

## ADMINISTRATIVE REPORT



**TO:** Planning & Development Committee

**FROM:** J. Zaffino, Chief Administrative Officer

**DATE:** February 22, 2024

**RE:** Land Use Bylaw Amendments — Small-Scale, Multi-Unit Housing (X2024.001-ZONE)

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### Administrative Recommendation:

**THAT the following be applied to the drafting of new zoning regulations required to ensure compliance with the *Housing Statutes (Residential Development) Amendment Act, 2023*:**

- 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);
- 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);
- 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;
- a maximum building height of 8.0 metres for accessory dwellings be introduced;
- the maximum building height in the RM1 Zone be increased from 12.0 metres to 15.0 metres;
- the maximum floor area limit of 125 m<sup>2</sup> for secondary suites be deleted;
- the minimum building width requirement for principal dwelling units of 5.0 metres be deleted;
- 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 be deleted; and

**THAT the Electoral Area “G” & “H” zoning bylaws be repealed and replaced by a combined Similkameen Valley Zoning Bylaw**

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### 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 recent changes to the *Local Government Act* (e.g. *Housing Statutes (Residential Development) Amendment Act, 2023*).

### Background:

On 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delivery of “more small-scale, multi-unit housing for people, including townhomes, triplexes and laneway homes, and fix outdated zoning rules to help build more homes faster.”

On 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.

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Under a new Section 481.3(7) of the *Local Government Act*, the Regional District “must consider applicable guidelines” made by the Minister (e.g. the SSMUH Policy Manual) when developing or adopting a zoning bylaw to permit the use and density of use required under to be permitted under the Act.

The Manual includes recommended approaches to regulations governing building types, density, setbacks, building height, parcel coverage, vehicle parking requirements as well as the use of development permit area designations.

When considering these regulations, the province has advised that “creating a favourable regulatory environment for SSMUH housing to help overcome these barriers will require an openness to new building forms in areas traditionally reserved for detached single-family and duplex homes.”

The Regional District is required to approve a zoning bylaw(s) that comply with SSMUH requirements by **June 30, 2024**, and 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.

### **Analysis:**

The province is encouraging local governments to apply a flexible approach when amending their zoning bylaw(s) 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.”

In response, Administration is recommending the following:

#### **1. Building Height – Principal Dwelling:**

According to the Provincial SSMUH Policy Manual:

*A universal maximum height limit that permits at least three stories regardless of the method of measurement, site gradient, or roof style improve the viability and diversity of SSMUH housing forms ... 11 metres is often considered an appropriate building height limit to facilitate three storeys ...*

At present, the Regional District’s zoning bylaws have generally enacted a maximum height regulation of 10.0 metres in all zones in which single detached dwellings and duplexes are permitted.

In response, it is recommended that the maximum height allowance for all principal structures in the Small Holdings (SH) and Low Density Residential (RS) zones be increased from 10.0 metres to 11.0 metres.

It is further recommended that the height of the RM1 Zone be increased from 12.0 metres to 15.0 metres in order to incentivise construction of apartment buildings on lands designated for medium density residential development by allowing upwards of four (4) stories.

Conversely, the option of retaining maximum building heights in the SH & RS zones at 10.0 metres and in the RM1 Zone at 12.0 metres is available to the Board.

#### **2. Building Height – Accessory Dwelling:**

According to the Provincial SSMUH Policy Manual a maximum height of “at least 8.0 metres for accessory dwelling unit” should be considered.

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At present, the Regional District's zoning bylaws have generally enacted a maximum height regulation that limits accessory dwellings to the maximum height permitted for "accessory building and structures" in a zone (e.g. 4.5 metres in the Low Density Residential (RS) and Small Holdings One (SH1) zones).

In response, it is recommended that a height exception of 8.0 metres be introduced for "accessory dwellings" in the RS and SH1 zones, but that the maximum 4.5 metre height be retained for all other accessory structures.

Conversely, the option of the status quo is available to the Board.

### 3. Parcel Line Setbacks:

According to the Provincial SSMUH Policy Manual:

*Of all the land use regulation changes proposed in this manual, reducing customary single-family and duplex front and rear lot line setbacks may have the most profound effect on the traditional development pattern in single-family and duplex zones. It will enable buildings to be sited in what would have traditionally been a front yard or a back yard.*

At present, the Regional District's zoning bylaws have generally enacted a minimum front parcel line setback of 7.5 metres in most of the SH & RS zones. The RS1 Zone is the exception as it allows for a 6.0 metre front setback due to parcel size (e.g. parcels are generally 350 m<sup>2</sup> in area or less).

In response, and to align with provincial recommendations (see Attachment No. 1) it is being proposed that the minimum parcel line setback in RS zones be reduced from 7.5 to 6.0 metres (front), from 1.5 to 1.2 metres (interior side) and 4.5 to 3.0 metres (exterior side).

Conversely, the status quo is available to the Board.

### 4. Parcel Coverage:

According to the Provincial SSMUH Policy Manual:

*... lot coverage limitations can be an impediment to SSMUH housing forms if they do not allow a sufficiently large building footprint to accommodate development forms for multiple units that are financially viable.*

*The Site Standards recommend different lot coverage limits for each type of lot subject to different density requirements, ranging from 60% for lots where a minimum of 6 units must be permitted, to 30% on lots for which only secondary suite and/or ADUs must be permitted.*

At present, the Regional District's zoning bylaws allow for a range of maximum parcel coverages in the Small Holdings (SH) and Low Density Residential (RS) zones from 15% to 50%, where the parcel coverage regulation decreases as parcel size increases.

In response, while no change to maximum parcel coverage allowances are seen to be required in order to achieve compliance with the SSMUH legislation, it is recommending that parcel coverage in the RS zones be made consistent at 45%.

The parcel coverage allowances in the SH zones are not seen to be an impediment to achieving SSMUH housing forms given the significantly larger parcel sizes.

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## 5. Vehicle Parking:

According to the Provincial SSMUH Policy Manual:

*Of all bylaw regulations, on-site vehicular parking requirements often have the greatest influence on the viability of SSMUH housing forms ... [and] local governments should minimize parking requirements when updating their zoning bylaws, and in some cases consider removing parking requirements for residential zones altogether.*

Specifically, the province is recommending that one (1) space per dwelling unit be the standard adopted.

At present, the Regional District's zoning bylaws require the provision of two (2) vehicle parking spaces for duplexes and single detached dwellings and one (1) vehicle parking space for secondary suites and accessory dwellings.

In response, it is recommended that vehicle parking spaces for duplexes and single detached dwellings be reduced from two (2) spaces to one (1) space per dwelling unit.

Conversely, the status quo remains an option.

## 6. Secondary Suites:

In 2019, the BC Building Code was amended to remove floor area restrictions on secondary suite (e.g. 90 m<sup>2</sup> or 40% of the habitable space of the building). The intent of this change was to "to remove barriers to the creation of more affordable housing."

In response, the Regional District amended its zoning bylaws in 2021 to increase the floor area allowance for a secondary suite to 125 m<sup>2</sup>. This was to allow for the inclusion of an additional bedroom in a suite.

At its meeting of March 2, 2023, the Planning and Development (P&D) Committee considered the "Housing Option" of revising the floor area restrictions on secondary suites (e.g. increasing floor area to 150 m<sup>2</sup> or removing the restriction in its entirety).

In light of the current direction by the province as well as the previous amendments to the Building Code, it is recommended that the floor area of a secondary suite not be restricted.

Conversely, the status quo is available to the Board, as is increasing the maximum floor area to 150 m<sup>2</sup>, or some other number.

## 7. Density of Accessory Dwellings:

According to the Provincial SSMUH Policy Manual:

*To mitigate risks related to groundwater contamination, only secondary suites, not accessory dwelling units, should be permitted on properties less than one hectare in size that are not serviced by sewer systems operated by a local government.*

In response to previous direction provided by the Okanagan Basin Water Board (OBWB), the Regional District has allowed "secondary suites" on properties less than 1.0 ha in area not serviced by a community sewer system, but has prohibited "accessory dwellings" on such parcels.

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On parcels greater than 1.0 ha in area, the Regional District has *generally* limited density of accessory dwelling units to either one (1) “secondary suite” ***or*** one (1) “accessory dwelling”.

It is recommended that this density restriction be reconsidered and parcels greater than 1.0 ha in area be permitted one (1) “secondary suite” ***and*** one (1) “accessory dwelling”. This would generally apply to the SH3, SH4, LH1, LH2, AG1, AG2, AG3 and RA zones.

At present, the number of permitted “accessory dwellings” and the allowable floor area varies in the rural zones based on parcel size. NOTE: revising the density of accessory dwellings on larger parcels was also considered as a “Housing Option” by the P&D Committee at its meeting of March 2, 2023.

#### 8. Okanagan Falls “Primary Growth Area”:

The amendments to the *Local Government Act* require that the permitted density per parcel in the Okanagan Falls “Primary Growth Area” where the Regional District provides water and sewer service be 3 units on parcels less than 280 m<sup>2</sup> in area and 4 units on parcels greater than 280 m<sup>2</sup>.

In response, it is proposed that a new “Small-Scale Multi-Unit Residential (RS2) Zone”, as outlined at Attachment No. 4, be applied to applicable parcels.

While there is no latitude under the Act for the Regional District to reduce densities in this zone, there is a limited scope to adjust the building envelope (e.g. setbacks, parcel coverage, height, etc.).

Of note, the draft RS2 Zone at Attachment No. 4 has generally incorporated the recommendations contained in the SSMUH Policy Manual.

#### 9. Implementation:

In order to enact the amendments required by the *Housing Statutes (Residential Development) Amendment Act, 2023*, it is recommended that:

- an amendment bylaw to the Okanagan Valley Zoning Bylaw be prepared; and
- the Electoral Area “G” and “H” zoning bylaws be repealed and replaced by a new, combined Similkameen Valley Zoning Bylaw.

Since the Electoral Area “G” & “H” zoning bylaws were adopted, the Board has reviewed and revised many of the zoning regulations in the Okanagan electoral areas. While some of these amendment were also incorporated into the Similkameen electoral area zoning bylaws, many others were not.

As a result, certain regulations and definitions in the Similkameen Valley electoral area zoning bylaws are no longer current and, given the scope of the amendments required by Bill 44, it is recommended that a new bylaw be applied to these electoral areas.

This approach would be consistent with the general trend applied by the Board when reviewing bylaws and to consolidate and remove duplication of bylaws when possible (e.g. animal control, noise control, water systems, parks and recreation commissions, etc.).

Conversely, the following options are also available to the Board:

- the Electoral Areas “G” Zoning Bylaw is amended;
- the Electoral Area “H” Zoning Bylaw is:
  - repealed and replaced with a new zoning bylaw; or

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➤ amended,

- all of the electoral area zoning bylaws be repealed and replaced by a new, combined zoning bylaw.

**Alternative:**

1. THAT the following amendments be applied to the applicable electoral area official community plan (OCP) and zoning bylaws:
  - i) *TBD*

**Respectfully submitted:**



C. Garrish, Senior Manager of Planning

Attachments:

- No. 1 – Recommended Site Standards for rural lands outside an Urban Containment Boundary (SSMUH Policy Manual)
- No. 2 – Comparison Table of RS Zones (Zoning Bylaw No. 2800) vs Proposed New RS Zone
- No. 3 – Recommended Site Standards for rural lands inside an Urban Containment Boundary (SSMUH Policy Manual)
- No. 4 – Draft Small-Scale, Multi-Unit Housing (RS2) Zone
- No. 5 – SSMUH Policy Manual

Attachment No. 1 – Recommended Site Standards for rural lands outside an Urban Containment Boundary (SSMUH Policy Manual)

**Table 5: Recommended zoning regulations for lots requiring a minimum of 2 units**

Zoning Bylaw Parameter	Recommended Benchmark Regulation	Considerations
Front Lot Line Setback	Minimum of 5 – 6 metres	This front lot line setback maintains some consistency with conditions in most rural and semi-rural areas.
Rear Lot Line Setback	Minimum of 6 metres for principal buildings Minimum of 1.5 metres for ADUs	
Side Lot Line Setbacks	Minimum of 1.2 metres	This minimum requirement will enable flexibility for a large range of lot sizes, configurations, and building types. Larger distances from property lines are likely to be used by builders or developers to meet BC Building Code requirements for combustible buildings, and to accommodate drive aisles to back of the property (if used).
Maximum Height	Maximum building height of 11 metres to the mid-point of a pitched roof or highest point of a flat roof on principal buildings At least 8 metres for accessory dwelling units	A universal height limit that permits three stories regardless of the method of measurement, site gradient, or roof style is recommended to help improve the viability and diversity of SSMUH housing forms.
Maximum Number of Storeys	3 storeys for principal dwellings 2 storeys for accessory dwelling units	In smaller lot settings, permitting 3 stories may reduce the loss of trees, green space, or farmland. In larger lot settings, large distances between adjacent dwellings mitigate relative height and privacy concerns.
Maximum Lot Coverage	25-40%	Relatively low lot coverages will help limit the size and cost of new units on large lots. 25% may be appropriate for large lots and up to 40% for smaller lots.
Off-Street Parking Requirements	One space per dwelling unit	

Attachment No. 2 – Comparison Table of RS Zones (Zoning Bylaw No. 2800) vs Proposed New RS1 Zone

RS1 Zone	RS2 Zone	RS3 Zone	RD1 Zone	Proposed RS1 Zone
<b>Principal Uses:</b> [not applicable] single detached dwelling <b>Accessory Uses:</b> accessory building or structure [not applicable] bed and breakfast operation home occupation [not applicable]	<b>Principal Uses:</b> [not applicable] single detached dwelling <b>Accessory Uses:</b> accessory building or structure accessory dwelling bed and breakfast operation home occupation secondary suite	<b>Principal Uses:</b> [not applicable] single detached dwelling <b>Accessory Uses:</b> accessory building or structure accessory dwelling bed and breakfast operation home occupation secondary suite	<b>Principal Uses:</b> duplex dwelling single detached dwelling <b>Accessory Uses:</b> accessory building or structure accessory dwelling bed and breakfast operation home occupation secondary suite	<b>Principal Uses:</b> duplex dwelling single detached dwelling <b>Accessory Uses:</b> accessory building or structure accessory dwelling bed and breakfast operation home occupation secondary suite
<b>Minimum Parcel Size:</b> 350 m <sup>2</sup>	<b>Minimum Parcel Size:</b> 500 m <sup>2</sup>	<b>Minimum Parcel Size:</b> 1,000 m <sup>2</sup>	<b>Minimum Parcel Size:</b> 225 m <sup>2</sup> (duplex) / 500 m <sup>2</sup> (parcel)	<b>Minimum Parcel Size:</b> 225 m <sup>2</sup> (duplex) / 500 m <sup>2</sup> (parcel)
<b>Minimum Parcel Width:</b> Not less than 25% of parcel depth	<b>Minimum Parcel Width:</b> Not less than 25% of parcel depth	<b>Minimum Parcel Width:</b> Not less than 25% of parcel depth	<b>Minimum Parcel Width:</b> Not less than 25% of parcel depth	<b>Minimum Parcel Width:</b> Not less than 25% of parcel depth
<b>Maximum Number of Dwellings:</b> one (1) principal dwelling unit [not applicable]	<b>Maximum Number of Dwellings:</b> one (1) principal dwelling unit one (1) secondary suite or accessory dwelling	<b>Maximum Number of Dwellings:</b> one (1) principal dwelling unit one (1) secondary suite or accessory dwelling	<b>Maximum Number of Dwellings:</b> two (2) dwellings in one (1) building	<b>Maximum Number of Dwellings:</b> two (2) dwelling units; despite above, 1 single detached dwelling
<b>Minimum Setbacks (Principal):</b> Front parcel line 6.0 m Rear parcel line 6.0 m Interior Side parcel line 1.5 m Exterior Side parcel line 4.5 m	<b>Minimum Setbacks (Principal):</b> Front parcel line 7.5 m Rear parcel line 7.5 m Interior Side parcel line 1.5 m Exterior Side parcel line 4.5 m	<b>Minimum Setbacks (Principal):</b> Front parcel line 7.5 m Rear parcel line 7.5 m Interior Side parcel line 1.5 m Exterior Side parcel line 4.5 m	<b>Minimum Setbacks (Principal):</b> Front parcel line 7.5 m Rear parcel line 7.5 m Interior Side parcel line 1.5 m Exterior Side parcel line 4.5 m	<b>Minimum Setbacks (Principal):</b> Front parcel line 6.0 m Rear parcel line 6.0 m Interior Side parcel line 1.2 m Exterior Side parcel line 3.0 m
<b>Minimum Setbacks (Accessory):</b> Front parcel line 6.0 m Rear parcel line 6.0 m Interior Side parcel line 1.5 m Exterior Side parcel line 4.5 m	<b>Minimum Setbacks (Accessory):</b> Front parcel line 7.5 m Rear parcel line 1.0 m Interior Side parcel line 1.0 m Exterior Side parcel line 4.5 m	<b>Minimum Setbacks (Accessory):</b> Front parcel line 7.5 m Rear parcel line 1.0 m Interior Side parcel line 1.0 m Exterior Side parcel line 4.5 m	<b>Minimum Setbacks (Accessory):</b> Front parcel line 7.5 m Rear parcel line 1.0 m Interior Side parcel line 1.0 m Exterior Side parcel line 4.5 m	<b>Minimum Setbacks (Accessory):</b> Front parcel line 6.0 m Rear parcel line 1.5 m Interior Side parcel line 1.2 m Exterior Side parcel line 3.0 m
<b>Maximum Building Height:</b> 10.0 metres (principal) 4.5 metres (accessory)	<b>Maximum Building Height:</b> 10.0 metres (principal) 4.5 metres (accessory)	<b>Maximum Building Height:</b> 10.0 metres (principal) 4.5 metres (accessory)	<b>Maximum Building Height:</b> 10.0 metres (principal) 4.5 metres (accessory)	<b>Maximum Building Height:</b> 11.0 metres (principal) 8.0 metres (accessory dwelling) 4.5 metres (accessory structure)
<b>Maximum Parcel Coverage:</b> 50%	<b>Maximum Parcel Coverage:</b> 40%	<b>Maximum Parcel Coverage:</b> 35%	<b>Maximum Parcel Coverage:</b> 45%	<b>Maximum Parcel Coverage:</b> 45%
<b>Minimum Building Width:</b> Principal Dwelling Unit: 5.0 metres	<b>Minimum Building Width:</b> Principal Dwelling Unit: 5.0 metres	<b>Minimum Building Width:</b> Principal Dwelling Unit: 5.0 metres	<b>Minimum Building Width:</b> [not applicable]	<b>Conditions of Use:</b> a duplex dwelling, with or without secondary suites, shall be connected to a community sewer system and community water system



Attachment No. 3 – Recommended Site Standards for rural lands  
inside an Urban Containment Boundary (SSMUH Policy Manual)

**Table 6: Recommended zoning regulations for lots requiring a minimum of 3 or 4 units that are less than 1,215m<sup>2</sup> in size**

Zoning Bylaw Parameter	Recommended Benchmark Regulation	Considerations
Front Lot Line Setback	Minimum of 2 metres	A front lot line setback of 4-6 metres may be warranted if there are no sidewalks or public boulevards for trees, or to accommodate stormwater infrastructure or future road or right-of-way dedications.
Rear Lot Line Setback	Minimum of 1.5 metres for ADUs or main buildings	Actual rear lot line setbacks will approximate 5 meters if parking in rear is required due to parking requirements and lot configuration.
Side Lot Line Setbacks	Minimum of 1.2 metres	Actual side setbacks will approximate 3 meters if parking in rear is required due to parking requirements and lot configuration.
Maximum Height	Maximum building height of 11 metres to the mid-point of a pitched roof or highest point of a flat roof	A universal height limit that permits three stories regardless of the method of measurement, site gradient, or roof style is recommended to help improve the viability and diversity of SSMUH housing forms.
Maximum Number of Storeys	3	
Maximum Lot Coverage	50%	Onsite parking requirements will contribute significantly to impervious surface coverage on lots. Impervious coverages exceeding 60% may require on-site stormwater retention and/or treatment.
Off-Street Parking Requirements	Maximum 0.5 space/unit if lot is within 800 m of transit stop with a bus at a minimum frequency of every 15 minutes (measured between 7am – 7pm) Maximum 1 space/unit otherwise	Other factors that could be used to set parking requirements include proximity to services (e.g., designated village or town centres), walk scores, and the availability of on-street or other parking alternatives. Higher maximum parking requirements (e.g., 1.5 spaces/unit) may be appropriate in smaller communities with no or limited public transportation, or for example, where on-street parking is impractical due to snow removal requirements.

## 16.2 SMALL-SCALE MULTI-UNIT RESIDENTIAL (RS2) ZONE

### 16.2.1 Permitted Uses:

Principal Uses:

- a) *apartment building*;
- b) *duplex dwelling*;
- c) *single detached dwelling*;
- d) *townhouse*;

Accessory Uses:

- e) *accessory building or structure*, subject to Section 7.1;
- f) *accessory dwelling*, subject to Section 7.2;
- g) *bed and breakfast operation*, subject to Section 7.4;
- h) *home occupation*, subject to Section 7.6; and
- i) *secondary suite*, subject to Section 7.9.

### 16.2.2 Minimum Parcel Size for Subdivision:

- a) 225.0 m<sup>2</sup> for the purpose of subdivision of *duplex dwellings* under the *Strata Property Act*, subject to Section **Error! Reference source not found.**; or
- b) 1,000.0 m<sup>2</sup>, subject to Section **Error! Reference source not found.**.

### 16.2.3 Minimum Parcel Width for Subdivision:

- a) Not less than 25% of the *parcel depth*, subject to Section 8.0.

### 16.2.4 Maximum Number of Dwelling Unit Permitted Per Parcel:

- a) For parcels less than 280 m<sup>2</sup> in area, the maximum number of principal and accessory dwelling units shall not exceed three (3);
- b) For parcels 280 m<sup>2</sup> and greater, the maximum number of principal and accessory dwelling units shall not exceed four (4);
- c) despite sub-section 16.2.4(a) & (b), the maximum number of *single detached dwellings* on a parcel shall not exceed one (1).

### 16.2.5 Minimum Setbacks:

- a) *Buildings and structures*:
  - i) *Front parcel line* 4.0 metres

- ii) *Rear parcel line* 1.5 metres
- iii) *Interior side parcel line* 1.2 metres
- iv) *Exterior side parcel line* 3.0 metres
- b) *Accessory building or structure:*
  - i) *Front parcel line* 4.0 metres
  - ii) *Rear parcel line* 1.5 metres
  - iii) *Interior side parcel line* 1.2 metres
  - iv) *Exterior side parcel line* 3.0 metres
- c) Despite Section 16.2.5(a)(iii), in the case of a side-by-side duplex or *townhouse* being subdivided for the purposes of creating individual ownership, an *interior side parcel line* setback between dwelling units shall not be required, provided the property line follows the centre line of the common property wall.

**16.2.6 Maximum Height:**

- a) No *building* shall exceed a *height* of 11.0 metres;
- b) No *accessory building or structure* shall exceed a *height* of 4.5 metres;
- c) Despite sub-section 16.2.6(b), an *accessory dwelling* shall not exceed a height of 8.0 metres.

**16.2.7 Maximum Parcel Coverage:**

- a) 50%

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