

NO: R146

COUNCIL DATE: July 22, 2024

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **July 18, 2024**

FROM: **General Manager, Planning & Development
General Manager, Social Infrastructure &
Community Investments**

FILE: **6520-20 (City Centre,
Fleetwood, Clayton)**

SUBJECT: **Rental and Affordable Housing Considerations for the Surrey-Langley
SkyTrain Corridor**

RECOMMENDATION

The Planning & Development Department and the Social Infrastructure & Community Investments Department recommend that Council receive this report for information.

INTENT

The intent of this report is to inform Council of new powers granted by the Province under Bill 16 to secure affordable housing units within new developments, and to advise Council and the public that staff are studying the potential of requiring rental and affordable housing units within Transit-Oriented Areas along the Surrey-Langley SkyTrain corridor. Such requirements would align with housing objectives in *Surrey Official Community Plan Bylaw, 2013, No. 18020*, as well as existing commitments in the Surrey-Langley SkyTrain Supportive Policies Agreement entered into with TransLink, to encourage rental and affordable housing.

BACKGROUND

Recent provincial legislation intended to increase the supply and affordability of housing throughout BC has necessitated changes to municipal policy and bylaws.

Recent Provincial Housing Legislation

On November 30, 2024, the Provincial Government enacted a suite of housing legislation, including Bills 44 and 47. Bill 44 mandated updates to municipal zoning bylaws to allow Small-Scale Multi-Unit Housing (“SSMUH”). Bill 47 required municipalities to designate Transit-Oriented Areas (“TOAs”), within which minimum densities and building heights apply, and to eliminate residential off-street parking requirements in TOAs. The related bylaw changes were required by June 30, 2024.

On April 25, 2024, the Province enacted Bill 16 – *Housing Statutes Amendment Act*. Among other things, Bill 16 grants municipalities the authority to require affordable housing units within a development and to specify in a zoning bylaw the degree of affordability of the units. This is referred to as “inclusionary zoning”. The number of units and the length of time that these conditions must be maintained can also form part of the bylaw. Prior to Bill 16, BC municipalities have relied on an incentive-based approach (such as granting additional density) to encourage the delivery of affordable housing within private development.

Policy and Bylaw Updates

On March 11, 2024, Council received Corporate Report No. Ro44; 2024 (Appendix “I”), which identified immediate, short-term, and long-term actions to be taken in response to the housing legislation.

On May 27, 2024, Council received Corporate Report No. Ro89; 2024 (Appendix “II”). This report introduced *Surrey Official Community Plan Bylaw, 2013, No. 18020* (“OCP”) amendments to designate TOAs and *Surrey Zoning By-law, 1993, No. 12000* (“Zoning By-law”) amendments to eliminate residential off-street parking requirements within TOAs.

On June 24, 2024, Council received Corporate Report No. R109; 2024 (Appendix “III”), to introduce Zoning By-law amendments to facilitate the development of SSMUH.

While policy and bylaw updates related to Bill 16 are not required at this time, this report provides Council information on the work staff are undertaking to explore the powers provided by Bill 16.

DISCUSSION

Creating complete and livable communities is the vision of the City’s OCP. A key objective to achieving this vision is ensuring that diverse housing options exist in Surrey to meet the needs of current and future residents.

On February 3, 2020, Council approved the Surrey-Langley SkyTrain Supportive Policies Agreement (“SLS SPA”) with TransLink for the advancement of the SLS project. The SPA contains numerous commitments to support affordable housing policies and purpose-built rental housing. These commitments include exploring the use of rental tenure zoning and considering the implementation of an Inclusionary Housing Policy to help address demand for affordable rental housing.

The 2022 Surrey Housing Needs Report (“Report”) highlights Surrey’s track record in consistently providing large numbers of new housing units and a diversity of housing types, including apartments and townhouses; however, the Report shows that, similar to elsewhere in the region, Surrey has a significant need for rental housing, especially for renter households with low and moderate incomes. The Report is currently being updated to comply with the provincial requirement for a new Housing Needs Report to be completed by the end of 2024.

Since the introduction of Bill 47, increased density minimums now supported within 800 metres of current and future SkyTrain stations are expected to increase land values and development interest along the SLS corridor. This presents a stronger opportunity to leverage development to support the delivery of diverse housing options, including rental and affordable housing.

While the designation of TOAs establishes minimum densities and heights that must be supported near transit stations, the legislation does not impact a municipality's authority to regulate land use within the TOAs. Existing powers under the *Local Government Act* allow municipalities to regulate the use of land and buildings, such as requiring non-residential uses or rental housing.

Metro Vancouver Inclusionary Housing Report

In late 2023, Metro Vancouver Regional Planning staff engaged SHS Consulting to research local and global best practices in inclusionary housing policy and conduct a residual land value analysis. This analysis determined that the feasibility of requiring affordable (non-market) units varies by the type of construction and the regional sub-market. The outcome of this work is a set of recommendations that provides guidance for local governments in their preparation of inclusionary housing policies and zoning requirements.

Rental and Affordable Housing Feasibility Analysis

Building on the regional inclusionary housing report, City staff have engaged a land economist to conduct further and more localized market analysis for Surrey, specifically within the SLS project geography. This will be helpful for understanding how the market feasibility for rental and affordable housing may vary between the different plan areas along the SkyTrain extension. Initial draft findings suggest that there are certain development scenarios under which rental and/or affordable housing requirements may be feasible.

Potential Application to Transit-Oriented Areas

Under the provisions of the legislation, Council is not able to deny an application that meets the density and height requirements set out for TOAs on the basis of density and height alone; however, Council may consider and approve development policies and/or bylaws including (but not limited to) rental tenure requirements and affordable housing requirements that apply to the densities permitted in TOAs.

Increased densities within TOAs, as well as reduced construction costs due to the elimination of residential parking requirements, present an opportunity to consider rental and/or affordable housing requirements as part of new development within TOAs. Over the coming months, staff will consider how to incorporate the final results of the feasibility analysis into land use policy to support Surrey's desired housing outcomes. This will be informed by consultation with the development industry to ensure that rental and affordable housing requirements do not deter development. Staff will report back findings to Council later this year.

CONCLUSION

The creation of complete and livable communities is a core component of the City's long-term vision. To work towards this vision, the housing needs of existing and future residents must be addressed. New provincial legislation has added to this challenge by accelerating the pace and impacts of growth. Staff continue to explore opportunities related to rental and affordable housing, particularly within TOA areas.

Original signed by
Don Luymes
General Manager, Planning & Development

Original signed by
Terry Waterhouse
General Manger, Social Infrastructure &
Community Investments

Appendix "I" Corporate Report No. R044; 2024
Appendix "II" Corporate Report No. R089; 2024
Appendix "III" Corporate Report No. R109; 2024

CORPORATE REPORT

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.*

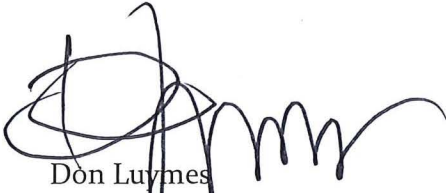
Bill 44 and Bill 47 restricts local governments from requiring residential off-street parking for SSMUH and within TOAs. This places the onus on developers to deliver an appropriate amount of residential parking, which may result in an under-provision if developers are unclear or uninformed on market 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.



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)

***Appendices available upon request.**

CORPORATE REPORT

NO: *RoE9*

COUNCIL DATE: *May 27, 2024*

REGULAR COUNCIL

TO: **Mayor & Council** DATE: **May 21, 2024**
FROM: **General Manager, Planning & Development** FILE: **3900-20**
General Manager, Engineering (OCP & Zoning By-law)
SUBJECT: **Designation of Transit-Oriented Areas and Changes to Off-Street Parking Requirements Related to Provincial Housing Legislation**

RECOMMENDATION

The Planning & Development Department and the Engineering Department recommend that Council:

1. Receive this report for information;
2. Authorize staff to bring forward bylaw amendments to *Surrey Official Community Plan Bylaw, 2014, No. 18020*, as documented in Appendix "I", to designate Transit-Oriented Areas and introduce associated density and height provisions;
3. Authorize staff to bring forward bylaw amendments to *Surrey Zoning By-law, 1993, No. 12000*, as documented in Appendix "II", to revise residential off-street parking requirements within designated Transit-Oriented Areas; and
4. Direct staff to notify the Minister of Transportation and Infrastructure upon the final adoption of the bylaw designating Transit-Oriented Areas.

INTENT

The intent of this report is to bring forward the amendments to *Surrey Official Community Plan Bylaw, 2014, No. 18020* (the "OCP") and *Surrey Zoning By-law, 1993, No. 12000* (the "Zoning By-law") needed to comply with provincial housing legislation, specifically the *Housing Statutes (Transit-Oriented Areas) Amendment Act*. The bylaw amendments include the designation of Transit-Oriented Areas ("TOAs") within Surrey, along with associated density and height provisions and changes to residential off-street parking requirements in TOAs.

BACKGROUND

The legislation introducing TOAs is part of a suite of housing legislation enacted by the Provincial government on November 30, 2023 to enhance the supply and affordability of housing in communities throughout British Columbia. These legislative changes and the City's proposed implementation approach was previously summarized for Council in Corporate Report No. Ro44; 2024.

The report identified several short-term actions needed to satisfy the Province’s legislated requirements which come into force on June 30, 2024. These actions include bylaw amendments to implement TOAs as discussed in this report. Other short-term actions relating to small-scale multi-unit housing are forthcoming.

DISCUSSION

The TOAs framework is a strategic approach to urban development that focuses on creating denser and more complete communities around transit hubs. TOAs are areas within 800 metres of a SkyTrain station or 400 metres of a bus exchange within which higher, transit-supportive densities are mandated.

Designation of Transit-Oriented Areas

In addition to identifying the extent of TOAs, the legislation prescribes “minimum allowable densities and heights” that apply to residentially zoned properties within TOAs. This refers to the minimum densities and heights that must be allowed by the City (although greater densities and heights may be established). This does not equate to a minimum density or height that must be constructed, as an owner may choose to develop to a lower density or height.

For clarity, Council may not reject an application solely on the basis of density and/or height where the proposed density and height comply with (i.e., do not exceed) the prescribed values; however, applicable city bylaws and federal and provincial statutes may have a limiting effect on development and there may be instances where an individual site cannot achieve all the allowable density or height.

For the purposes of establishing minimum densities and heights, TOAs are divided into multiple “tiers” as prescribed by the legislation. The following tiers and minimum allowable densities and heights are established for SkyTrain station TOAs and bus exchange TOAs:

Tier	Distance	Minimum Allowable Density	Minimum Allowable Height
Tier 1	Up to 200 metres from a SkyTrain station	5.0 FAR	20 storeys
Tier 2	From 200 to 400 metres from a SkyTrain station	4.0 FAR	12 storeys
Tier 3	From 400 to 800 metres from a SkyTrain station	3.0 FAR	8 storeys
Tier 4	Up to 200 metres from a bus exchange	4.0 FAR	12 storeys
Tier 5	From 200 to 400 metres from a bus exchange	3.0 FAR	8 storeys

In order to comply with the TOA legislation, local governments are required to designate TOAs by bylaw by June 30, 2024. Staff are proposing amendments to the OCP, specifically the insertion of a new *Transit-Oriented Areas* section, including maps, within the *Land Uses and Densities* section. The proposed OCP amendments are attached as Appendix "I".

Restrictions to Residential Off-Street Parking Requirements in Transit-Oriented Areas

In addition to changes with respect to density and height, the legislation also restricts local governments' ability to require residential off-street parking in TOAs. This is intended to support housing affordability by reducing the cost of construction. It is also meant to remove disincentives to using sustainable modes of transportation. Municipalities may still require off-street parking for use by people with disabilities as well as for non-residential uses. With these changes, developers will be relied on to provide sufficient parking based on market demand.

In order to comply with the TOA legislation, local governments are expected to update parking bylaws by June 30, 2024. Staff are proposing amendments to the Zoning By-law, including changes to Part 5 (Off-Street Parking and Loading/Unloading), to provide exemptions from residential off-street parking requirements within TOAs and to remove existing provisions allowing payment-in-lieu of parking within City Centre. Related to this, Map D.1 in Schedule D is proposed to be amended to reflect the current boundary of City Centre. A new Schedule E is also proposed to be inserted to identify TOA locations. The proposed Zoning By-law amendments are attached as Appendix "II". Existing bylaws that establish the reserve funds for payment-in-lieu of parking will remain in place to regulate deposits of in-stream development applications and until expenditures have been spent.

For in-stream development applications in TOAs that have been granted third reading, any requirements associated with proposed parking reductions, such as payment-in-lieu and provision of transportation demand management measures, will continue to remain conditions of the development application. Should an applicant wish to propose changes to the proposal, the applicant would be required to rescind any readings that have been granted and re-introduce the proposal to Council.

Legal Services Review

Legal Services has reviewed this report.

CONCLUSION

The designation of Transit-Oriented Areas and the elimination of residential off-street parking requirements within such areas is required by June 30, 2024 to comply with provincial housing legislation. It is advisable that Council approve the recommendations of this report, which would authorize staff to undertake the necessary bylaw amendments to the OCP and the Zoning By-law.



Don Luymes
General Manager, Planning & Development



Scott Neuman, P.Eng.
General Manager, Engineering

Appendix "I" Proposed OCP Bylaw Amendments
Appendix "II" Proposed Zoning By-law Amendments

***Appendices available upon request.**



INTER-OFFICE MEMO
Regular Council - Public Hearing
G. CR109
Monday June 10, 2024

TO: City Clerk

FROM: General Manager, Planning & Development

DATE: June 10, 2024 FILE: 3900-30

RE: Correction to Corporate Report No. R109, Appendix "I", Attachment J

The purpose of this memo is to correct the following typographical errors in Corporate Report No. R109, Appendix "I", Attachment J:

Page 15.3

- In the R3 Zone, Sub-section D.2(c)i.a., "44 sq. m of the total floor area" should be replaced with "22 sq. m of the total floor area of each *dwelling unit*". This change is required to be consistent with Sub-section D.2(c)i.c.
- In the R3 Zone, Sub-section D.2(c)i.c., the word "not" should be added after "600 sq. m" to be consistent with the wording in Sub-section D.2(c)i.b.

Page 15.9

- In the R3 Zone, Section G.1, *Houseplex, Building Height with sloped roof*, "11 m" should be replaced with "9 m".
- In the R3 Zone, Section G.1, *Houseplex, Building height* where any portion of the roof has a slope less than < 1:4, "9.3 m" should be replaced with "7.3 m".

To address these errors, staff request these pages be replaced with the attached corrected pages.

A "red-lined" version of the corrected pages of Attachment J is included as Attachment 1 to this memo.

Don Luymes
 General Manager, Planning & Development

Attachment 1

<p>(b) Duplex³ with or without a Secondary Suite</p>	<p>i. All lots</p>	<p>a. The <i>floor area ratio</i> must not exceed 1.0 for the first 560 sq. m of <i>lot</i> area and 0.60 for the remaining <i>lot</i> area in excess of 560 sq. m, provided a minimum of 44 sq. m. of the total floor area is used only as a garage or carport within the <i>duplex</i>, except for eligible <i>lots</i> within <i>frequent bus stop areas</i> where a garage or carport is not required.</p> <p>b. Despite the definition of <i>floor area ratio</i>, <i>basements</i> are included in the <i>floor area ratio</i> calculation for <i>duplexes</i>.</p> <p>c. Despite Section D.2.(b)i.a., <i>duplexes</i> must have a minimum ground level floor area of 84 sq. m and a minimum <i>building</i> width of 7 m, and must not exceed a maximum floor area of 560 sq. m including <i>basements</i>.</p>
<p>(c) Houseplex</p>	<p>i. All lots</p>	<p>a. The <i>floor area ratio</i> must not exceed 1.0 for the first 560 sq. m of <i>lot</i> area and 0.60 for the remaining <i>lot</i> area in excess of 560 sq. m, provided a minimum of 44 sq. m. 22 sq. m of the total floor area of each dwelling unit is used only as a garage or carport within the <i>houseplex</i>, except for eligible <i>lots</i> within <i>frequent bus stop areas</i> where a garage or carport is not required.</p> <p>b. Despite the definition of <i>floor area ratio</i>, <i>basements</i> are not included in the <i>floor area ratio</i> calculation for a <i>houseplex</i>.</p> <p>c. Despite Section D.2.(c)i.a., a <i>houseplex</i> must have a minimum ground level floor area of 84 sq. m and a minimum <i>building</i> width of 7 m, and must not exceed a maximum floor area is 600 sq. m not including <i>basements</i>, provided a minimum of 22 sq. m. of the floor area of each <i>dwelling unit</i> is used only as a garage or carport, except for eligible <i>lots</i> within <i>frequent bus stop areas</i> where a garage or carport is not required.</p>
<p>(d) Coach House</p>	<p>i. Not applicable</p>	<p>a. The floor area of a <i>coach house</i> is permitted in addition to the <i>floor area ratio</i> permitted for <i>single family dwellings</i>, <i>duplexes</i> and <i>houseplexes</i> in Sections D.2.(a), (b) and (c) provided that a <i>coach house</i> must have a minimum floor area of 35 sq.m. and a maximum total floor area of 75 sq. m., excluding the garage or carport.</p> <p>b. Despite D.2(d)i.a., if the floor area of the <i>single family dwelling</i>, <i>duplex</i> or <i>houseplex</i> in Sections D.2.(a), (b) and (c) has not achieved the maximum floor area on the <i>lot</i>, the remainder of the floor area may be used for the <i>coach house</i> up to a maximum size of 120 sq.m.</p>

- (f) Other Accessory Buildings and Structures > 10 sq. m
 - i. Separation:
 - a. A minimum *separation* of 5 m is required between the *single family dwelling or duplex or houseplex* and any *accessory buildings and structures* exceeding 2.4 m in *building height*, including detached garage or carport regardless of *building height*. The minimum *separation* may be reduced to 3.0 m for stairs and for an outdoor space such as a *deck* or *patio* that occupies a maximum of 10 sq. m. and may be covered by a roof.

G. Height of Buildings and Structures

- 1. *Building and structure heights* in this R3 Zone must be in accordance with the following requirements:

Building Type		Requirement
Single Family Dwelling with or without a Secondary Suite	Building Height with sloped roof	Must not exceed 9 m
	Building height where any portion of the roof has a slope less than < 1:4	Must not exceed 7.3 m
	Building height in floodplain, as referred to in Part 8 Floodproofing	Must not exceed 10 m ¹
Duplex with or without a Secondary Suite	Building Height with sloped roof	Must not exceed 3 storeys inclusive of the <i>basement</i> , up to a maximum of 11 m
	Building height where any portion of the roof has a slope less than < 1:4	Must not exceed 3 storeys inclusive of the <i>basement</i> , up to a maximum of 9.3 m
	Building height in floodplain, as referred to in Part 8 Floodproofing	Must not exceed 3 storeys inclusive of the <i>basement</i> , up to a maximum of 12 m ¹
Houseplex	Building Height with sloped roof	Must not exceed 3 storeys inclusive of the <i>basement</i> , up to a maximum of 11 m 9 m
	Building height where any portion of the roof has a slope less than < 1:4	Must not exceed 3 storeys inclusive of the <i>basement</i> , up to a maximum of 9.3 m 7.3 m
	Building height in floodplain, as referred to in Part 8 Floodproofing	Must not exceed 3 storeys inclusive of the <i>basement</i> , up to a maximum of 12 m ¹
Coach House or Garden Suite	Building height with sloped roof	Must not exceed 2 storeys inclusive of the <i>basement</i> , up to a maximum of 7.0 m and a maximum roof peak height of 8.3 m ¹
	Building height where any portion of the roof has a slope less than < 1:4	Must not exceed 2 storeys inclusive of the <i>basement</i> , up to a maximum of 6.5 m
	Building height in floodplain, as referred to in Part 8 Floodproofing	Must not exceed 2 storeys inclusive of the <i>basement</i> , up to a maximum of 8.5 m ¹

NO: R109

COUNCIL DATE: June 10, 2024

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **June 5, 2024**

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

FILE: **3900-30**

SUBJECT: **Small-Scale Multi-Unit Housing: Zoning By-law Amendments Related to Provincial Housing Legislation**

RECOMMENDATION

The Planning & Development Department recommends that Council:

1. Receive this report for information;
2. Authorize staff to bring forward bylaw amendments to *Surrey Zoning By-law, 1993, No. 12000*, as amended, as documented in Appendix "I", to allow small-scale multi-unit housing on existing single-family and duplex zoned lots in accordance with provincial housing legislation on the following dates:
 - a) First, Second, and Third Readings on June 24, 2024;
 - b) Consideration of Final Adoption on June 26, 2024; and
3. Direct staff to notify the Minister of Housing upon the Final Adoption of the bylaw amendment.

INTENT

The intent of this report is to bring forward amendments to *Surrey Zoning By-law, 1993, No. 12000* to comply with provincial housing legislation, specifically the *Housing Statutes (Residential Development) Amendment Act* and the *Local Government Zoning Bylaw Regulation*. The bylaw amendments include introduction of new Small-Scale Multi-Unit Housing zones by replacing Parts 12 to 18 "Residential Zones", as well as related updates to the Index, Part 1 "Definitions", Part 3 "Zones", Part 4 "General Provisions", Part 5 "Parking Loading/Unloading", and adding a new Schedule F "Frequent Bus Stop Areas of the Zoning By-law".

BACKGROUND

The legislation introducing Small-Scale Multi-Unit Housing ("SSMUH") is part of a suite of housing legislation enacted by the Provincial Government on November 30, 2023 to enhance the supply and affordability of housing in communities throughout British Columbia. These legislative changes and the City's proposed implementation approach were previously

summarized for Council in Corporate Report No. Ro44; 2024, entitled “Provincial Housing Legislation” attached as Appendix “II”. The report identified several short-term actions needed to satisfy the Province’s legislated requirements under Bills 44 and 47, which come into force on June 30, 2024.

On May 27, 2024 Council endorsed Corporate Report No. Ro89; 2024, entitled “Designation of Transit-Oriented Areas and Changes to Off-Street Parking Requirements Related to Provincial Housing Legislation” attached as Appendix “III”. This report introduced *Surrey Official Community Plan Bylaw, 2013, No. 18020* (the “OCP”) and *Surrey Zoning By-law, 1993, No. 12000* (the “Zoning By-law”) amendments to designate Transit Oriented Areas (“TOAs”) and related parking changes required under Bill 47.

This report brings forward required Zoning By-law amendments related to Bill 44, to implement SSMUH for over 72,000 properties in Surrey. Corporate Report No Ro89; 2024 and the potential approval of this report satisfy the requirements for Bills 44 and 47 prior to the June 30, 2024 deadline.

Notification

In accordance with Section 464 of the *Local Government Act*, no public hearing is permitted for zoning bylaw amendments for the sole purpose of complying with Section 481.3 [zoning bylaws and small-scale multi-family housing]. Notification will be provided through newspaper advertisements on June 13 and 20, 2024 and will also be posted on the Public Notices page on the City’s website.

To further support notification prior to the bylaw readings, website information, a map webtool, and social media advertisements are proposed. An online zoning look-up webtool has been developed so that residents can identify zoning changes that may affect their property. The webtool will be available at the following link: www.surrey.ca/SSMUH. A summary of the proposed changes will also be available through an information brochure at the same link.

DISCUSSION

SSMUH refers to a range of buildings and dwelling unit configurations that can provide more affordable housing options for middle-income families. Examples of SSMUH include secondary suites, coach houses, garden suites, duplexes, and houseplexes. The SSMUH legislation requires municipalities to amend their zoning bylaws to permit between three- to six-units on all single-family and duplex zoned lots, subject to exceptions listed later in the report.

Provincial Policy Guidelines Related to SSMUH and Surrey Context

The Province introduced a document called “Provincial Policy Manual & Site Standards” to provide municipalities guidance on zoning bylaw changes and to ensure the changes provide the appropriate regulatory flexibility needed to facilitate SSMUH. The Manual, in Part 4 – Site Standards (the “Guidelines”), includes recommendations for setbacks, building height, lot coverage, and parking requirements. Section 481.3(7) indicates that “a local government must consider applicable guidelines, if any, under section 582.1 [*provincial policy guidelines related to small-scale multi-family housing*],” in developing or adopting a zoning bylaw to permit the use and density of use to facilitate SSMUH.

In addition to the Guidelines, Surrey's unique context was also considered when developing SSMUH regulations. Unlike other urban cities, many of Surrey's existing neighbourhoods have cul-de-sac road patterns, without rear lane access, as well as lots that are irregular or pie shaped. These lot configurations can be challenging when determining appropriate access, provision of parking, and maintaining streetscape character. All these elements have been considered in determining effective regulations to permit SSMUH in Surrey.

Scenario Testing and Consultation

To ensure new SSMUH regulations would be feasible in the Surrey context, various housing scenarios were tested on a range of existing lot types and sizes. These scenarios included new duplex, triplex, and quadplex dwelling unit types, as well as coach houses and garden suites on single-family lots. The scenarios allowed staff to test regulations and determine appropriate setbacks, lot coverage, height, floor area ratio, house size, building separation, and parking requirements for the different housing types.

The test scenarios were presented to the development industry to gain feedback on feasibility and market response for these unit types. A presentation was made to the Development Advisory Committee on April 11, 2024. A House Designer Forum was held on April 30, 2024. Feedback from this consultation was used to refine the draft regulations.

Proposed New SSMUH Framework

Staff propose new SSMUH zoning regulations that align with the Provincial Housing Legislation and Guidelines. These include new setback, height, lot coverage, building separation, floor area ratio, and parking regulations for multi-units on a lot. Generally, the regulations for construction of single-family houses remain largely unchanged, but some adjustments are proposed, such as minor setback reductions. Staff believe that further setback reductions and/or increases in building height for single-family houses would likely only create larger houses, rather than more units on each lot.

Houseplex, duplex, coach house, garden suite, and secondary suite unit-types are proposed to support the new SSMUH framework to allow between three- to four-units on a lot, depending on context. Six-units may be possible on eligible lots within Frequent Bus Stop Areas (defined as an area within a prescribed distance from a bus stop with transit frequency and timing served by at least one bus route in accordance with proposed Schedule F of the Zoning By-law). There are over 13,000 eligible lots within Frequent Bus Stop Areas, or approximately 18% of all SSMUH lots in the City.

The new SSMUH unit types and examples of pathways to multiple units are generally described below:

- *Garden Suites*: These unit-types are accessory to a principal building type (such as a single-family dwelling or duplex) and are located in the rear yard. These unit-types would not require lane access and are proposed to be permitted in all the new zones.

There are different ways to achieve multiple units with garden suites; for example: a single-family house with a secondary suite and a garden suite (three-units), or a duplex with two secondary suites and two garden suites (six-units).

- Coach Houses: These units are typically constructed above a garage and accessed by a lane. It is proposed these unit-types be permitted as an accessory to a principal building type in all new proposed zones.

There are different ways to achieve multiple units with coach houses; for example: a single-family house with a secondary suite with a coach house (three-units), or a duplex with secondary suites and two coach houses (six-units), or a houseplex with two coach houses (up to six-units).

- Duplexes: Consist of two principal units. Currently, the Zoning By-law does not permit secondary suites within duplexes; however, the proposed new regulations allow secondary suites.

A combination of pathways exist for achieving multiple units; for example: a duplex with secondary suites (four-units), a duplex with secondary suites and two coach houses (six-units).

- Houseplexes: Typically resemble a large house with smaller units. These building types permit between three- to four-units and can be in the form of a triplex (three-units) or quadplex (four-units). Houseplexes are proposed to be permitted on lots with a minimum 18 metre width and lane access. These units will only be permitted in the proposed new R3 Zone, discussed in the next section of the report.

There are different combinations that could provide multiple units, such as: a houseplex (three- or four-units), a houseplex in the form of a triplex and secondary suites (six-units), or a houseplex in the form of a quadplex with no secondary suites and two coach houses (six-units).

Zoning By-law Updates

Zoning By-law amendments are required to implement the new SSMUH framework described above. Surrey's Zoning By-law has 20 different zones that regulate single-family and duplexes (14 single-family, one semi-detached, one duplex, and four gross density zones). Each of these zones only permit up to two units on a lot. Given the significant number of zones, it is proposed that a consolidation approach be used to comply with the SSMUH requirements effectively and efficiently.

Consolidation streamlines and removes redundancy in the Zoning By-law and better allows addition of new SSMUH provisions to each new zone with little impact on existing provisions for single-family or duplexes. The proposal also helps maintain neighbourhood character by establishing new zones by lot size categories. While multi-units would be permitted in each zone, in order to subdivide larger lots into smaller lots than prescribed in the zone, a rezoning would still be required. The zone consolidation approach and new SSMUH framework is described below, and the related Zoning By-law amendments are detailed in Appendix "I".

Proposed New Zones

The new consolidation framework is proposed to replace the existing 14 single-family zones and one semi-detached zone (RA, RH, RQ, RF-O, RF-SS, RF, RF-13, RF-12, RF-12C, RF-10, RF-9, RF-9C, RF-10S, RF-9S, RF-SD) with nine new zones (RA, R1, R2, R2-O, R3, R4, R5, R5-S, and R6). In some cases, an existing zone has been re-named (e.g., RH-Half Acre Residential re-named to R1-Suburban Residential) and in other cases existing zones with similar regulations have been grouped together (e.g., RF-Single Family Residential and RF-SS Single Family Residential Secondary Suite grouped together and renamed to R3-Urban Residential).

The zone groupings and new proposed zones are summarized in **Table 1. Proposed New Consolidated Zones**. The proposed new zone regulations are provided in Appendix “I”, Attachments F to N.

Table 1. Proposed New Consolidated Zones

Current Zones		Proposed New Zones	
RA	One Acre Residential Zone	RA	Acreage Residential Zone
RH	Half Acre Residential Zone	R1	Suburban Residential Zone
RQ	Quarter Acre Residential Zone	R2	Quarter Acre Residential Zone
RF-O	Single Family Residential Oceanfront Zone	R2-O	Oceanfront Residential Zone
RFSS	Single Family Residential Secondary Suite Zone	R3	Urban Residential Zone
RF	Single Family Residential Zone		
RF13 RF12 RF12C	Single Family Residential (13) Zone Single Family Residential (12) Zone Single Family Residential (12) Coach House Zone	R4	Small Lot Residential Zone
RF10 RF9 RF9C	Single Family Residential (10) Zone Single Family Residential (9) Zone Single Family Residential (9) Coach House Zone	R5	Compact Residential Zone
RF10S RF9S	Special Single Family Residential (10) Zone Special Single Family Residential (9) Zone	R5-S	Special Compact Residential Zone
RFSD	Semi-Detached Residential Zone	R6	Semi-Detached Residential Zone

Gross Density and Duplex Zones

In addition to the existing zones noted above, there are four single-family gross density zones (RA-G, RH-G, RC, and RF-G) and one duplex zone (RM-D). In order to appropriately consolidate these zones into the new framework, it is proposed that they be grouped and rezoned according to lot size. Appendix “I”, Attachment “O” provides the bylaw amendment that rezones from one of RM-D, RA-G, RH-G, RF-G, and RC Zones to one of RA, R₁, R₂, R₃, R₄, and R₅ zones. **Table 2. Gross Density and RM-D Lot Rezonings – Lot Size Categories** below, shows the number of lots in each lot size category and the proposed new zone.

Table 2. Gross Density and RM-D Lot Rezonings – Lot Size Categories

Applicable Zone	RA	R ₁	R ₂	R ₃	R ₄	R ₅
Lot Size	≥4,050 m ²	<4,050 m ² to 1,858 m ²	<1,858 m ² to 775 m ²	<775 m ² to 464 m ²	<464 m ² to 320 m ²	<320 m ²

Comprehensive Development Zones - Added Permissions

There are 4,657 Comprehensive Development (“CD”) Zones that are based on single-family or duplex zones. Each CD Zone has unique site-specific regulations. Given the large number of CD Zones, it would be most efficient to allow the CD Zones to remain intact and add permissions of the new zoning framework to each CD Zone according to lot size. Appendix “I”, Attachment “P” provides the proposed bylaw amendment.

Other SSMUH Zoning By-law Amendments Proposed

The following additional Zoning By-law amendments are required for the implementation of SSMUH. The zoning amendments are detailed in Appendix “I” and generally described below.

Additional Zoning By-law Amendments

- Part 1 “Definitions” provides the definitions that apply throughout the Zoning By-law. New definitions have been introduced, as well as existing definitions have been amended as described below and detailed in Appendix “I”, Attachment “B”.
 - As prescribed by the Province, a new definition for “Frequent Bus Stop Area” has been added.
 - Two new dwelling unit types have been added into the Zoning By-law and require a definition. These units types are “Garden Suite” and “Houseplex”.
 - Five definition revisions are proposed for the following dwelling unit types: “Coach House”, “Duplex”, “Multiple Unit Residential Building”, “Secondary Suite”, and “Semi-Detached Residential Building”.
- Part 5 “Off-Street Parking Regulations” provides general parking requirements, including parking dimensions and standards, as well as required number of parking spaces for different uses. This section proposes updates to remove parking requirements for SSMUH in frequent bus stop areas as defined by the Provincial legislation (Appendix “I”, Attachment “E”).

- New Zoning Schedule F “Frequent Bus Stop Areas” is proposed to be added to geographically identify the frequent bus stop areas (Appendix “I”, Attachment “Q”).

Related Administrative Zoning By-law Amendments

- The Index of the Zoning By-law provides a table of contents for the Zoning By-law. The Index is proposed to be updated to show the revised to list the SSMUH Zone names and associated page numbers, and list Schedule F and associated page number (Appendix “I”, Attachment “A”).
- Part 3 “Zones” provides a listing of the zones that the city is divided into; the listings are proposed to be updated to reflect the revised new zoning structure (Appendix “I”, Attachment “C”).
- Part 4 “General Provisions” provides regulations that are applicable throughout the Zoning By-law. Section 6 is proposed to be updated to include the listing for a new Schedule F “Frequent Bus Stop Areas” and remove all references to the old zone names and replace with new zone names in Sub-section B. (Appendix “I”, Attachment “D”).

SSMUH Legislation Exemptions

The Provincial regulations outline exemptions to the SSMUH legislation. Specifically, the SSMUH provisions do not apply in relation to any of the following lands and continue to allow no more than two dwelling units on a lot for lands that are:

- protected under section 12.1 (2) of the Heritage Conservation Act;
- as of December 7, 2023, designated as protected under a bylaw made under section 611 [heritage designation protection] of the Local Government Act;
- not connected to a water or sewer system provided as a service by the city or regional district;
- within a zone in respect of which the minimum lot size that may be created by subdivision is 4,050 m²;
- where a lot is larger than 4,050 m²;
- where a lot is smaller than 281 m²;
- not within the Urban Containment Boundary, as defined in Figure 51 of the OCP;
- subject to a hazardous condition; or
- within a Transit-Oriented Area.

In-Stream Applications

Any single-family or duplex development application bylaws at Third Reading will be affected once the proposed SSMUH Zoning By-law Amendments are adopted. It is proposed that a future administrative zoning bylaw amendment for in-stream applications be brought forward to Council to align current zones with the new proposed zones.

Future Bylaw Updates

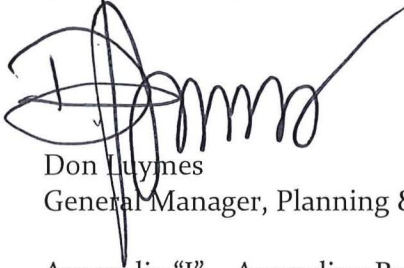
Due to the scale of the zoning changes and tight timeline, it was not possible to prepare other related bylaw amendments in this report. As a result, staff are preparing other SSMUH-related Zoning, OCP, Building, Subdivision Servicing, and Development Cost Charge Bylaw amendments to bring forward to Council over the coming months.

Legal Services Review

Legal Services has reviewed this report.

CONCLUSION

This report introduces the new SSMUH framework and brings forward proposed Zoning By-law amendments necessary to implement SSMUH regulations and comply with the June 30, 2024 Provincial deadline.



Don Luymes
General Manager, Planning & Development

- Appendix "I" Amending Bylaws for the Zoning By-law Amendments
- Attachment A Index Table of Contents
 - Attachment B Part 1 Definitions
 - Attachment C Part 3 Zones
 - Attachment D Part 4 General Provisions
 - Attachment E Part 5 Off-Street Parking and Loading/Unloading
 - Attachment F Part 12 RA Acreage Residential Zone
 - Attachment G Part 13 R1 Suburban Residential Zone
 - Attachment H Part 14 R2 Quarter Acre Residential Zone
 - Attachment I Part 14A R2-O Oceanfront Residential Zone
 - Attachment J Part 15 R3 Urban Residential Zone
 - Attachment K Part 16 R4 Small Lot Residential Zone
 - Attachment L Part 17 R5 Compact Residential Zone
 - Attachment M Part 17A R5-S Special Compact Residential Zone
 - Attachment N Part 18 R6 Semi-Detached Residential Zone
 - Attachment O Rezoning from one of RM-D, RA-G, RH-G, RF-G, and RC Zones to one of RA, R1, R2, R3, R4, and R5 Zones
 - Attachment P Part 52 Comprehensive Development Zone
 - Attachment Q Schedule F Frequent Bus Stop Areas
- Appendix "II" Corporate Report No. Ro44; 2024
Appendix "III" Corporate Report No. Ro89; 2024

***Appendices available upon request.**