line).
 - **July 4, 2024,** the Board resolved to defer consideration of third reading of Amendment Bylaw Nos. 2800.37, 2024, and 2781.01, 2024, and directed the bylaws be reviewed at a forthcoming meeting of the P&D Committee.
 - **July 25, 2024:** the P&D Committee considered an Administrative Report, for information, outlining the proposed amendments to the Electoral Area zoning bylaws.
 - **July 25, 2024:** the Board resolved to adopt the new Electoral Area “H” Zoning Bylaw No. 3065, 2024, in order to ensure SSMUH Compliance.
 - **August 15, 2024:** the Board resolved to rescind and abandon Amendment Bylaw Nos. 3062, 2800.37 and 2781.01, which would have applied to Electoral Areas “A”, “C”, “D”, “E”, “F”, “G” & “I”.
 - **December 6, 2024:** the Ministry of Housing and Municipal Affairs contacted the Regional District and advised the following:

... the compliance deadline for implementing small-scale multi-unit housing (SSMUH) legislative requirements has passed, and the Ministry of Housing has not yet received notification of the Regional District of Okanagan-Similkameen (RDOS) adopting a SSMUH zoning bylaw.

We would appreciate knowing when zoning bylaw amendments to implement SSMUH legislative requirements are expected to be on the Board’s agenda and considered for subsequent readings and adoption. Should the Board choose not to adopt the required bylaw amendments, RDOS may be subject to compliance measures.

Analysis:

The province is encouraging local governments to apply a flexible approach when amending their zoning bylaw to ensure SSMUH Compliance as “it is typically not a single zoning rule that impacts the viability of a SSMUH project, but rather the cumulative and cross-cutting impacts of several regulations combined.”

For these reasons, Administration was supportive of the amendments contained in Bylaw Nos. 3062, 2800.37 and 2781.01, however, it is recognized that the Board resolved to rescind and abandon these bylaws on August 15, 2024.

Given this, and in light of the recent correspondence received from the Ministry of Housing and Municipal Affairs regarding SSMUH implementation, Administration is seeking direction on how the Board may wish to proceed in relation to Electoral Areas “A”, “C”, “D”, “E”, “F”, “G”, “H” & “I”.

Option No. 1 – Status Quo

The option of not amending the OCP and Zoning bylaws is available to the Board and would be consistent with the decision to rescind and abandon the previous bylaws.

Under this scenario, however, the Minister *may* determine the applicable Regional District land use bylaws to be not in the public interest and subject to a Ministerial order and compliance measures by the province.

This is not seen to be a desirable option as it is contrary to clear statutory requirements contained within the *Local Government Act*, and it is unclear what form a Ministerial order might take should the provincial government subject the Regional District to compliance measures.

Option No. 2 – Initiate Bylaw Amendments

Under this option, amendments to the OCP and Zoning bylaws would be initiated in order to ensure SSHUM Compliance. The form of these amendments *could* include some or all of the elements contained in the amendment bylaws rescinded on August 15, 2024, such as:

- i) introduction of a new policy supporting a maximum residential density of 44 units/ha in the Low Density Residential (LR) OCP designation (e.g. 2 units/parcel);
- ii) introduction of a new policy supporting a maximum residential density of 75 units/ha when lands are served by a community water system and a community sewer system in the Medium Density Residential (MR) OCP designation;
- iii) repeal of the Multiple Family Development Permit Area designation (Area “D”);
- iv) repeal of the Protection of Farming Development Permit Area designation (Area “C”);
- v) revision of the Okanagan Falls Town Centre Development Permit Area designation (Area “D”);
- vi) revision of the Naramata Village Centre Development Permit Area designation (Area “E”);
- vii) combining the current RS1, RS2, RS3, RS4, RD1 and RD2 zones into a new Low Density Residential One (RS1) Zone;
- viii) setting the setbacks for principal structures in the proposed RS1 Zone be 6.0 metres (front & rear), 1.2 metres (interior side) and 3.0 metres (exterior side);
- ix) setting the setbacks for accessory structures in the proposed RS1 Zone be 6.0 metres (front), 1.5 metres (rear), 1.2 metres (interior side) and 3.0 metres (exterior side);
- x) setting the maximum building height for a “single detached dwelling” be increased from 10.0 metres to 11.0 metres in the RS and SH zones;
- xi) increasing the maximum building height for an accessory dwelling of 8.0 metres;

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- xii) increasing the maximum building height in the RM1 Zone from 12.0 metres to 15.0 metres;
 - xiii) deleting the maximum floor area limit of 125 m² for secondary suites;
 - xiv) deleting the minimum building width requirement for principal dwelling units of 5.0 metres; and
 - xv) deleting the density restriction prohibiting a “secondary suite” if an “accessory dwelling” has already been developed on a parcel zoned SH3, SH4, LH1, LH2, AG1, AG2, AG3 or RA.

While this is seen to be the preferred option, it is unclear which, if any of the possible amendments outlined above may be amenable to the Board. While an Administrative Recommendation has been provided with this report, this is seen to be for discussion purposes only and subject to change based on direction from the Board.

NOTE: the Administrative Recommendation does not include any proposed changes to dwelling height (e.g. single detached dwellings to 11.0 metres from 10.0 metres, accessory dwellings to 8.0 metres from 4.5 metres and apartment buildings and townhouses to 15.0 metres from 12.0 metres)

In addition, and depending on the outcomes of Strategic Planning for 2025, it may be that changes to other land use planning projects on the Strategic Plan Tracker (e.g. “Gantt Chart”) may need to be made in order to accommodate this project in 2025.

Financial Implications:

Not applicable at this time.

Communication Strategy:

Not applicable at this time.

Alternatives:

1. THAT the Electoral Area “A”, “C”, “D”, “E”, “F”, “G” & “I” Official Community Plan (OCP) and Zoning Bylaws be amended as follows:
 - a) *TBD*.

Respectfully submitted:



C. Garrish, Senior Manager of Planning