

NO: R044

COUNCIL DATE: March 11, 2024

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **March 7, 2024**

FROM: **General Manager, Planning & Development**

FILE: **6520-20
(City Centre,
Fleetwood, Clayton)
3900-30
(Zoning By-law)**

SUBJECT: **Provincial Housing Legislation**

RECOMMENDATION

The Planning & Development Department recommends that Council:

1. Receive this report for information;
2. Approve proposed plan area boundary extensions to the City Centre, Fleetwood, and Clayton Corridor Plans, as described in this report and attached as Appendix “I”; and
3. Approve proposed amendments to *Surrey Zoning By-law, 1993, No. 12000*, to align with the proposed plan area boundary extensions recommended above, as described in this report and attached as Appendix “II”.

INTENT

The intent of this report is to provide Council with an update on recent Provincial housing and development financing legislation. The report provides an overview of the immediate implications for Surrey, as well as short-term and longer-term actions necessary to implement the new tools and planning frameworks created by the legislation.

BACKGROUND

On November 30, 2023, the Provincial government granted Royal Assent to a suite of legislation intended to increase the supply and affordability of housing. New legislation was also passed that alters the development financing framework in British Columbia, with the goal of streamlining approvals. Each bill is summarized below:

- *Bill 44 – Housing Statutes (Residential Development) Amendment Act* mandates Small-Scale Multi-Unit Housing (“SSMUH”) be permitted on urban sized lots currently zoned to allow single family and duplex housing. Examples of SSMUH are secondary suites in single-family homes and duplexes, garden suites or laneway homes, triplexes, quadplexes, and townhouses. The Bill enables three or four housing units on all existing urban lots,

depending on the specific lot size. It exempts lots over one-acre. Those lots within 400-metres of frequent bus transit service, such as the R6 RapidBus, are enabled for up to six housing units per lot. These lots will also no longer be subject to off-street parking requirements.

- *Bill 46 – Housing Statutes (Development Financing) Amendment Act* expands the scope of infrastructure eligible to be funded through Development Cost Charges (“DCCs”) to include fire protection, police, and solid waste and recycling facilities. Bill 46 also establishes a new authority for local governments to impose Amenity Cost Charges (“ACCs”) to fund amenities that provide social, cultural, heritage, recreational, or environmental benefits to a community to address the impacts of growth in residents or workers expected from new development. The Province’s objective in creating the ACC tool is to promote greater transparency and predictability with respect to development financing.
- *Bill 47 – Housing Statutes (Transit-Oriented Areas) Amendment Act*, along with related regulations, mandates the designation of Transit-Oriented Areas (“TOAs”) surrounding transit stations (including SkyTrain stations and bus exchanges). Within TOAs, Councils are prohibited from rejecting developments up to a certain density and height (as prescribed in the regulations) solely on the basis of density and/or height. Prescribed densities and heights vary by type of transit station and distance from the transit station. Bill 47 also restricts local governments from requiring residential off-street parking within TOAs.

A summary of the legislation and their implications for Surrey are provided on the City’s website: www.surrey.ca/renovating-building-development/land-planning-development/new-provincial-housing-and-financial

DISCUSSION

On December 7, 2023, the Provincial government issued regulations and policy manuals to clarify local governments’ obligations. Some parts of the legislation have immediate effects, while other sections require local governments to update their bylaws and policies to comply with the new legislation by the Provincial deadline of June 30, 2024. There are also some components of the legislation that will be implemented over the next two years, for completion within or by the end of 2025.

Immediate Implications with No Required Actions

Public Hearings and Official Community Plan Alignment

Since 2021, local governments have not been required to hold public hearings for zoning bylaw amendments that are consistent with their Official Community Plan (“OCP”) but retained the option to do so. Changes enacted through Bill 44 now prohibit public hearings for OCP consistent rezoning bylaws for developments that are primarily residential.

Bill 44 also allows projects that comply with the new *Housing Statutes* legislation to proceed without aligning with the OCP and without a public hearing until December 2025. This interim provision provides local government time to update their OCPs to align with the legislation.

Development applications that do not require a public hearing must give notice prior to the first reading of the bylaw. Notice must be published in accordance with section 94 of the *Community Charter, SBC 2003*.

In-Stream Applications

The legislative amendments do not prescribe a specific process or approach for local governments to use when considering the impacts of the SSMUH legislation on in-stream development applications. There are 83 pre-Council single-family or duplex development applications and 159 single-family or duplex development applications that have received third reading, for a total of 242 in-stream applications. Since bylaw changes will not be effective until June 2024, these in-stream rezoning applications can proceed under the current *Surrey Zoning By-law, 1993, No. 12000* (“the Zoning By-law”) regulations with no impact. Similarly, any development applications within TOAs can proceed without impact.

Up until a Zoning By-law update to incorporate the legislative changes is approved by Council (anticipated for June 24, 2024), applications will proceed in the normal course of staff review and Council approval under the existing Zoning By-law.

Should applicants wish to move ahead with their application up to the point of third reading in advance of the anticipated zoning changes and under the existing Zoning By-law, the associated bylaws will need to be filed on or after the effective date of the new zoning regulations and a new bylaw reflecting the new zoning regulations would need to be introduced for required readings and final adoption. This is largely an administrative process with no impact to applicants, as the new zones will be more permissive. Staff will work with applicants on a case-by-case basis to determine how they wish to proceed.

ACCs and Existing Amenity Contributions

ACCs are a new tool that local governments can use to fund amenities needed to support growth. In contrast to Surrey’s existing Community Amenity Contribution (“CAC”) Program, ACCs would allow for money to be collected outside of the rezoning process, similar to DCCs. Implementation of ACCs does not impact a local government’s authority to charge CACs, with the proviso that an amenity project funded by ACCs cannot also be funded by CACs or DCCs.

As an optional tool, local governments are not obligated to implement ACCs; however, Surrey’s ability to charge CACs is likely to be impacted by the TOA legislation, and ACCs may be needed (at minimum within TOAs) to mitigate any potential reduction in funding for amenities. The Province is developing a policy manual on ACCs which will potentially be released this summer (with interim guidance expected this month). As a result, any implementation actions would occur over the medium-term and there are no immediate implications.

Short-Term Actions (by June 30, 2024)

The new regulations mandate changes to zoning bylaws, OCP policy, and DCC bylaw for various sections of the legislation with different timelines. The actions required by June 30, 2024 to comply with the legislation are outlined below. Staff will report back to Council with specific strategies for the topic areas.

1. Update the Zoning By-law to allow multiple units in all single-family and duplex zones.

The Province has provided a policy manual that sets out site standards for single-family and duplex zones that must be considered when updating zoning bylaws to be compliant with the SSMUH legislation. The standards relate to the number of units, lot line setbacks, building heights, lot coverage, and parking requirements.

Surrey's single-family and duplex zones currently permit two units on a lot: one single-family dwelling and one secondary suite (or in some cases a coach house). Appendix "III" outlines the number of lots and current zones effected by the new legislation. There are currently 68,987 lots in Surrey that will require Zoning By-law amendments to permit three units (for lots 280 m² or less), three to four units (for lots between 280m² -1,215 m²), four units (for lots more than 1,215 m²), and six units (for lots over 280 m² and within 400 metres of a prescribed bus stop). Lots that are greater than 4050 m² are exempt from the legislation.

Due to the significant number of lots affected, Zoning By-law updates are proposed in two phases. The first phase, currently underway, involves streamlining and consolidating the affected single-family and duplex zones into fewer zones. A status report will be provided for Council consideration in May 2024.

The second phase will involve scenario testing, parking analysis, and industry engagement to better understand Surrey's housing context and market needs. These findings will inform the updated Zoning By-law regulations that will comply with the new legislative requirements. A report, proposing the bylaw changes will be provided for Council consideration in June 2024.

2. Designate TOAs and update land use policies in the OCP and affected secondary plans.

The TOA legislation requires that areas within 800-metres of a SkyTrain station and within 400-metres of a bus exchange be designated as a TOA. SkyTrain stations include the four existing stations in Surrey (Scott Road, Gateway, Surrey Central, and King George), as well as the future stations planned as part of the Surrey Langley SkyTrain ("SLS") project (Green Timbers, 152 Street, Fleetwood, Bakerview-166 Street, Hillcrest-184 Street, Clayton, and Willowbrook). Three bus exchanges are prescribed by the legislation (Guildford, Newton, and Scottsdale). All TOAs must be designated by bylaw by June 30, 2024.

The legislation identifies three density and height "tiers" around SkyTrain stations and two such tiers around bus exchanges based on concentric circles. In some locations, the prescribed densities exceed those currently allowed by Surrey's OCP and secondary land use plans. While it is not required by the legislation, Provincial guidelines recommend that existing land use policy be amended to align with the TOA requirements. For land use plans that are currently in development or under review, it is beneficial to make land use adjustments as part of the ongoing planning process. This includes the City Centre, Fleetwood, and Clayton Corridor Plans. As an initial step, plan boundary expansions are needed to include adjacent lands outside the plans that are within a TOA.

Proposed Actions:

- *Approve plan area boundary extensions to the City Centre, Fleetwood, and Clayton Corridor Plans to incorporate associated TOA geographies into the respective land use planning processes (see Appendix “I”).*
- *Approve amendments to Schedule G of the Zoning By-law to maintain consistency when collecting Secondary Plan CACs with the above noted boundary extensions to the City Centre and Fleetwood Plans (see Appendix “II”).*

Interim updates to the OCP are also required to provide guidance on density, height, tenure, and use within TOAs through existing OCP land use designations. These parameters will apply for areas within TOAs outside of an existing secondary land use plan. These measures will ensure adequate consideration of servicing, amenities, and infrastructure within TOAs.

3. *Update Zoning By-law parking regulations and create a best practice guide to assist developers in determining residential parking needs.*

Bill 44 and Bill 47 restricts local governments from requiring residential off-street parking for SSMUH and within TOAs. This places the onus on developers to deliver an appropriate amount of residential parking, which may result in an under-provision if developers are unclear or uninformed on market demand. The City has previously undertaken parking provision surveys and has available evidence to help guide the market provision of residential parking. In addition to updating the Zoning By-law to amend the parking requirements, the City will use data and consult with the development industry to develop and publish a Parking Best Practice Guide.

Longer-Term Actions (by December 2025)

- 1. *Update the Housing Needs Report (by December 31, 2024);***
- 2. *Update the DCC program and implement a new Amenity Contributions program, including ACCs;***
- 3. *Expand the plan area boundary of the Newton Town Centre Plan to include applicable TOA;***
- 4. *Initiate secondary land use plans for the Willowbrook SkyTrain Station area (196 Street and Fraser Highway) and the Strawberry Hill area to include applicable TOAs;***
- 5. *Update the OCP to ensure consistency with the Zoning By-law; and***
- 6. *Rescind built-out or redundant secondary land use plans where proposed densities are non-compliant with densities prescribed in Bill 44 or 47.***

CONCLUSION

In the fall 2023 legislative session, the Provincial government introduced a suite of housing legislation to increase housing supply and amend development financing in the province. There are some immediate implications and actions proposed. There are also actions required by June 2024 and December 2025. It is recommended that Council approve the recommendations in this report to support implementation of the Provincial housing legislation.

Original signed by

Don Luymes

General Manager, Planning & Development

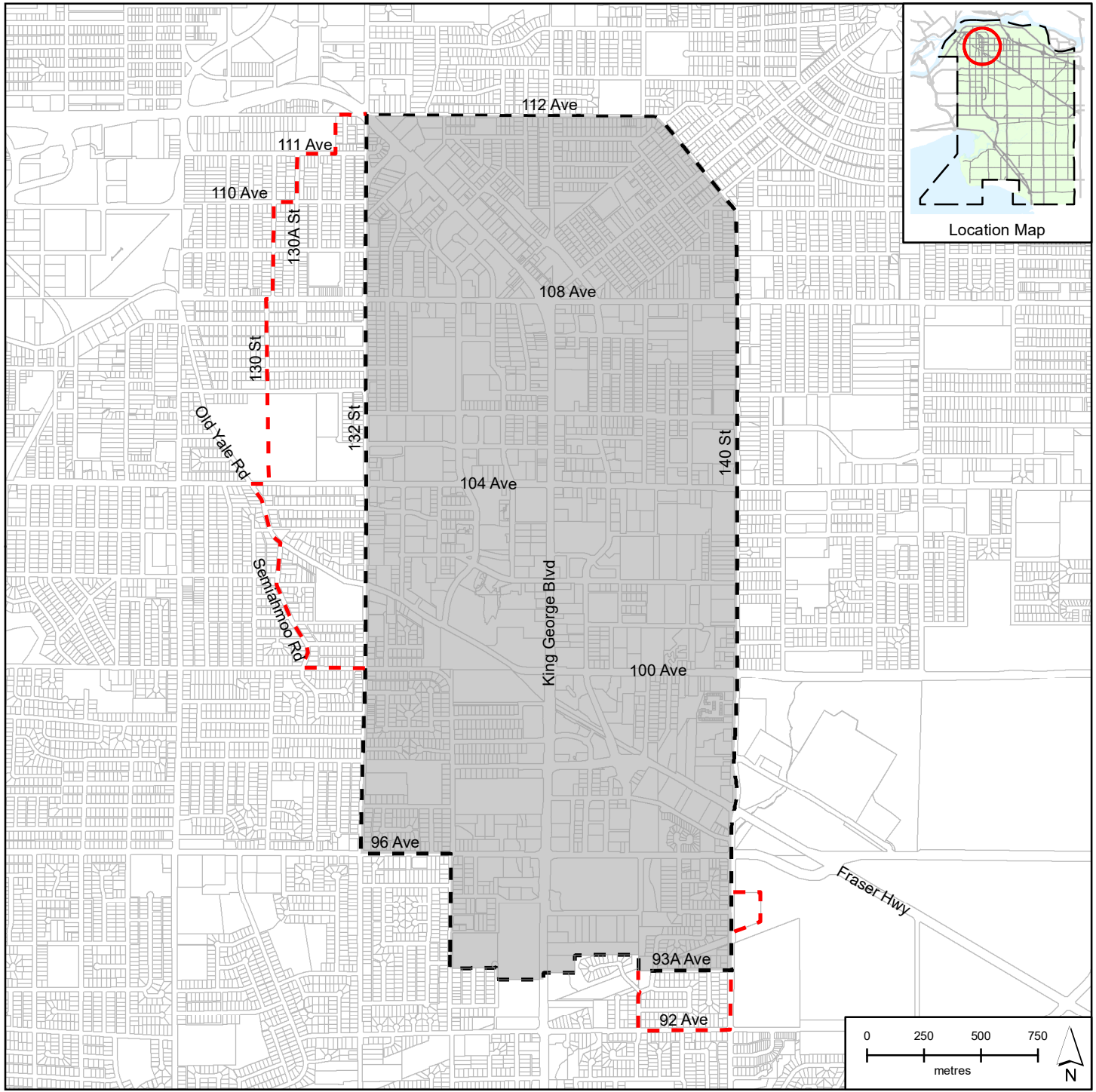
Appendix "I" Secondary Plan Area Boundary Extension Maps

Appendix "II" Zoning By-law Amendments

Appendix "III" Number and Zoning of Lots Affected by SSMUH Legislation

[https://surreybc.sharepoint.com/sites/pdgmadministration/document library/corporate reports/future/provincial housing legislation/provincial housing legislation.docx](https://surreybc.sharepoint.com/sites/pdgmadministration/document%20library/corporate%20reports/future/provincial%20housing%20legislation/provincial%20housing%20legislation.docx)

Proposed City Centre Plan Boundary Extensions

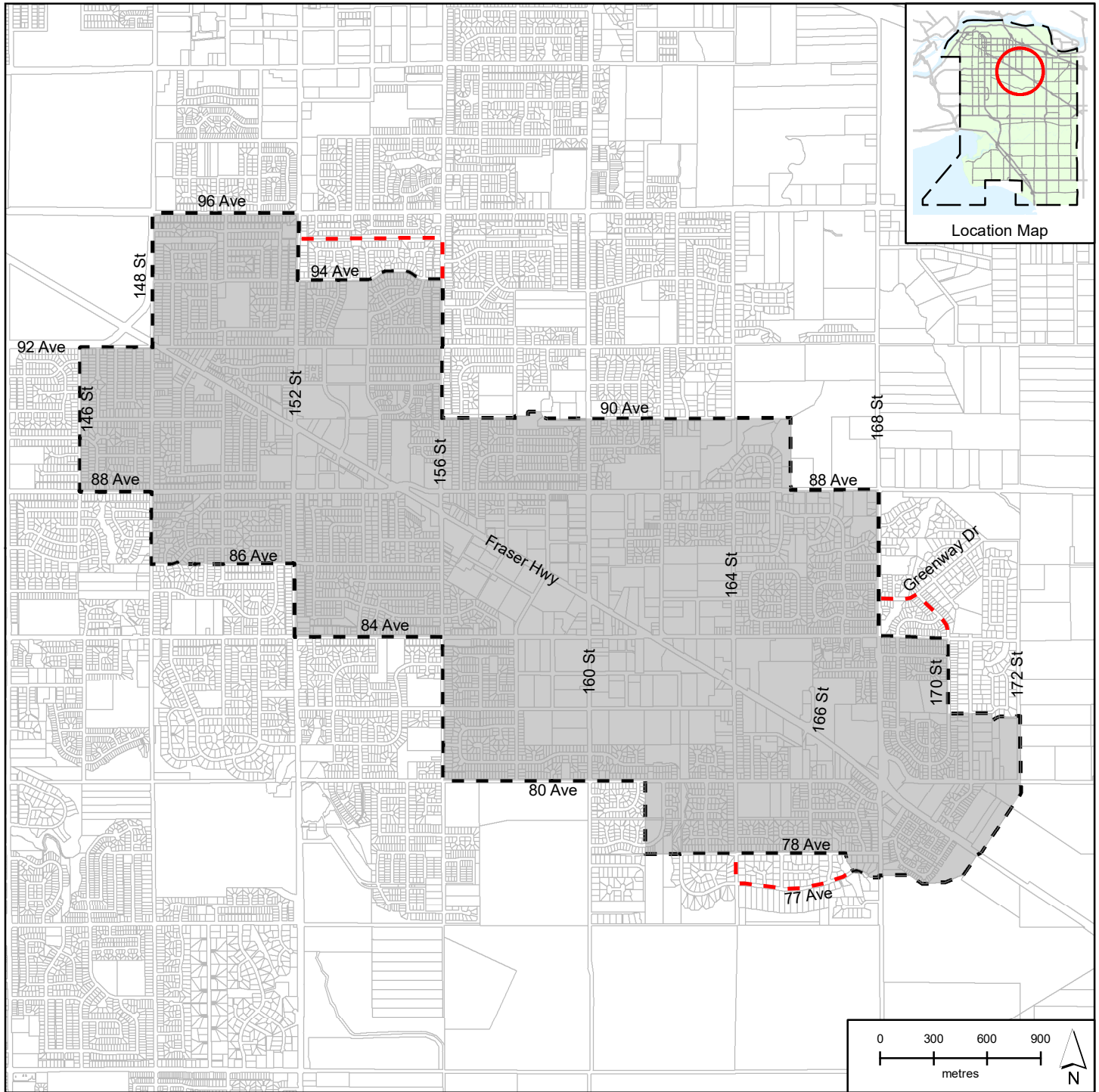


- LEGEND**
- City Centre Plan Boundary
 - Proposed Plan Extensions





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Department

Proposed Fleetwood Plan Boundary Extensions



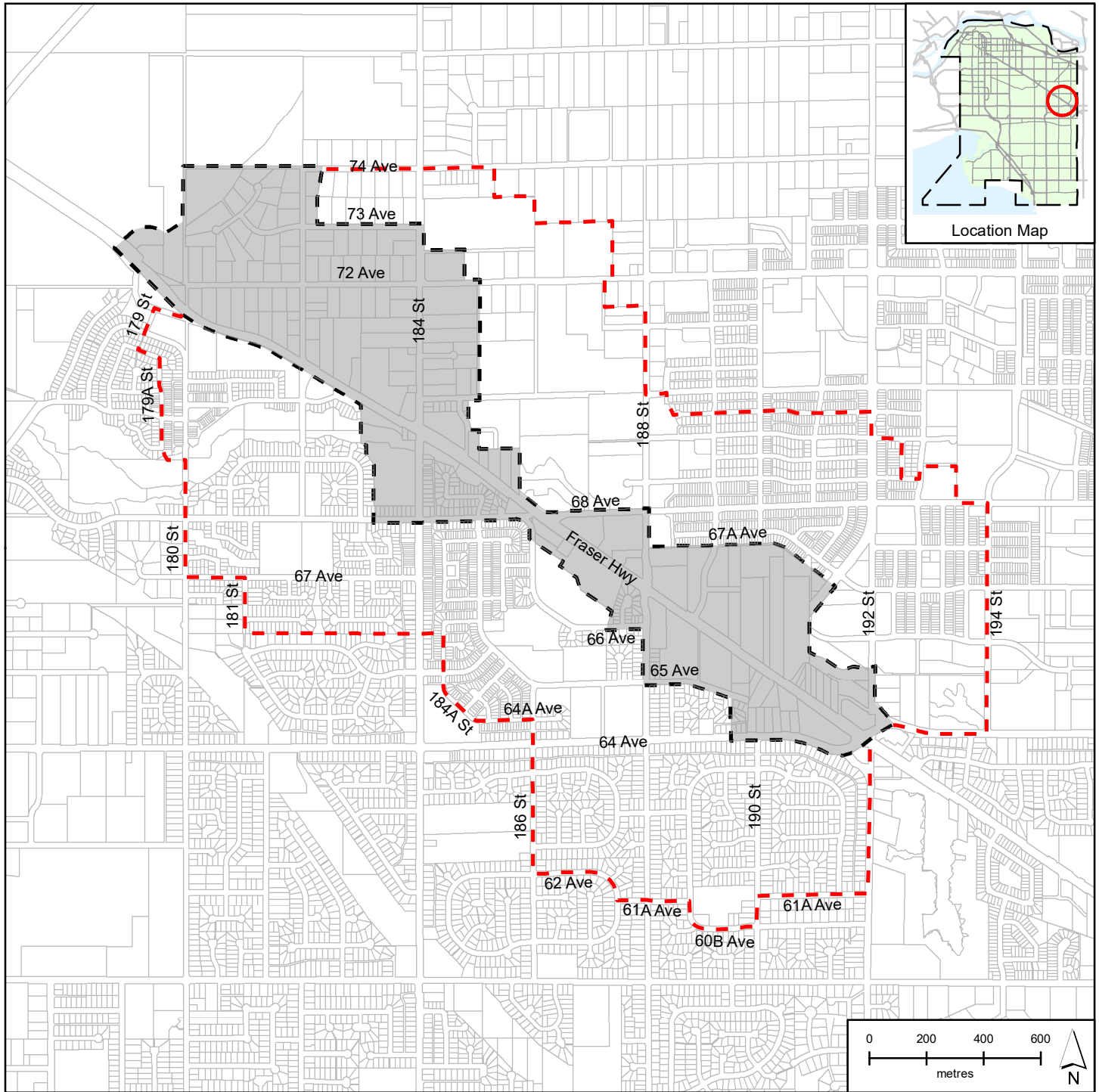
LEGEND

-  Proposed Plan Extensions
-  Fleetwood Plan Boundary



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Proposed Clayton Corridor Plan Boundary Extensions



LEGEND

- Clayton Corridor Plan Boundary
- Proposed Plan Extensions



Planning & Development
Department

CITY OF SURREY

BYLAW NO. XXXX

A bylaw to amend the provisions of Surrey
Zoning By-law, 1993, No. 12000, as amended.

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The Council of the City of Surrey, ENACTS AS FOLLOWS:

1. Schedule G - Community Amenity Contributions of Surrey Zoning By-law, 1993, No. 12000, as amended, is hereby further amended as follows:
 - a. Sub-section E.16(a) **FLEETWOOD PLAN** is amended by deleting the map, and inserting a new map, attached to this Bylaw as Schedule A.
 - b. Sub-section E.30(a) **CITY CENTRE** is amended by deleting the map, and inserting a new map, attached to this Bylaw as Schedule B.

2. This Bylaw shall be cited for all purposes as "Surrey Zoning By-law, 1993, No. 12000, Amendment Bylaw, 2024, No. **XXXX**".

PASSED FIRST READING on the day of 2024.

PASSED SECOND READING on the day of 2024.

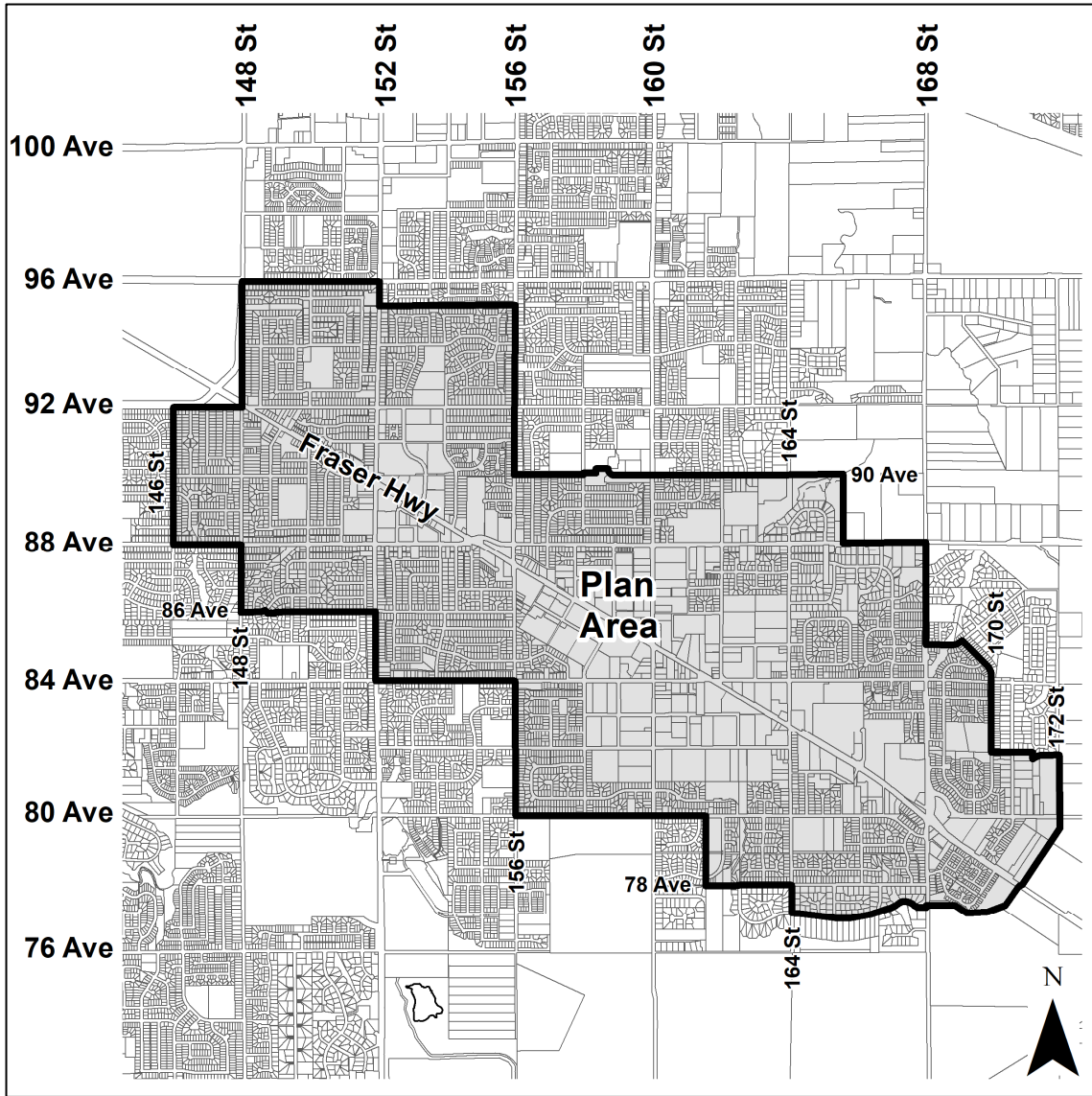
PUBLIC HEARING HELD thereon on the day of 2024.

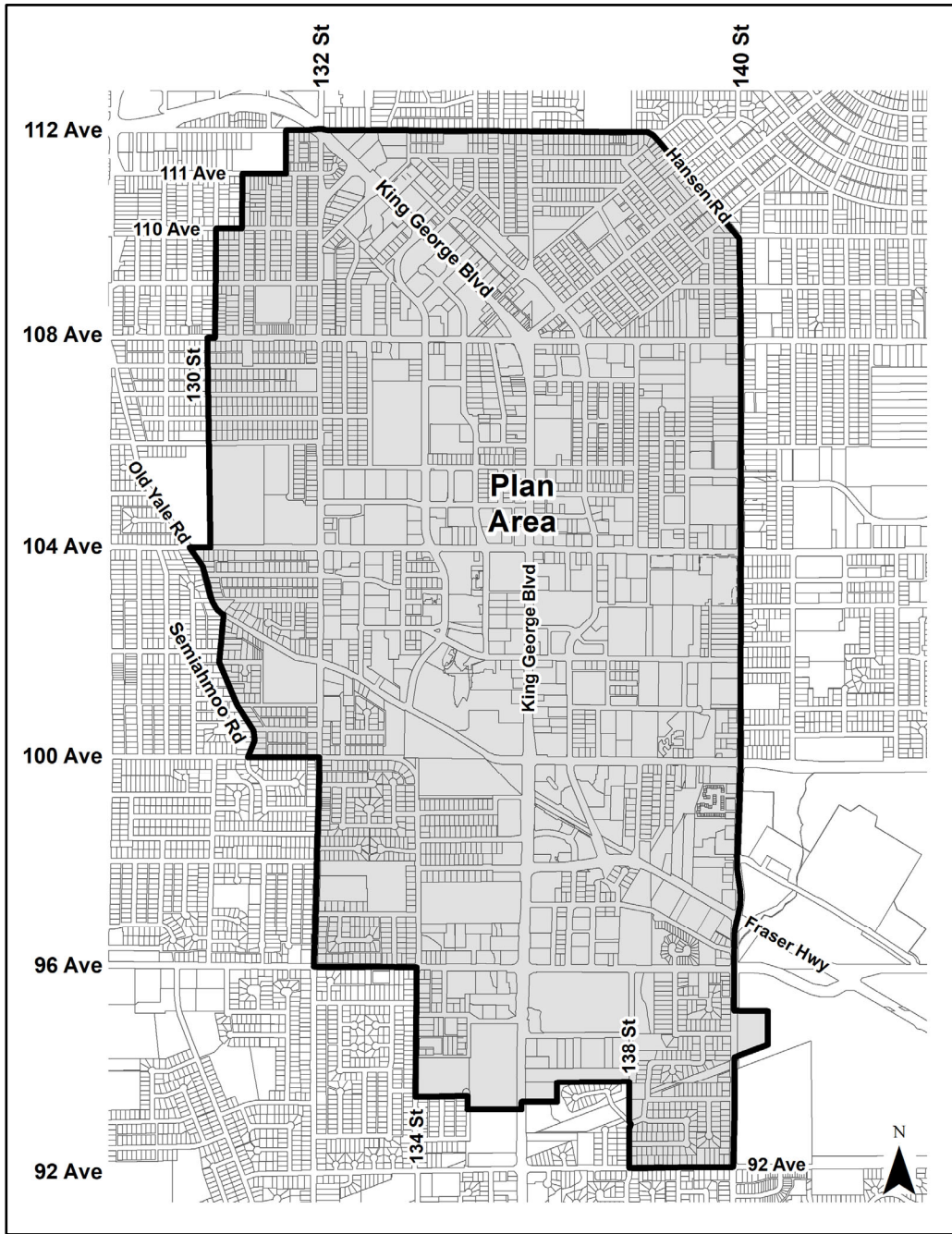
PASSED THIRD READING on the day of 2024.

RECONSIDERED AND FINALLY ADOPTED, signed by the Mayor and Clerk, and sealed with the Corporate Seal on the th day of , 20 .

_____ MAYOR

_____ CLERK





APPENDIX “III”

Number and Zoning of Lots Affected by Small-Scale Multi-Unit Housing (SSMUH) Legislation

Number of Affected Lots	Current Zones	Lot Size Range	Current Units Permitted	SSMUH Units Permitted
5,291	RA, RA-G, RH, RH-G, RC, CD	4,050-1,215m ²	2	4
58,558	RF-O, RM-D, RQ, RF, RF-SS, RF-G, RF-13, RF-12, RF-12C, RF-10, RF-10S, RF-9, RF-9C, RF-9S, RF-SD, RC, CD	< 1,215 m ² (no transit proximity*)	2	3 to 4
5,138	RM-D, RF, RF-SS, RF-G, RF-13, RF-12, RF-12C, RF-10, RF-10S, CD	> 280 m ² (w/transit proximity*)	2	Up to 6
(TOTAL) 68,987				