



POLICY REPORT

Report Date: March 26, 2024
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Meeting Date: April 23, 2024
[Submit comments to Council](#)

TO: Vancouver City Council
FROM: General Manager of Planning, Urban Design and Sustainability
SUBJECT: Response to New Provincial Legislation: Bills 44, 46 and 47

Recommendations

THAT Council receive this report for information.

Purpose and Executive Summary

The Provincial government enacted three pieces of legislation in November 2023:

- Bill 44: Housing Statutes (Residential Development) Amendment Act, 2023
- Bill 46: Housing Statutes (Development Financing) Amendment Act, 2023
- Bill 47: Housing Statutes (Transit-Oriented Areas) Amendment Act, 2023

The legislation generally aligns with Council's stated priorities including the City's [Housing Vancouver Strategy](#) (2017) as well as the goals and objectives of the [Vancouver Plan](#) (2022). This report provides an analysis and summary of the new authorities, tools and requirements resulting from these Provincial Housing statutes, together with an assessment on the implications to the City's housing priorities, deliverables and work plans. The report also provides information on next steps, milestones and subsequent work to be undertaken as part of the effort to conform to and implement this new legislation. Specific implementation actions will be brought back to Council for further discussion and direction, as outlined in this report. Additional updates will be provided as more information becomes available. The work plan discussed in this report will provide a path such that the City is equipped to support and respond to the Provincial objectives of this legislation.

The following is a summary of the actions to implement the statutes:

- 1) Continue ongoing dialogue with the Province regarding the legislation, regulations and policy manuals;

- 2) Develop the (interim) Housing Needs Report by December 31, 2024 (Bill 44);
- 3) Prepare zoning changes to add Small Scale Multi Unit Housing (SSMUH) options in “restricted zones” before June 30, 2024, (Bill 44);
- 4) Designate remaining Transit-Oriented Areas (TOAs) by by-law before June 30, 2024 (Bill 47) and prepare a rezoning policy to guide development within these areas; Update the Parking By-law before June 30, 2024 to comply with Bill 44 and Bill 47;
- 5) Update the City’s Financing Growth framework, including an implementation approach to develop Amenity Cost Charges (ACCs) as well as changes to Development Cost Levies in 2026, (Bill 46), and pursue Vancouver Charter amendments to address the DCL limit applicable to the City;
- 6) Advance work relating to Vancouver Plan Implementation, including Vancouver’s Official Development Plan (2026);

Council Authority/Previous Decisions

- Vancouver Charter
- Zoning and Development By-law
- Development Cost Levy By-law(s)
- Density Bonus Zoning
- Transportation 2040 Plan (2012)
- Parking By-law
- Housing Vancouver Strategy (2017)
- Making Space for Arts and Culture and Culture|Shift (2019)
- Spaces to Thrive: Social Infrastructure Plan (2021)
- Housing Needs Report (2022)
- Community Amenity Contribution Policy (2022)
- Vancouver Plan (2022)
- Making Strides: Vancouver’s Childcare Strategy (2022)
- Adding Missing Middle Housing and Simplifying Regulations (2023)

City Manager’s Comments

The City Manager concurs with the foregoing recommendations. The City supports the Provincial initiatives to provide further opportunities to deliver more homes faster. This initiative is a key component of the City’s work program and builds on the substantive action the City is already taking to address a number of Council priorities for housing and permit processing.

Context and Background

1. Background

Overview of Legislation, regulations and policy manuals

In November 2023, the Provincial Legislature introduced three bills that seek to increase the supply of housing in the Province, while introducing additional tools and requirements to local

municipalities to support the delivery of housing. Though this legislation applies to both the City and other Local Government Act (LGA) municipalities, the focus of this report is on the implications to the Vancouver Charter and Vancouver context. These bills, namely Bill 44: Housing Statutes (Residential Development) Amendment Act, 2023; Bill 46: Housing Statutes (Development Financing) Amendment Act, 2023; and Bill 47: Housing Statutes (Transit-Oriented Areas) Amendment Act, 2023, received royal assent on November 30, 2023. Since November 2023, the Province released additional guidance in the form of regulations and policy guidelines for Bills 44 and 47. At the time of writing this report, the Province has not introduced additional regulations relating to Bill 44 (Housing Needs Report) and Bill 46 (Development Financing tools).

The legislation, regulations and policy manuals are discussed in greater detail below. Additional information including a summary of the legislation and staff's detailed feedback can be found in Appendix A.

Although not the subject of this report, Council should also be aware of the BC Housing Supply Act (Bill 43), which was brought into force in May 2023, enabling the Province of BC to set housing targets for specific municipalities with the objective of increasing supply. Vancouver was selected as one of the first ten municipalities to receive a Target Order, which was issued in September 2023. The actions outlined in this report will also need to align with the Provincial Housing Targets Order.

Bills 44, 46 and 47 include significant changes in planning authorities under the Vancouver Charter, particularly on how the City plans for growth and meets its housing needs, while also establishing and expanding development financing growth powers. The amendments present opportunities for increasing housing supply while safeguarding job spaces and, coupled with the recent Housing Supply Act and Housing Targets Order, represent a significant step towards achieving a regional fair share distribution of housing supply. There is also an opportunity to integrate and align these initiatives with the Vancouver Plan implementation work underway.

While the City is already a leader in housing delivery and has ongoing initiatives aligned with or surpassing the objectives of the new legislation, the legislation in some cases imposes additional restrictions, new planning processes and tools which must now be considered. This will necessitate an evaluation of our existing work program such that staff can minimize disruption to Council priorities and major initiatives currently underway while enabling and delivering on the City's housing supply and housing needs.

2. Policy Context

Most of the City's powers and authorities are derived from the Vancouver Charter. The Vancouver Charter sets out Council's authorities and requirements, among other things, to establish zoning by-laws, guide the anticipated and proposed development of the city, establish development cost levies to support growth, and plan for the City's housing needs. Bills 44, 46 and 47 amended the Vancouver Charter following royal assent in November 2023. The City has undertaken a comprehensive review of the legislation, regulations and policy manuals to ascertain implications on existing work, as well as Council adopted policies and regulations. This review also examined the requirements and mandated timelines of the legislation, in order to prepare an implementation plan. Though the Province released certain regulations and policy manuals in December 2023, additional details were not released until March 2024, and the remaining regulations and policy

manuals have not been provided as of the date of this report. These remaining details provide important information in order for staff to analyze the implications in a holistic manner.

Previous direction from Council is generally aligned with the Province's initiative to deliver more homes faster. The legislation generally aligns with the City's Housing Vancouver Strategy (2017) to increase supply with a focus on prioritizing rental and social housing, as well as the goals and objectives of the Vancouver Plan (2022) to advance a more equitable housing system. See Appendix "B" for more details.

The City will also need to update the current Financing Growth Framework (see details Appendix "B") to align with these changes and the new tools being provided by the Province.

Staff are anticipating additional legislation in Spring 2024 which will further support the objectives of delivering more homes faster in the Province of BC. In March and April, the Province introduced Bill 11, and more recently released Bill 16 and Bill 18. At the time of this report, these Bills have not yet been passed into law. Preliminary information and staff feedback can be found in Appendix "C". It is important to clarify that the current scope of work outlined in this report is limited to planning for the implementation of Bills 44, 46, and 47. Any subsequent legislation that modifies the Vancouver Charter in 2024 will be evaluated and may require adjustment to this scope to determine alignment and coordination opportunities.

Discussion

Strategic Analysis

This section summarizes key issues and identifies opportunities and risk mitigation options to support the implementation of the legislation and accompanying regulations and policy manuals. Staff have also identified key issues and implications to the City's housing priorities and programs, as well as the need for further funding from the Province to ensure the delivery of complete neighbourhoods and infrastructure to support the anticipated growth.

It is important to note that Bill 44 (Residential Development), Bill 46 (Development Financing) and Bill 47 (Transit-Oriented Areas), need to be considered in their entirety as several aspects and requirements overlap and have implications for our policies, regulations and tools to support the delivery of housing, critical amenities (such as cultural, social, childcare and cultural heritage spaces) and infrastructure for complete communities.

Bill 44: Housing Statutes (Residential Development) Amendment Act, 2023:

The intent of Bill 44 is to support municipalities in delivering the homes people need quickly by allowing small-scale multi-unit housing (SSMUH) across BC, while also seeking to speed up the approval process by moving away from individual re-zonings to ensure more comprehensive upfront planning and zoning, including adoption of housing needs reports. In summary, the key components of the legislation are noted below, together with staff feedback.

Overview:

Key component	Effect of the Legislation	Next Steps
Housing Needs Report (HNR)	Interim HNR by December 2024 “Full” HNR by December 2028	Requires modifications to the existing Housing Needs Report (2022). Requires clarification regarding methodology and alignment with Housing Supply Act / Housing Target Order, and upcoming ODP requirements.
Limitations on the use of density bonusing	Cannot use density bonusing to achieve housing needs	Requires further clarification from the Province.
Zoned Capacity analysis	By December 2025, ensure sufficient lands are zoned to meet (at a minimum) the 20-year housing needs of the City	Requires further clarification regarding methodology.
Small Scale Multi-Unit Housing (SSMUH)	By June 30, 2024, update zoning bylaws to enable more housing options on low density “restricted zones”	Impacts certain RT zones and First Shaughnessy District. Implementation timeline challenging.

Staff Feedback:

Work is underway to give effect to the requirements set out in the statutes. The City is pursuing clarification from the Province to understand the alignment of the housing needs methodology, limitations on the use of density bonusing and zoned capacity analysis, in relation to the Housing Supply Act and Housing Target Order. In addition, careful consideration of the HNR and pre-zoning regulations is necessary to ensure that the City can continue to utilize inclusionary housing and density bonus to effectively deliver below market and social housing projects. The Province has also tabled legislation in April 2024 (Bill 16) regarding inclusionary housing and density bonusing, which may also provide additional clarification and authorities to ensure the City can meet its Housing Targets and housing needs. Staff will be reporting back on these matters as further information is made available by the Province.

With regards to the SSMUH program, the City is a Provincial leader in creating opportunities for new multi-plex / small scale housing options. In September 2023, Council adopted the Missing Middle / Multi-plex options for the newly consolidated R1-1 Residential Inclusive zone as a new housing option on single lots in low density areas and to simplify development regulations. Since staff began accepting applications in mid-November 2023, over 100 R1-1 multiplex development permit applications were received to the end of March 2024, which include over 450 new units proposed. Given the range of permitted residential uses in the R1-1 zone and that it was adopted prior to Bill 44 receiving royal assent, staff confirmed that the R1-1 zone is not considered a “restricted zone” and therefore no further update is needed to comply with Bill 44.

In Vancouver’s context, the legislation requires more small-scale multi-unit housing in areas zoned exclusively for single family housing or duplexes, as well as additional dwelling units and secondary suites (“restricted zone”). Based on analysis of the remaining low residential zones in the City, staff have determined that some of the RT zones (RT-7 and RT-9) and First Shaughnessy District (FSD) are considered to be “restricted zones” and therefore must be updated to comply with the legislation. To meet the legislative deadline of June 30, 2024, staff will need to limit the initial conformity exercise to these zones. It should be noted that several of the RT zones do not meet the definition of “restricted zone”, and therefore are not required to conform to the legislation. The City may consider expanding multi-plex housing options to other RT zones in the future, but as per Council direction, staff will prioritize projects that unlock the most housing first.

Staff will be reporting back to Council in June 2024 with recommendations and proposed amendments to the “restricted zones” in Vancouver to conform to the requirements for SSMUH. Staff are currently evaluating options for these changes, including application of density bonusing and development conditions such as maximum floor space ratios (FSR), height, and adequate servicing capacity to accommodate the anticipated growth.

Staff’s detailed comments are found in Appendix A.

Bill 46: Housing Statutes (Development Financing) Amendment Act, 2023:

Bill 46 enables the City to expand the eligible infrastructure categories for Development Cost Levies (DCLs) and establish a new Amenity Cost Charges (ACCs) policy framework and by-laws to secure cash contributions and in-kind delivery of amenities to support livable communities and growth, as detailed below.

Overview:

Key component	Effect of the Legislation	Next Steps
Expand eligible categories of DCL	Enables Council to collect DCLs for: <ul style="list-style-type: none"> - fire protection - police - provincial highway facilities - solid waste & recycling facilities 	Require further discussion with the Province regarding DCL limit as stipulated in the Vancouver Charter
Establish a new Amenity Cost Charge (ACC) tool	Enables Council to develop policy and by-laws to require eligible development to fund certain “amenities” to support growth	Limitations on use of ACCs for housing and childcare Needs careful consideration on a policy framework

Staff Feedback:

DCL – The inclusion of new/expanded categories of essential services to the DCL is welcomed. However, it is important to note that the Vancouver Charter limits DCLs to no more than 10% of

the value of the development. This “cap” is applicable to Vancouver only, as LGA municipalities have no cap, though the Development Cost Charges imposed by an LGA municipality are subject to the review of the Provincial Inspector General. Expanding the DCL with more eligible categories without removing or increasing the cap will hinder the City’s ability to raise funds to adequately address growth needs. As well, the new ACC By-law framework (discussed below) stipulates that amenities can only be funded under DCL or ACC, but not both. To maintain current level of development contributions towards housing and childcare solely via DCL (versus a combination of DCL, CAC, DBZ, etc.) will be challenging if the 10% cap is not removed or increased. Staff are currently in discussion with the Province to address this important issue.

ACC – Staff generally support the new ACC tool in that it enshrines the concept of growth paying for growth and reinforces the City’s authority to secure and collect development contributions to deliver important amenities and infrastructure to support growth. However, there could be significant implications on the City’s ability to deliver social housing and childcare. Under the current financing growth framework, the City secures social housing and childcare through a combination of CAC, density bonusing and the DCL. With the introduction of Bill 46, childcare and affordable housing, including social and supportive housing, are not considered as an “amenity” under the ACC, and Bill 44 prohibits the use of density bonusing to achieve the City’s Housing Needs requirements (see above re Bill 44). The effect of these two pieces of legislation significantly impedes the City’s ability to secure affordable housing to meet our housing needs. As discussed earlier, staff has been in ongoing discussion with the Province to address this concern. The City welcomes the proposed enactment of Bill 16, which expands authorities to secure affordable housing and amenities through inclusionary housing and density benefit by-laws. Staff will be carefully reviewing these new tools to ensure the City can continue to meet its housing needs as well as deliver the amenities require to support complete neighborhoods.

Further report backs relating to the City’s housing needs reports, implementation approach for the ACC Policy Framework and DCL Update will seek to address these important issues, together with ongoing dialog with the Province.

Staff’s detailed comments are found in Appendix A.

Bill 47: Housing Statutes (Transit-Oriented Areas) Amendment Act, 2023:

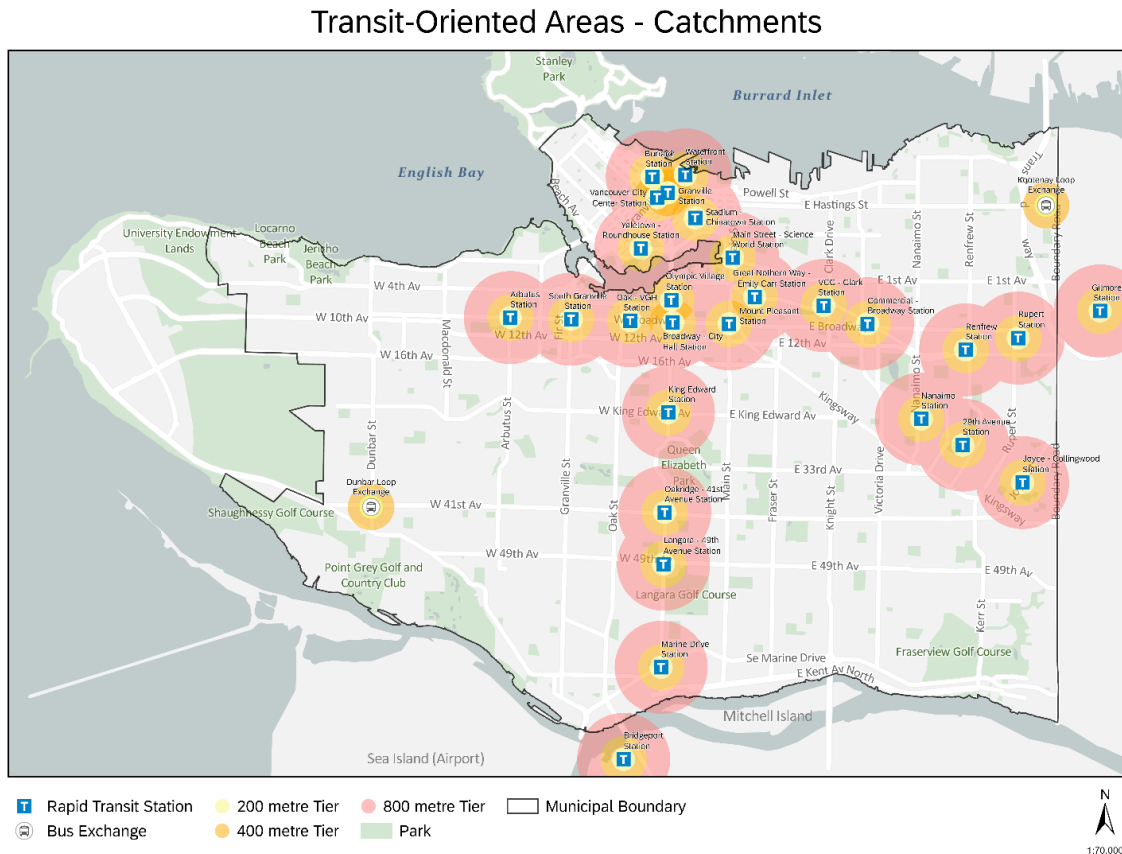
This legislation requires local governments to designate areas near transit stations as “transit-oriented areas” (TOAs). Within TOAs municipalities must allow minimum heights and densities as prescribed by regulation (see Figures 1 and 2 below). Municipalities must adopt TOA by-laws by June 30, 2024. The Province has already designated 20 out of the 29 identified TOAs impacting Vancouver through regulation in December 2023. The City will be bringing forward a report and by-law designating all TOAs by the June 30, 2024 deadline.

The Province also released a policy manual in December 2023 providing guidance to municipalities on how to implement the legislation, including exemptions and conditions relating to matters such as, for example, preservation of heritage and form of development. This policy manual was recently updated again in March 2024. Key components of the legislation and staff feedback are noted below.

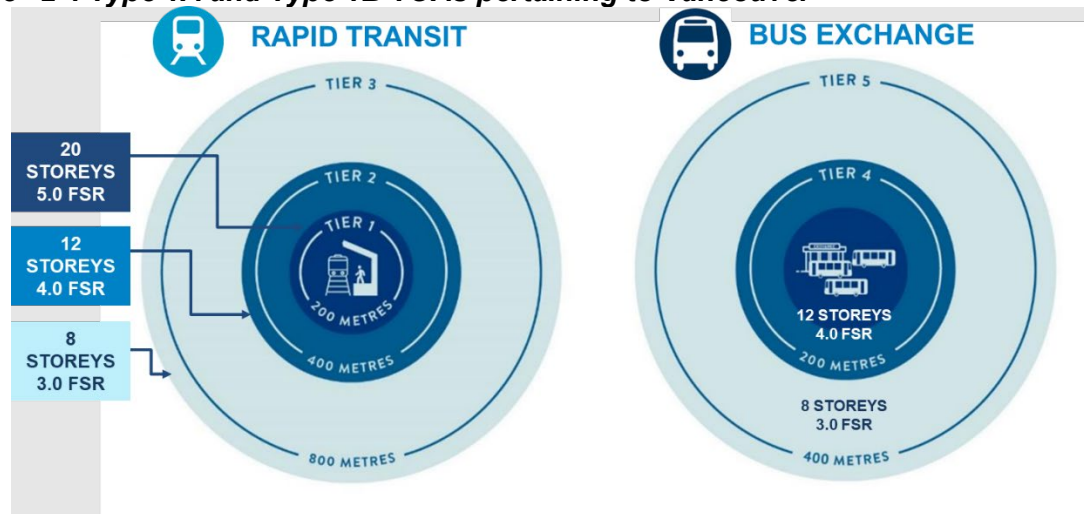
Overview:

Key component	Effect of the Legislation	Next Steps
Identify and designate Transit-Oriented Areas (TOAs)	Council must adopt a TOA by-law by June 30, 2024	Preparing a report with TOA by-law for Council consideration by June 2024.
Restrictions on Council's decision making authority	Council must not prohibit or restrict a proposal based on density (FSR) and height as set out in the regulations.	Work is still underway to ensure we can achieve our Housing Targets.
Establish detailed guidance through regulations and policy manual	Regulations identify the TOAs. Council must consider the TOA Policy Manual when making decisions.	Additional recommendations on implementation will form part of the June 2024 report.
Eliminate off-street parking minimums (for residential uses) in TOAs	Council must update the Parking By-law by June 30, 2024.	Preparing a report with proposed amendments to the Parking By-law by June 2024.

Figure “1”: 29 Transit-Oriented Areas prescribed by regulation



There are two types of provincially designated TOAs pertaining to the City of Vancouver, summarized in the following figure:

Figure “2”: Type 1A and Type 1B TOAs pertaining to Vancouver

This legislation only applies to residential or mixed residential land use. Parcels zoned for commercial, agricultural (Agricultural Land Reserve) and industrial land uses are exempt. Federally and provincially regulated properties, such as the Vancouver International Airport, and First Nations reserve lands are also exempt.

Staff Feedback:

Staff generally support the establishment of TOAs that direct growth to where there is planned or existing transit infrastructure. This aligns with significant City investments into housing to date along the Broadway Subway corridor, Cambie Corridor and within Downtown core. The Province has indicated this legislation is intended to encourage and require more height and density around existing and planned infrastructure, though it is not intended to override other good planning principles and decisions by Council. However, some outstanding questions remain. The City continues to work with the Province on these questions to address unintended consequences in our ability to meet housing needs, particularly in the delivery of rental housing.

Numerous existing community plans and official developments plans (ODPs) already focus on delivering housing and complete neighbourhoods. The City has a track record of proactively planning for significant housing investments and complete neighborhoods in and around transit stations. In some cases, City policies already enable heights and densities beyond those prescribed for TOAs; however, some TOAs are characterized by significant infrastructure and servicing constraints and do not have policies which enable growth beyond existing low-density housing. As such, future planning will need to consider how the City can grow in a fiscally responsible manner.

Staff have also requested clarification around which lands are affected by TOAs to ensure our employment and non-residential lands can continue to support our growing jobs and economy. Staff will be proposing policy clarification to ensure the objectives of Council adopted plans and policies for intensifying employment and non-residential uses can continue to be supported in TOAs.

The City is pursuing further clarifications regarding:

- Use of density bonusing and inclusionary housing within TOAs. The Province released a revised TOA manual in March, providing interim provisions for the use of density bonusing within the TOAs;
- Continued use of tenant relocation protection plan (TRPP) in TOAs to ensure existing tenants are protected and fairly treated through redevelopment;
- Protecting critically important historic areas such as Chinatown, Yaletown and Gastown, as well as retail “villages” such as Main Street and Commercial Drive that support independent businesses facing potential displacement;
- Impacts on land speculation, land economics, future planning efforts, and support for critical infrastructure, amenities, school capacity and childcare within TOAs.
- Off-street parking relating to visitor parking, parking maximums, loading, bike parking and Transportation Demand Management (TDM) within TOAs.

TOA by-laws are not zoning by-laws, which are covered in a different section of the Vancouver Charter. As such, a rezoning application is required in TOAs when the proposal does not conform to the underlying existing zoning. Future and ongoing planning efforts, including the Vancouver Plan Official Development Plan and Vancouver Plan implementation activities, will advance opportunities to pre-zone lands within TOAs for Council’s consideration.

The TOA regulations and Provincial policy manual do not currently provide sufficient guidance to inform detailed review of a rezoning application within a TOA. Based on review of the materials staff will be recommending the inclusion of a TOA Rezoning Policy to accompany TOA By-laws for Council consideration in June 2024. The rezoning policy will inform the review of rezoning applications within the 29 TOAs, and clarify City expectations within and outside of existing plan areas until such time that future planning work can be completed to either amend existing, or introduce new policy guidance through Vancouver Plan or area plans. The rezoning policy will further identify housing requirements, appropriate mix of uses, and outline infrastructure and amenities expectations.

Detailed staff comments are found in Appendix A.

Provincial Funding

In January 2024, the Province announced the \$51 million Local Government Housing Initiatives funding program and applicable terms and conditions (e.g. eligibility criteria, use of funds, timeline, reporting requirements), and Vancouver’s share is approximately \$3.3 million. This funding is intended to support local governments in meeting the new legislative requirements arising from Bills 44, 46, and 47 by the applicable deadlines (e.g. June 30, 2024 for TOAs and SSMUH) and no later than December 31, 2025. Funding allocation will be done through quarterly budget adjustments.

While this funding is appreciated, Vancouver’s share of ~\$3.3 million does not reflect the total cost of implementing the new legislation, including the actual growth costs to support housing delivery. Staff will be carefully assessing infrastructure and amenity needs arising from planned population and job growth, and optimizing the use of density bonusing, ACCs and DCLs, among other things, to ensure the City can achieve the intent of the legislation for encouraging more housing near transit stations, while also delivering complete neighbourhoods. Staff will continue to advocate for modernization of the municipal growth framework through the Federation of Canadian Municipalities (FCM) and more predictable funding from both Provincial and Federal governments to support the successful implementation of these housing initiatives.

In Spring 2024, the Province introduced Bill 11, and more recently released Bill 16 and Bill 18. Preliminary information and staff feedback can be found in Appendix “C”. It is important to clarify that the current scope of work is limited to planning for the implementation of Bills 44, 46, and 47. Any subsequent legislation that seeks to modify the Vancouver Charter in 2024 will be evaluated and may require modifications to this scope to determine alignment and coordination opportunities.

Work Plan Implications / Prioritization

Vancouver is a housing leader in developing new community plans and policies to support intensification of residential uses and jobs around existing and planned transit facilities, as well as encouraging more options for housing across our city. The City will need to consider how to implement these legislative changes without interrupting the highly impactful activities that are already underway, and consider what opportunities we have to phase or integrate into our existing work.

In this regard, Staff have examined our existing work plans and identified several implications and changes that need to be made, which may impact Council’s priorities and objectives. The following is a summary of the changes resulting to staff’s work plans based on current resources and constraints:

Delays or Re-Prioritization of Work Plan items resulting from this legislation:

Work Plan Item	New Date
Report back from Council’s direction from September 2023 pertaining to increasing character house FSR as well as other FSR exclusions within R1-1 (Missing Middle)	Tentatively Fall 2024
Renfrew & Rupert Station Area Planning process <ul style="list-style-type: none"> - Draft land use plan - Final land use plan 	Summer 2024 Q1/Q2 2025
Report back on planning relating to the 25 Villages	2025
Broadway Plan Urban Design Guidelines for C3-A zones (including regulations)	2025
Target CACs <ul style="list-style-type: none"> - Broadway Plan (strata, 12 storeys or less) - City wide low/mid rise forms 	Part of new DCL/ACC Framework 2026
Zoning simplification for lands to support apartment forms of housing, and social housing	2025
Future Station Area Planning work <ul style="list-style-type: none"> - To be reviewed and sequenced in future work plans pending completion of Rupert & Renfrew Station Area Plan 	2025+
General Impacts to Rezoning/Development Applications <ul style="list-style-type: none"> - Charter changes may lead to increase in rezoning and development permit applications, both new and re-submittals; 	2024+

Staff will provide Council with additional information on Planning, Urban Design & Sustainability work plan implications through subsequent updates later this spring.

Financial Implications

The enactment of Bill 46 – the Housing Statutes (Development Financing) Amendment Act, presents an opportunity for the City to modernize and optimize its Financing Growth framework and tools. This will require the City to improve long-term service planning for infrastructure and amenities supported by development contributions. It will also provide greater transparency and predictability for the development industry.

In Vancouver, like other municipalities, most municipal services (e.g. community centres, swimming pools, ice rinks, libraries, fire halls) are based on city-wide networks that offer services at the local, neighbourhood level. However, urban development generating development contributions (e.g. DCLs, DBZs and CACs) are typically concentrated in a handful of growth districts (e.g. downtown, SEFC, Cambie/Marpole, EFL in recent years). As a result of the underlying land economics, not all urban development generates the same level of development contributions. This creates occasional misalignment between the location of where amenities need to be expanded and the location of where development contributions are collected.

In response, the City has been gradually moving toward city-wide funding tools (e.g. the transition from Area-specific DCL districts to one City-wide DCL district between 2013 and 2018). This approach will be more equitable across the city in the mid and long term, but requires service planning to migrate from the local level to the city-wide level (with a line-of-sight of what is needed at the local level).

The inclusion of fire, police and solid waste/recycling facilities as part of DCL is a positive step forward. Currently, the only development contribution tools available for new or expanded fire and police facilities are cash CACs and DBZs, which are geographically-restricted to sub-areas of the city. The transition to the city-wide DCL system will allow these prioritized facilities to access a larger pool of city-wide funding, thus making it easier to fund new and expanded facilities from development contributions. As discussed in the report, currently, the Vancouver Charter limits DCLs to no more than 10% of the value of the development. Without removing or increasing the cap, the City's ability to collect adequate DCL to fund core infrastructure will be limited. Staff are currently in discussion with the Province to address this important issue.

The new ACC tool will reduce the City's reliance on CACs over time and provide the City with a funding tool that is city-wide and/or district-wide (i.e. larger than one community/local area). This will assist in allocating funding to capital projects over a larger geographic area, thereby making it easier to deliver priority capital projects more rapidly.

Taken together, these two changes require the City to conduct long-term service planning to inform investment in infrastructure and amenities to support growth. The Provincial legislation, in fact, refers to "standards of service in the city", i.e. a quantifiable metric for each service typically linked to population and/or employment. This aligns with Recommendation 13 of the [Mayor's Budget Task Force Report](#), which identified the need to "implement a rigorous capital asset management framework" including establishing "standardized service levels (...) within each area (to) provide a uniform baseline for decision-making" (p. 25).

Despite the opportunities brought forward by Bill 46, it is important to note that the available tools for municipalities to support growth are limited and outdated. As such, staff will continue to pursue advocacy through FCM on modernization of the municipal growth framework to address the core

challenges associated with securing funding for renewing and expanding core infrastructure and amenities to support growth and build complete community.

As noted earlier in the report, the City has received \$3.3 million from the [Provincial government's Local Government Housing Initiatives funding program](#) to assist with implementation of Bills 44, 46 and 47. Recently, the Province has expanded the authorized spending to include implementation of Bill 16. Staff will report in May 2024 on the planned initiatives and associated budgets for Council's consideration.

Legal Implications

This report is for information only. The land use and regulatory strategies discussed in this report do not create any development rights, and the only legal rights that have been established are those directly resulting from the passage of Bill 44, 46 and 47. Future reports to Council will be brought forward with recommendations and proposed by-laws to give effect to the legislation, including transit-oriented areas, as well as small-scale multi-unit housing initiatives. Further work on development financing is also necessary – and a new balance of CACs, ACCs and DCLs will be needed. The maps contained in this report are illustrative and convey the effects of the legislation, and future policy and land use planning efforts.

Conclusion

Current City policies and priorities align with the Province's initiative to provide further opportunities to deliver more homes faster. The work plan discussed in this report will provide a path such that City is equipped to support and respond to the Provincial objectives of this legislation. However, responding to this legislation will impact our current work and how we plan for growth. The City relies on a number of tools currently, including density bonusing, DCLs and CACs, to deliver important public benefits such as non-market housing, childcare and infrastructure to support that growth. The changes contemplated by this legislation will have implications on the City's financial capacity and abilities to support this growth. Where possible, these legislative changes can and will be aligned with the update to the Housing Vancouver Strategy, as well as the phasing and implementation of Vancouver Plan. Consideration of a broad range of factors informing our work will include impacts on residents and businesses, provision of needed services, infrastructure and amenities, and ability of deliver meaningful results.

A summary of the actions being undertaken by staff relating to Bills 44, 46 and 47 are found in the executive summary. Please note that these actions are based on the current legislative landscape and may need to be adjusted as new information becomes available or as the landscape evolves. Ongoing monitoring and adjustments will be necessary.

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Appendix A

Summary of New Legislation

Bill 44: Housing Statutes (Residential Development) Amendment Act, 2023;

Bill 46: Housing Statutes (Development Financing) Amendment Act, 2023; and

Bill 47: Housing Statutes (Transit-Oriented Areas) Amendment Act, 2023

Bill 44: Housing Needs / Small Scale Housing Units (SSHU)

News Release – [Here](#)

Additional Provincial Resources

- SSMUH – [Here](#)
- HNR - [Here](#)

The Province introduced new housing legislation to deliver more small-scale, multi-unit housing for people – including town homes, laneway homes and triplexes – and change requirements for Housing Needs reports and updating zoning rules to help build more homes faster through pre-zoning. These changes are intended to do the following:

In summary, the key components of the legislation seek to:

Key component	Effect of the Legislation	Next Steps
Housing Needs Report (HNR)	Interim HNR by December 2024 “Full” HNR by December 2028	Requires Modifications needed to the existing 2022 HNR. Requires clarification regarding the methodology and alignment with Housing Supply Act / Housing Target Order.
Limitations on the use of density bonusing	Can not use density bonusing to achieve housing needs	Requires further clarification from the Province.
Zoned Capacity analysis	By December 2025, ensure sufficient lands are zoned to meet (at a minimum) the 20 year housing needs of the City.	Requires further clarification re methodology.
Small Scale Multi-Unit Housing (SSMUH)	By June 30, 2024, municipalities must update zoning bylaws to enable more housing options on low density zones.	Impacts certain RT zones and First Shaughnessy District. Implementation timeline is challenging

Staff Feedback:

Housing Needs Report:

A Housing Needs Report (HNR) is a statement of housing objectives, housing needs and policies that Council must receive. HNR must include the total number of housing units required to meet the anticipated housing needs for the next 5 and 20 year periods. The legislation requires that an “interim” HNR be considered by Council by December 31, 2024, and a “full” HNR by December 31, 2028. HNR will need to be updated every 5 years thereafter.

Staff generally support the emphasis on the Housing Needs Report (HNR), and work is underway on refreshing the 10-year Housing Vancouver Strategy, incorporating the Housing Target Order (pursuant to the Housing Supply Act) and accompanying 3 Year Housing Action Plan to incorporate new Provincial requirements. The Provincial requirements of 5 and 20 year targets represents a change in our current approach through the Housing Vancouver Strategy, which currently established a 10 year target, and 30 year forecast. Staff will be bringing forward a preliminary report to Council anticipated in Q2 2024. Staff anticipate the “interim” HNR will be presented to Council for consideration in Fall 2024, in order to comply with the legislative deadline.

Staff are pursuing clarification related to the methodology for determining housing needs. Currently, the Provincial housing targets are based on meeting both existing unmet housing need and anticipated need from growth. The new legislation around housing needs only mentions meeting **anticipated** housing needs. In this regard, the City has been working closely with the Province to seek clarity and alignment of the housing needs methodology utilized in both the Housing Supply Act & Housing Target Order.

Relationship to density bonusing & housing needs

In addition, careful consideration of the HNR and pre-zoning regulations is necessary to ensure that the City can continue to utilize other tools, like inclusionary housing and density bonus, to effectively deliver below market and social housing projects. The intent of the legislation seems to prohibit the use of density bonusing to achieve the housing needed to meet anticipated growth (as will be established through the new Housing Needs Reports). However, much of the anticipated housing need will be for rental, below market and social housing; the Provincial Housing Targets that have been set include higher numbers for rental and below market rental housing units. The Provincial Target Order for Vancouver sets a target of 72% of all new housing to be rental, of which 40% should be affordable to households at or below the BC Housing Income Limits (HILS). Clarification from the Province is required about whether the HNR will be similarly broken down into housing types/tenures. If they are, it is important to note that density bonusing is one of the most important tools used to enable new social and rental housing. Municipalities will not have the pre-zoned capacity to achieve affordability requirements that are/will be set out in the Provincial Housing Targets without the use of density bonusing. For Vancouver, it is not possible to meet housing targets for new rental and social housing without density bonusing. The effects of the limitations on use of density bonusing, coupled with the comments noted below relating to the new Amenity Cost Charge (ACC) framework regarding housing delivery, could have significant effects on the City’s ability to meet its housing needs. The Province has also tabled legislation in April 2024 (Bill 16) regarding inclusionary housing and density bonusing, which may also provide additional clarification and authorities to ensure the City can meet Housing Supply Act & Housing

Target Order. Staff will be reporting back on these matters as further information is made available by the Province.

Zoned Capacity

The Legislation requires the Council must review its zoning by-laws to ensure there is sufficient zoned capacity to permit the use and density of use necessary to accommodate at least the 20 year total number of housing units required to meet the anticipated housing needs, which is identified in the most recent Housing Needs Report. This must be done by no later than December 31st of the year after which Council receives the most recent housing needs report. In the case of the “interim” HNR, Council must consider whether sufficient lands are zoned to meet the “interim” HNR by no later than December 31, 2025.

Staff will be coordinating a work plan and analysis of our existing zones, together with the anticipated “interim” HNR. Staff will report back to provide further information on the zoned capacity analysis and any necessary zoning changes to ensure sufficient lands are zoned to meet the anticipated housing needs as outlined in the HNR. Staff will also explore additional opportunities for pre-zoning where sufficient information and infrastructure is available to support growth. This will be further considered as part of the Vancouver Plan implementation and phasing of key strategic planning initiatives. Additional information will be provided to Council regarding the next steps for Vancouver Plan implementation in Spring 2024.

Small Scale Multi-Unit Housing (SSMUH)

The legislation sets out requirements for municipalities to update their existing zoning bylaws by June 30, 2024 to consider where small-scale, multi-unit housing options can be incorporated into “restricted zones.” These new SSMUH options can be ground-oriented and compatible in scale and form within established single-family neighbourhoods. These housing forms can offer more choices and more family-oriented unit options than just relying on apartment style forms of construction or single-detached dwellings. While the legislation establishes the framework for the new rules, the details describing how these changes work are set out in regulation, and site standards and expectations around development are laid out in a Provincial policy manual.

In Vancouver’s context, the legislation requires more small-scale multi-unit housing in areas zoned exclusively for single family housing or duplexes, as well as additional dwelling units and secondary suites (“restricted zone”). This includes a minimum number of units which must be permitted on each parcel of land. The minimum number of dwelling units that must be allowed by parcel size are:

- A minimum of 3 housing units on parcels that are 280 m² or smaller
- A minimum of 4 units on parcels greater than 280 m²
- Some exemptions apply, such as
 - lands which are deemed hazardous, or within agricultural lands;
 - protected under Heritage Conservation Act or that was already designated under a heritage designation bylaw on December 7, 2023;
 - Is not connected to sewer or water services;
 - Or is a lot greater than 4,050 m²

More units of small-scale multi-unit housing are also intended to be permitted near frequent bus service. A minimum of 6 units must be permitted within a “restricted zone” that is

- Within the 400m prescribed distance of a bus stop with frequent service*, and
- Has a parcel lot size of at least 280 m²

**Frequent transit service is served by at least one bus route that is scheduled to stop at least every 15 minutes, on average, between the hours of: (a) 7 am and 7 pm, Monday to Friday, and (b) 10 am and 6 pm on Saturdays and Sundays.*

The legislation also includes several other restrictions, standards and expectations for which a municipality must consider. In particular (but not limited to):

- The use of density bonusing to achieve the minimum number of units is prohibited however density bonusing can be used to deliver more or larger units than the prescribed regulations. ACCs and DCLs can also be used to fund growth related amenities and infrastructure;
- No minimum parking requirements; parking will be determined by the applicant. Where parking is proposed, it must comply with municipal regulations;
- Prohibits Council from holding a public hearing when considering a by-law for the sole purpose of complying to this legislation;
- SSMUH does not apply within transit-oriented areas (re: Bill 47), as prescribed by regulation;
- The regulations and policy manuals also provide more guidelines on the types of regulations or restrictions that can be imposed on a development to ensure that small-scale housing options can remain viable and reasonably permitted.

The City of Vancouver is a Provincial leader in creating opportunities for new multi-plex / small scale housing options. In September 2023, Council adopted the Missing Middle / Multi-plex options for the newly consolidated R1-1 Residential Inclusive zone as a new housing option on single lots in low density areas and to simplify development regulations. Since staff began accepting applications in mid-November 2023, over 100 R1-1 multiplex development permit applications were received to the end of March 2024, including more than 450 new residential units. Given the range of permitted residential uses, and that the R1-1 zone was adopted prior to Bill 44 receiving royal assent, staff’s opinion is that the R1-1 zone is not considered a “restricted zone” and therefore no further update is needed to comply with Bill 44.

Based on analysis of the remaining low residential zones in the City, Staff have determined that some of the RT zones (RT-7 and RT-9), and First Shaughnessy District (FSD) are considered to be a “restricted zone” and therefore must be updated to comply with the legislation. In order to meet the legislative deadline of June 30, 2024, Staff will need to scope the initial conformity exercise to these zones. Based on this, the new SSMUH zoning will apply to 1,128 RT lots, and 586 FSD lots. To meet the legislative deadline of June 30, 2024, staff will need to scope the initial conformity exercise to these zones. It should be noted that several of the RT zones do not meet the definition of “restricted zone”, and therefore are not required to conform to the legislation. Though this may result in some challenges when considering changes to the RT district schedules, the City may consider expanding multi-plex housing options to other zones in the future.

As it relates to First Shaughnessy District, the lands for part of the Heritage Conservation Area (HCA) Official Development Plan (ODP). The effect of the proposed SSMUH regulatory changes will have an impact on the HCA ODP. Typically, such changes to an ODP would trigger the need for a public hearing. Under the SSMUH legislation, council is prohibited from holding a public hearing for the sole purpose of making the zoning changes to give effect to the legislation. However, this legislation does not prohibit council from holding a public hearing for other matters, including amendments to the ODP. Staff are continuing to review this matter, however, based on the proposed approach to include changes that extend beyond the requirements of Bill 44, Staff believe a public hearing will be required. Further information will be made available leading up to the report to Council.

Figure “3”: Map showing RT zones and First Shaughnessy District with TOAs

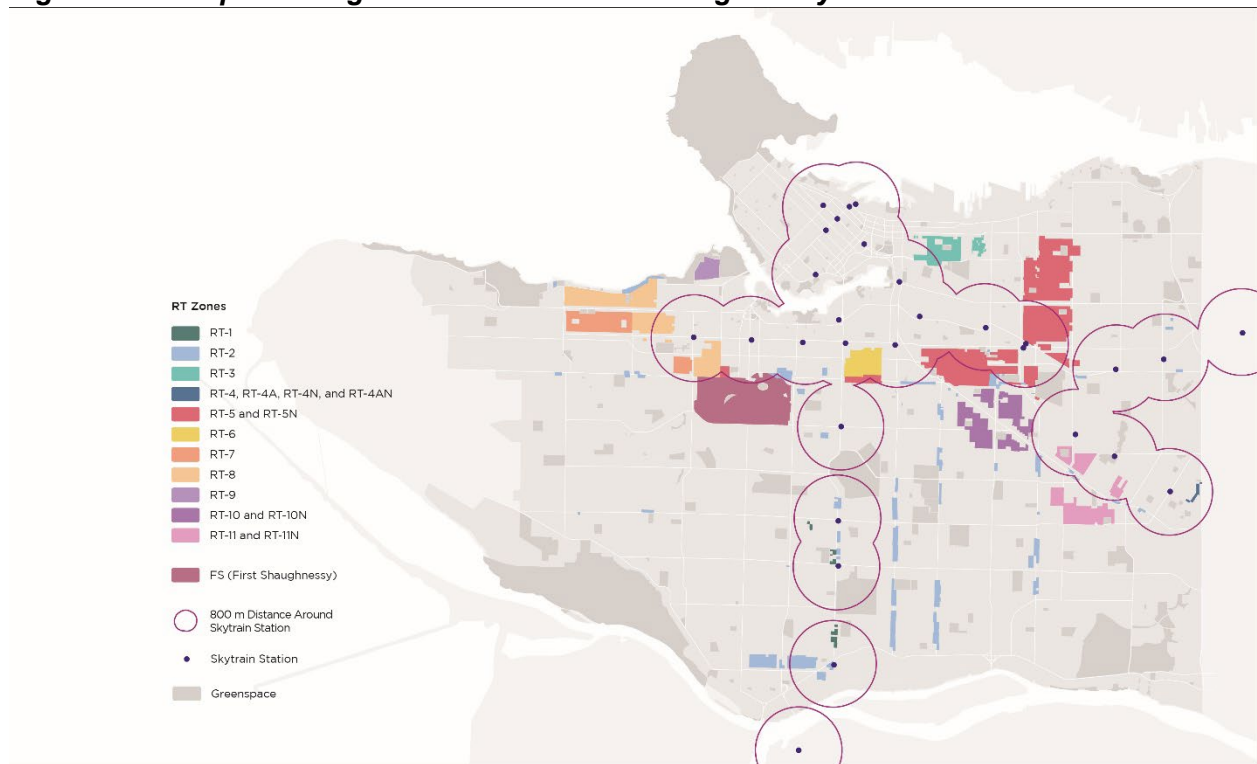
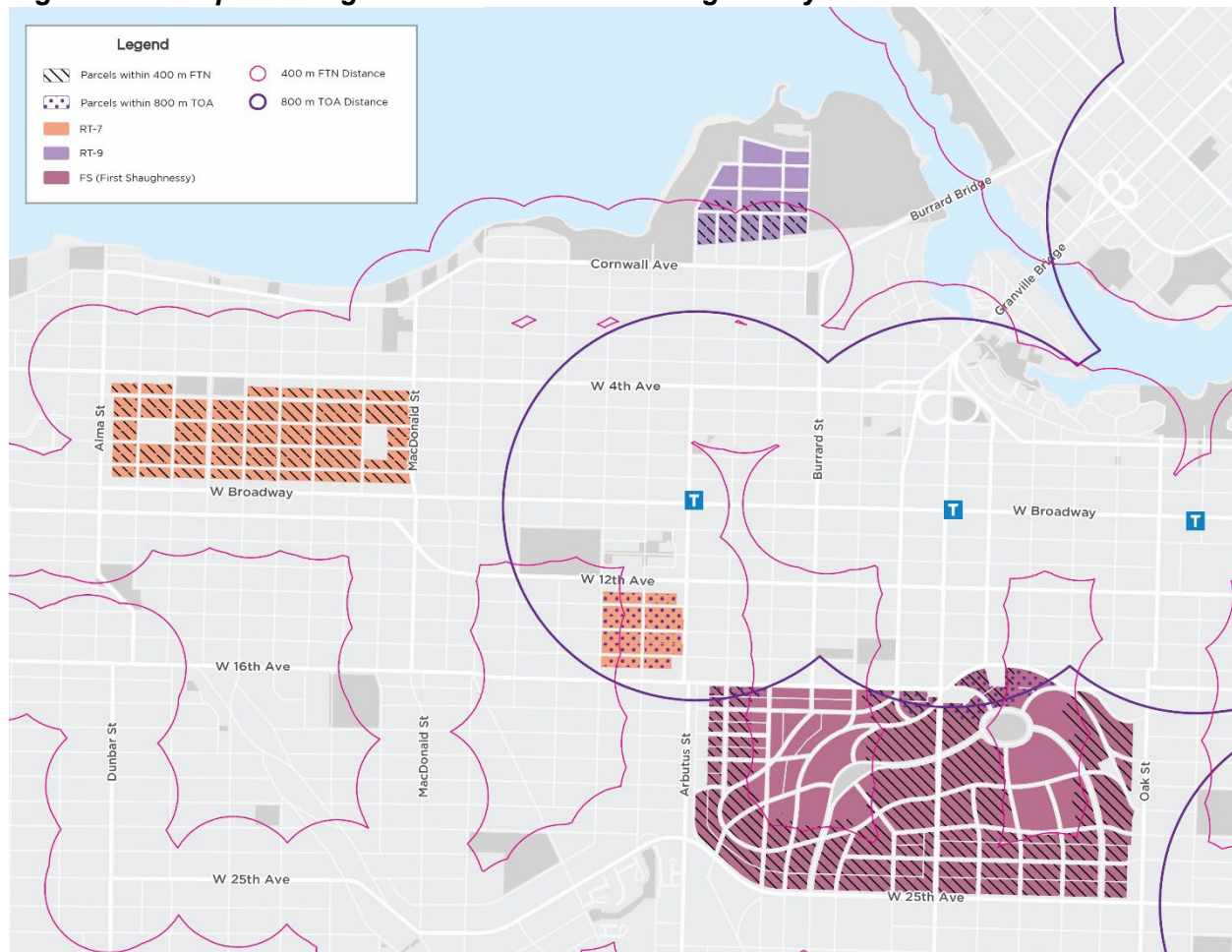


Figure “4”: Map showing RT zones and First Shaughnessy District with TOAs & FTN

Staff will be reporting back to Council in June 2024 with recommendations and proposed amendments to the “restricted zones” in Vancouver to conform to the requirements for SSMUH. Staff are currently evaluating options for these changes, including the application of density bonusing, and development conditions such as maximum floor space ratios (FSR), height, and adequate servicing capacity to accommodate the anticipated growth.

Lastly, Municipalities can apply to Minister to request extension to the June 30, 2024 deadline on following grounds:

- Upgrading infrastructure
- Compliance will increase risk to health, public safety or environment due to infrastructure constraints
- “Extraordinary circumstances” such as natural disasters

At this time, the City is not anticipating the need to request an extension to comply with the legislation, though this will be discussed further in the upcoming June 2024 report.

Bill 46: Development Financing (Amenity Cost Charges and DCLs)

News Release – [Here](#)

Additional Provincial Resources - [Here](#)

The Province introduced legislation to update and streamline development finance tools to assist local governments to help continue to fund the costs of infrastructure and amenities to support increased housing supply and growth. The changes include creating an Amenity Cost Charge (ACC) tool, and updates to development cost levies.

Key component	Effect of the Legislation	Next Steps
Expand eligible categories of DCL	Enables Council to collect DCLs for: <ul style="list-style-type: none"> - fire protection, - police, - provincial highway facilities, - solid waste & recycling facilities. 	Requires further discussion with the Province regarding DCL limit as stipulated in the Vancouver Charter
Establishment of a new Amenity Cost Charge (ACC) tool	Enables Council to develop policy and by-laws to require eligible developments to fund certain “amenities” to support growth	Limitations on use of ACCs for housing and childcare

DCL Framework

- Expand eligible categories to include fire protection, police, provincial highway facilities, solid waste & recycling facilities. There are no changes to replacement housing, municipal transportation facilities, parks, childcare, or utilities.

The inclusion of new/expanded categories of essential services to the DCL is welcomed. However, it is important to note that the Vancouver Charter limits the amount of the DCL to no more than 10% of the value of the development. This “cap” is applicable to Vancouver only, as LGA municipalities have no cap, though the Development Cost Charges imposed by an LGA municipality are subject to the review of the Provincial Inspector General. Expanding the DCL with more eligible categories without removing or increasing the cap will hinder the City’s ability to raise funds to adequately address growth needs. As well, the new ACC By-law framework (discussed below) stipulates that amenities can only be funded under DCL or ACC, but not both. To maintain current level of development contributions towards housing and childcare solely via DCL (versus a combination of DCL, CAC, DBZ, etc.) will be challenging should the 10% cap is not removed or increased. Staff are currently in discussion with the Province to address this important issue.

Amenity Cost Charge (ACC) Framework

- Establish a prescribed *non-exhaustive* list of “Amenities”, which means a facility or feature that provides social, cultural, heritage, recreational or environmental benefits to a community, including, without limitation:
 - Community, youth or seniors’ centre;
 - Recreation or athletic facility
 - Library
 - Public square

Note: The Province may restrict other uses through regulation

- The ACC is intended to be a flat rate applicable to all growth projects, not just rezoning applications. The formula is based on costs of amenities to support growth divided by projected growth within the area applicable to the ACC By-law. The amenities included in ACC By-Laws must be based on prevailing service standards.
- Should Council choose to utilize this new authority, Council may pass one or more ACC By-laws; ACCs may vary by area, uses, and size or number of units in a development. The charge may be attributed to residential, or non-residential uses.
- Municipality must consult with the public or those persons, public authorities or organizations that the Council considers will be affected by the by-law(s).
- An amenity can only be funded under ACC or DCL, but not both. The Province also amended the Vancouver Charter so that amenities funded under the ACC By-law cannot be secured under density bonusing.
- ACC is payable at building permit, and Council can seek to secure amenities as in-kind facilities (in lieu of ACC payment).

In setting ACC’s, local government must consider whether the charge will deter development, or discourage construction of reasonably priced homes provision of serviced land. The local government must also deduct from the estimated cost of each amenity (a) the portion to be funded by grants and other external sources, (b) the portion to be allocated to the existing population of the area (and funded by the local government), and (c) the portion to be allocated to the development (and funded by the local government). Staff will also be assessing the impacts of collecting the charge at building permit stage.

ACCs are not payable if, among other circumstances:

- No increases in the population of residents or workers is expected to result
- An ACC for the amenity has been paid for the same development (unless further development is expected to result in further increase in the population of residents or workers)
- In respect of a capital cost for which a DCL is imposed

The legislation provides protection for in-stream development. The legislation also provides no direction with regards to the use of Community Amenity Contribution (CACs), which are only applicable to certain rezoning applications, in accordance with the City’s CAC Policy (2020) and CAC Implementation Procedures (CACs). Staff will continue to apply the Council adopted CAC Policy to applicable developments. This will be further reviewed, and recommendations will be brought to Council as part of the future report back pertaining to the ACC Policy Framework.

Lastly, ACCs may only be waived or reduced for an “eligible development” (e.g., not-for-profit rental housing, for-profit affordable rental housing). The Minister may make regulations as to what constitutes an “eligible development”. ACCs are also not payable for other developments,

including a parcel of land owned by the Federal or Provincial government, the City of Vancouver or a non-profit organization, and is or will be used for social housing. Council may define what constitutes social housing for the purposes of an ACC by-law.

Staff Feedback:

Staff generally support the new ACC tool in that it embraces the concept of growth paying for growth and reinforces the City's authority to secure and collect development contributions to deliver important amenities and infrastructure to support growth. However, there could be significant implications on the City's ability to deliver social housing and childcare. Under the current financing growth framework, the City secures social housing and childcare through a combination of CAC, density bonusing and the DCL. With the introduction of Bill 46, childcare and affordable housing, including social and supportive housing, are not considered to be an "amenity" under the ACC, and Bill 44 prohibits the use of density bonusing to achieve the City's Housing Needs requirements (see above re Bill 44). The effect of these two pieces of legislation significantly impedes the City's ability to secure affordable housing to meet our housing needs. As discussed earlier, staff has been in ongoing discussion with the Province to address this concern. The City welcomes the proposed enactment of Bill 16, which expands authorities to secure affordable housing and amenities through inclusionary housing and density benefit by-laws. The City will be carefully reviewing these new tools to ensure we can continue to meet our housing needs as well as the amenities require to support complete neighborhoods.

For context, the following is a summary of the outcomes we are planning for based on our tools traditionally used to securing critical import housing and childcare facilities:

- The City's **2023-2026 Capital Plan** estimates that we will deliver approximately 725 social housing units through in-kind CACs and inclusionary housing requirements at an estimated cost of \$300 million.
- Over the past **10 years, over 40% of CAC value** from rezonings was allocated to Affordable Housing.
- The City's **Housing Vancouver: 10 Year Affordable Housing Delivery and Financial Strategy (2017)** outlines the City's overall approach to delivering the 12,000 social and supportive housing units over 10 years as identified in the Housing Vancouver Strategy, largely through inclusionary housing, density bonusing and CACs.
- Broadway Plan (2022) is a comprehensive plan that seeks to deliver 30,000 residential units, and up to 42,000 additional jobs. This includes 5,000 social housing units over the next 30 years, which are anticipated to be delivered through a combination of inclusionary housing, density bonusing and CACs, valued at approx. **\$455 million over the next 10 years**.
- Over the period of 2012 to 2021, the City secured **approximately \$300M in childcare spaces**, which represented about **15% of the total CACs** secured over that period.

Vancouver is a housing leader and relies on several tools currently, including inclusionary housing, density bonusing, DCLs and CACs, to deliver important public benefits such as non-market housing and childcare. The City will need to carefully consider how to implement these legislative changes without interrupting the highly impactful activities that are already underway. There will be a need to ensure that the City's strategies explore further provisions and requirements to protect and/or replace existing cultural, social, and cultural heritage spaces that may be displaced

through development, as well as ensure the integration of new cultural and social amenities (including childcare) to serve the growing population.

The implementation of Vancouver Plan is underway, with a shift to explore a city-wide public investment approach, as well as informing and aligning with future service and capital plans. This work is being led out of the City Manager's office to develop a city-wide Public Investment Framework (PIF) and city-wide Public Benefits Strategy (PBS). The work will also include the establishment of updated city-wide service levels to inform and plan for the needs of a growing city. Coupled with updates to the existing community plans, growth forecasts, and the establishment of Vancouver Plan ODP, these deliverables will be critical in establishing the ACC Policy Framework and any city-wide ACC by-laws.

With the introduction of this new development contribution comes the need for a new IT system to calculate and track payments so that staff can expedite permit approvals and report out annually on ACC payment, exemptions/waivers, and spending. Further report backs relating to our housing needs reports, ACC Policy Framework and DCL Update will further respond to these issues, together with ongoing dialog with the Province.

Lastly, the Province recently released Bill 11 (2024 Vancouver Charter Amendments Act, 2024), which received Royal Assent on March 15, 2024. This bill further modified the Vancouver Charter which recognizes First Nations and First Nation Corporations as a level of government that qualify for exemptions from the City of Vancouver's development cost levy and amenity cost charge for social housing projects built on First Nations-owned land in Vancouver. This change is welcomed by the City, and staff will be incorporating these new provisions into our DCL By-law(s) and future ACC Policy Framework.

Bill 47: Development Financing Changes for Transit-Oriented Areas (TOA)

News Release – [Here](#)

Provincial Resources / Information – [Here](#)

This legislation requires local governments to designate areas near transit stations as “transit-oriented areas” (TOAs). Within TOAs municipalities must allow minimum heights and densities as prescribed by regulation (see Figures 1 and 2 below). Municipalities must adopt TOA by-laws by June 30, 2024. The Province has already designated 20 out of the 29 identified TOAs impacting Vancouver through regulation in December 2023. The City will be bringing forward a report and by-law designating all TOAs by the June 30, 2024 deadline.

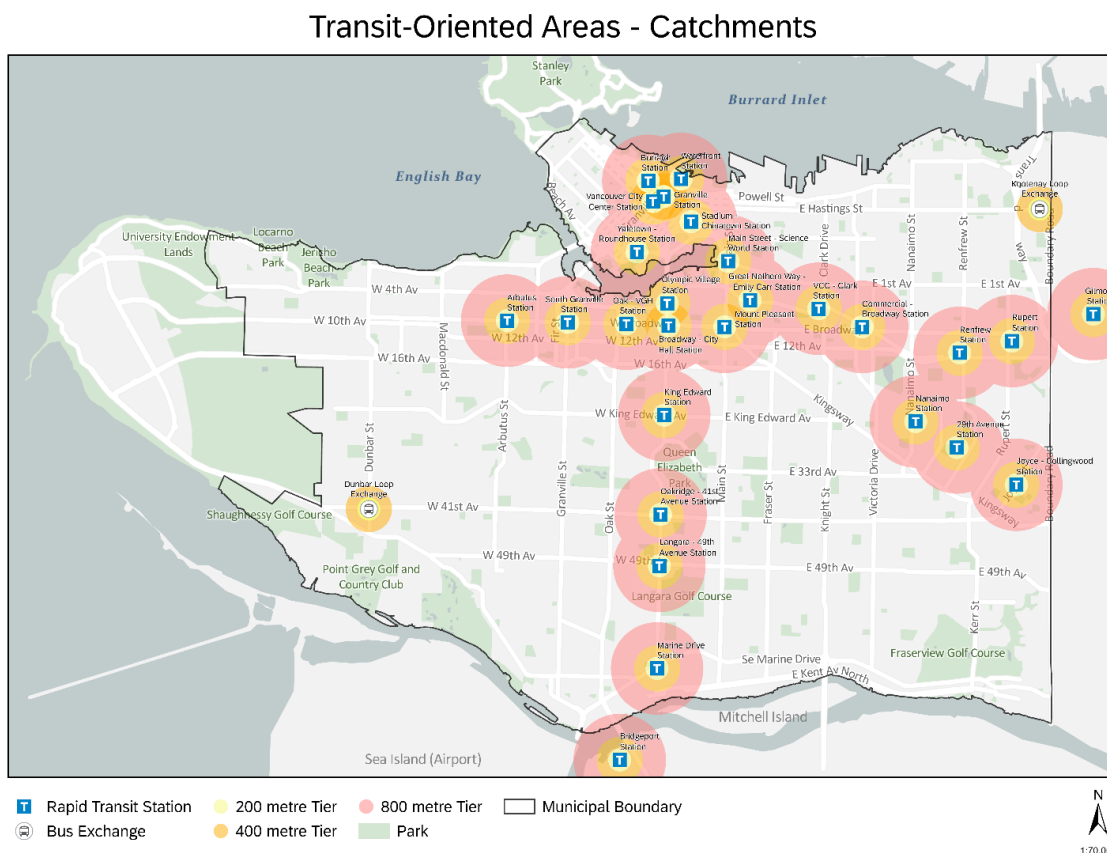
The Province also released a policy manual in December 2023 providing guidance to municipalities on how to implement the legislation, including exemptions and conditions relating to matters such as, for example, preservation of heritage and form of development. This policy manual was recently updated again in March 2024.

Key components of the legislation and staff feedback are noted below.

Overview:

Key component	Effect of the Legislation	Next Steps
Identify and designate Transit-Oriented Areas (TOAs)	Council must adopt a TOA by-law by June 30, 2024	Preparing a report with TOA by-law for Council consideration by June 2024.
Restrictions on Council’s decision making authority	Council must not prohibit or restrict a proposal based on density (FSR) and height as set out in the regulations.	Recommend the focus will be on delivery of affordable housing (e.g. below market rental and social housing) to support achieving our Housing Targets.
Establish detailed guidance through regulations and policy manual	Regulations identify the TOAs. Council must consider the TOA Policy Manual when making decisions.	Additional recommendations on implementation will form part of the June 2024 report.
Eliminate off-street parking minimums (for residential uses)	Council must update the Parking By-law by June 30, 2024.	Preparing a report with proposed amendments to the Parking By-law by June 2024.

Figure “1”: 29 Transit-oriented Areas prescribed by regulation



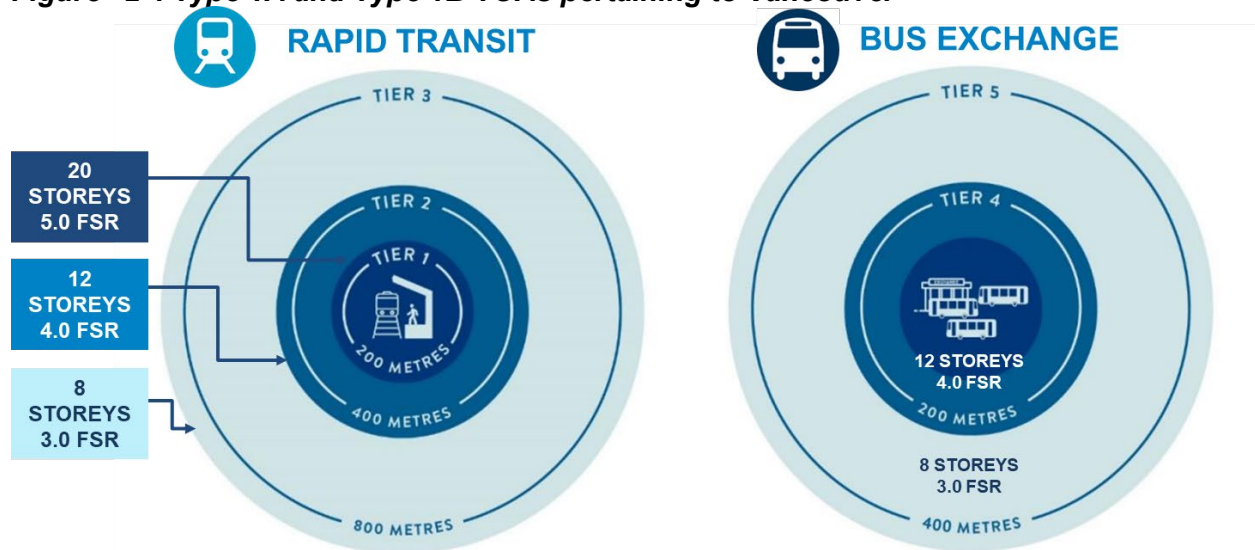
There are two types of provincially designated TOAs pertaining to the City of Vancouver.

Type 1A - within 800 metres of a rapid transit station (SkyTrain)

- In Type 1A (SkyTrain stations) City will be expected to permit residential developments in TOAs using the following density criteria:
 - o prescribed distance of 200 metres or less from a rapid-transit hub – minimum density up to 5.0 FAR, minimum height up to 20 storeys;
 - o prescribed distance of 200 metres to 400 metres from a rapid-transit hub – minimum density up to 4.0 FAR, minimum height up to 12 storeys.
 - o prescribed distance of 400 metres to 800 metres from a rapid-transit hub – minimum density up to 3.0 FAR, minimum height up to eight storeys.

Type 1B - within 400 metres of a bus exchange where passengers transfer from one route to another.

- In Type 1B (Bus exchanges) in Metro Vancouver, it is intended that municipalities will be expected to permit residential development in TOAs using the following density criteria:
 - o prescribed distance of 200 metres or less of a bus exchange –minimum density up to 4.0 FAR, minimum height up to 12 storeys
 - o prescribed distance of 200 metres to 400 metres of bus exchange – minimum density up to 3.0 FAR, minimum height up to eight storeys.

Figure “2”: Type 1A and Type 1B TOAs pertaining to Vancouver

This legislation only applies to residential or mixed residential land use. Parcels zoned for commercial, agricultural (Agricultural Land Reserve) and industrial land uses are exempt. Federally and provincially regulated properties, such as the Vancouver International Airport, and First Nations reserve lands are also exempt.

Staff Feedback:

Staff generally support the establishment of TOAs that direct growth to where there is planned or existing transit infrastructure. This aligns with significant City investments into housing to date along the Broadway Subway corridor, Cambie Corridor and within the Downtown core. The Province has indicated this legislation is intended to encourage and require more height and density around existing and planned infrastructure, though it is not intended to override other good planning principles and decisions by Council. However, some outstanding questions remain. The City continues to work with the Province on these questions to address unintended consequences in our ability to meet housing needs, particularly in the delivery of rental housing.

Existing community plans and official developments plans (ODPs) already focus on delivering housing and complete neighbourhoods. The City has a track record of proactively planning for significant housing investments and complete neighborhoods in and around transit stations. In some cases, City policies already enable heights and densities beyond those prescribed for TOAs; however, some TOAs are characterized by significant infrastructure and servicing constraints and do not have policies which enable growth beyond existing low-density housing. As such, future planning will need to consider how the City can grow in a fiscally responsible manner.

The City is currently proactively planning for transit supportive heights and densities in and around the Rupert & Renfrew Station Areas, and will be integrating TOA requirements into this ongoing planning exercise. Additional modifications and updates will be required in the Cambie Corridor Plan near King Edward Station and 49th Ave Station to align with TOA heights/densities. The Broadway Plan team is also bringing an implementation report back in Fall 2024, which among other things, will include recommendations to reflect TOA densities within areas of the Broadway Plan that did not previously contemplate those levels of growth. Other existing community plan

and ODP areas will also need to be amended to reflect provincial regulations (e.g. Grandview-Woodland Community Plan, Joyce-Collingwood Station Precinct Plan). Lastly, there are TOAs where the more substantive planning and infrastructure studies are required to align with and ultimately enable the TOA regulations (e.g. Nanaimo Station Area, 29th Ave Station Area). These study areas will need to form part of future work plans for Council's consideration, including undergoing financial testing, planning and technical analysis as well as servicing studies and public benefits analysis to support the objectives of delivering complete neighborhoods.

Staff have also identified an issue with the language in the legislation and policy manual regarding lands excluded from the legislation. Staff continue to seek clarification as to how the **lands not affected by the legislation** are determined, such as industrial and employment lands. For context, policy manuals says that the requirements:

“Per the regulations, parcels which are zoned to permit residential use that is ancillary or secondary to agricultural or industrial uses are exempted from the minimum density requirements.”

Staff have requested clarification to ensure these exclusions or conditions of development may extend to lands designated for employment or non-residential uses. Some of the City's lands are zoned for non-residential uses (and thus exempt) while others are zoned Commercial or Residential but intended (through policy designation) to intensify through industrial/non-residential uses. This is typical in that zoning often lags behind policy and land use designation. As written, the “zoned” language will have significant impacts on our ability to achieve policy objectives in certain locations in the city (e.g. Broadway Plan employment areas). Staff will be proposing policy clarifications to ensure the objectives of Council adopted plans and policies for intensifying employment and non-residential uses can continue to be supported in TOAs.

TOAs have also been imposed over important heritage areas such as Chinatown, Yaletown and Gastown, as well as several retail areas and “villages” such as Main Street and Commercial Drive that currently support many independent businesses that could face displacement. The policy manual provides some assurances that Council may continue to regulate other aspects of a development (architectural expression, form of development, etc.) through zoning authority to ensure any new development or additions are compatible and appropriate to the unique historical or cultural context of the district. While Staff support the introduction of TOA heights and densities, there may be circumstances where Council may wish to include conditions to a development or refuse a rezoning application for other reasons beyond height and density.

The City has implemented some of the most proactive policies for tenant protections and relocation policies. The policy manual recognizes that the need to support residents living in TOAs, and local governments are encouraged to follow best practices regarding existing residential tenancies and to ensure a diversity of housing types and tenures in TOA developments. The City should continue to utilize its tenant relocation protection plan (TRPP) policy to help ensure existing tenants are protected and fairly treated through the redevelopment of lands within TOAs.

The initial December 2023 TOA manual includes a section on the use of density bonusing in TOAs. Specifically, the TOA manual set the Provincial expectation that while local governments can continue to use the density bonus tool in TOAs, the base density is expected to be the minimum allowable density as established in the regulations. Since the release of the TOA manual, several local governments have shared concerns that this approach would limit their ability to apply the density bonus tool in TOAs and result in a loss of public amenities and affordable housing. In response, the Ministries of Housing (HOUS) and Transportation and Infrastructure (MOTI) has

updated the TOA manual, which will include new guidelines on the use of density bonus in TOAs, as well as some other clarifications and housekeeping changes that respond to valuable feedback from local governments. The City also welcomes the proposed introduction of Bill 16 which expands authorities to secure affordable housing and amenities through inclusionary housing and density benefit by-laws. The City will be carefully reviewing these new tools to ensure we can continue to meet our housing needs as well as the amenities require to support complete neighborhoods.

This updated version of the manual was made available in early March. It clarifies provincial expectation that, as an interim measure, local governments can use the existing base densities established in their zoning bylaws when using the density bonus tool in TOAs. This use of density bonus within the minimum allowable density framework will provide local governments with time to develop and implement new proactive planning tools, such as Amenity Cost Charges and other tools currently under development for consideration by government. Local governments will then need to transition to sing any new tools by mid-2025. This approach will ensure that local governments can continue to secure affordable housing and community amenities through TOA development in the near-term.

The legislation also needs to respond to concerns around a new regulatory floor (minimum heights and densities), and how this relates land speculation, land economics, future planning efforts, and support for critical infrastructure, amenities, school capacity and childcare within TOAs. Certain areas of the City within TOAs also have inadequate infrastructure capacity, which adds risk and the inability to service these lands in the short term, and significant cost to the City and developers. Staff will be carefully reviewing implications to planned population and job growth, impacts on amenities and infrastructure and exploring the use of new regulatory tools such as density bonusing, ACCs and DCLs, and latecomer agreements, among other things, to ensure the City can deliver more housing near transit stations, while also delivering complete neighbourhoods.

The legislation also sets regulations and limitations on parking requirements within TOAs. In this regard, the legislation prevents municipalities from setting parking minimums or maximums for residential uses within TOAs. The City is still permitted to require parking for accessibility needs. Developers may propose residential parking, and where parking is proposed, it must comply with municipal regulations. The City recently amended the Parking By-law to remove parking minimums in the downtown area and Broadway Plan area. Though staff support this initiative in TOAs, staff have expressed concerns over the limitations to regulate other aspects of residential parking needs such as visitor parking, parking maximums, loading, bike parking and Transportation Demand Management (TDM) options. The Province recently introduced Bill 18, which among other things, proposes to introduce expanded and new authorities relating to TDM measures, which may be applied in TOAs as well. These changes are welcome clarifications. These matters will be further discussed with the Province, and will form part of a report back to Council in June 2024 as well.

As discussed above, TOA by-laws are not zoning by-laws, which are covered in a different section of the Vancouver Charter. As such, a rezoning application is required in TOAs when the proposal does not conform to the underlying existing zoning. Future and ongoing planning efforts, including the Vancouver Plan Official Development Plan and Vancouver Plan implementation activities, will advance opportunities to pre-zone lands within TOAs for Council's consideration.

The TOA regulations and Provincial policy manual do not currently provide sufficient guidance to inform detailed review of a rezoning application within a TOA. Based on review of the materials staff will be recommending the inclusion of a TOA Rezoning Policy to accompany TOA By-laws for Council consideration in June 2024. The rezoning policy will inform the review of rezoning applications within the 29 TOAs, and clarify City expectations within and outside of existing plan areas until such time that future planning work can be completed to either amend existing, or introduce new policy guidance through Vancouver Plan or area plans. The rezoning policy will further identify housing requirements, appropriate mix of uses, and outline infrastructure and amenities expectations.

Appendix B

Housing Vancouver Strategy (2017) – The Housing Vancouver Strategy (HVS) contains targets to ensure Vancouver has the “right supply” of homes that match housing choices with household incomes and family types. Building more affordable and secured rental homes is a critical component of shifting to the right supply. The HVS Targets will be updated in 2024 to align with the requirements of the Housing Supply Act and Provincial Housing Targets Order, as well as the Housing Needs Report elements of Bill 44.

Vancouver Plan (2022) – The [Vancouver Plan](#) is a land use strategy to guide long-term growth of the City over the next 30 years. The Vancouver Plan includes recommendations to advance more inclusive and affordable neighbourhoods across the city. The Vancouver Plan provides a unified vision of the city’s future land uses that shape economic, transportation, and neighbourhood planning decisions. Clear land use policy direction that shows how the city intends to grow and change over the long-term and is a critical step in creating more predictability for residents and certainty for businesses. It will enable the simplification of land use and regulatory processes and streamline development approvals. It will also implement bold Council-approved plans to address the climate and affordability crises “on the ground,” while making sound, fiscally responsible decisions for how and where we want to grow. This work is critical in aligning with regional planning initiatives, including Metro 2050, Metro Vancouver’s new regional growth strategy, and Transport 2050, TransLink’s new regional transportation strategy.

The Vancouver Plan proposes multiplex areas, village nodes, transit-oriented development and industrial/employment uses to ensure Vancouver can continue to thrive and meet the needs of the current and future population. The Vancouver Plan includes policies to guide planning to evolve Vancouver’s low density residential areas to enable low and mid-rise housing across the city, as well as expanding transit-oriented areas for development to meet our housing needs. The City is also in the process of developing the first city-wide Official Development Plan (ODP) to designate sufficient lands to meet our housing and employment needs, together with supporting policies to guide growth over the next 30 years. As well, integral to the Vancouver Plan, are policies to support and enhance Reconciliation and equity, while supporting community infrastructure including childcare, arts and culture, and social and community services. Council will receive further information outlining the next steps to implement the Vancouver Plan in Spring 2024, which will include a phasing plan to enable higher density housing in locations supported by transit, utilities, amenities and services.

Financing Growth Framework - Vancouver has been growing and will continue to grow in accordance with Vancouver Plan, current area plans and zoning changes, and also in accordance with Metro Vancouver’s Regional Growth Strategy. More people and jobs will place more demands on public benefits (i.e. amenities and infrastructure) such as: childcare, affordable housing, transportation and utility infrastructure, parks, social and cultural amenities, libraries, etc. A key challenge is how to accommodate new residents and employees while also maintaining the level of services and amenities for those currently living and working in Vancouver. The City uses a number of financing growth tools as part of the City’s [development contribution system](#) which include DCLs, CACs, density bonusing and conditions of development. The City has a long standing practice of this system going back initially to 1999, wherein Council adopted the Community Amenity Contributions – Through Rezoning Policy. In 2004, Council adopted the

Financing Growth Policy establishing a city-wide framework for DCLs and CACs. In 2014, the City adopted a density bonusing framework to further expand and streamline development contributions to support our growing municipality. More recently, Council adopted an updated CAC Policy framework in 2020 to align with best practices and to align with the evolving needs of the City. When funding growth-related infrastructure, the City operates on a key principle that new development should pay its fair share of growth-related costs, and therefore development contributions are used as a key funding source. These tools are ultimately aligned and form part of the City's Capital Planning. A public investment strategy will prioritize and coordinate investments in infrastructure, public amenities, and programs for economic, social, and cultural aspirations. The new tools which form part of this recent legislation will be incorporated into our future work plans to update our existing financing growth framework.

Appendix C

Bill 11: 2024 Vancouver Charter Amendment Act, 2024

If passed by the legislature, Bill 11 - Vancouver Charter Amendment Act, 2024, will recognize First Nations as a level of government that qualify for exemptions from the City of Vancouver's development cost levy and amenity cost charge for social housing projects built on First Nations-owned land in Vancouver.

More information on the above is available at the following links:

- Website – [News release](#)
- Legislation – see [Bill 11](#)

The City supports this legislation as it would grant First Nations and First Nation corporations the same exemptions that are applied to the federal and provincial governments, the City of Vancouver and non-profit organizations. Local First Nations have the potential to be a significant supplier of housing.

Bill 16: Housing Statutes Amendment Act, 2024

The Provincial Government tabled Bill 16 *Housing Statutes Amendment Act, 2024* in the Legislature on April 3, 2024.

According to the provincial news release:

“The proposed legislation, if enacted, will make substantive changes to the Vancouver Charter specifically in relation to City’s authority as it relates to the following matters:

- Inclusionary zoning that will allow local governments to require affordable housing units in new developments.
- Density bonus updates that will ensure more consistency and transparency when developers and local governments use density bonus in exchange for much-needed amenities or affordable housing.
- Site-level infrastructure and transportation demand management (TDM) that provide local governments with an increased range of site-specific works and services that they can require in new developments, such as wider sidewalks, benches, protected bike lanes, and end-of-trip facilities, that are critical in supporting safer travel options, sustainability and climate resilience.
- Tenant protection bylaws (TPB) that will allow municipalities to require developers to provide added support for tenants facing displacement in cases of redevelopment, including financial assistance, assistance with finding a new place to live and opportunities for right of first refusal on units in a new building.”

More information on the above is available at the following links:

- Website – [News release](#)
- Legislation – see [Bill 16](#)

Staff are currently reviewing the draft legislation in detail and will follow up as soon as possible with more comprehensive analysis. An initial analysis has been provided in the table below. Please note that there are some concerns regarding the Tenant protection bylaws, as the proposed amendments relate to the Community Charter, which does not generally govern the City of Vancouver.

Bill 16 re: Inclusionary Housing and Density Benefit By-laws

Intent:

- To enable council to establish “affordable and special needs housing zoning by-laws” (“Inclusionary Housing” by-laws)
- To enable council to establish “density benefit zoning by-laws” (“density bonusing” by-laws)
- This legislation applies to both the Vancouver Charter, and LGA, respectively.

Key Element	Impact / Effect of Legislation	General Feedback
New powers to enact “affordable and special needs housing zoning by-laws” (“Inclusionary Housing” by-laws)	<ul style="list-style-type: none"> • Establishes content and engagement process requirements to develop inclusionary housing by-law(s) • Can be used only to secure housing obligations, including “affordable” housing, and special needs housing, as defined. • Includes options for requiring delivery of inclusionary housing on-site, off-site, or cash in lieu • Requirements on the use of this type of by-law, and other tools, like the density bonus by-law 	<ul style="list-style-type: none"> • General support for the legislation • Inclusionary housing requirements in a by-law would be “required” in order to achieve the permitted height/density under the zoning by-law • Staff are reviewing implications for implementation together with density bonus by-laws, and ACCs, including implications to existing policies and zoning
New powers to enact “density benefits zoning by-laws” (“density bonusing” by-laws)	<ul style="list-style-type: none"> • Establishes content and engagement process requirements to develop density bonusing by-law(s) • Can be used to secure affordable housing, or other benefits/amenities (such as childcare) • Includes options for requiring delivery of the benefit/amenity on-site, off-site, or cash in lieu • Restrictions/requirements on the use of this type of by-law, and other tools, like the inclusionary housing, and Transit-Oriented Areas (TOAs) 	<ul style="list-style-type: none"> • General support for the legislation • Whereas the inclusionary housing by-law sets out “required” housing components of development, the density bonus by-law is an “option” for developers to elect to deliver an amenity, in exchange for more height / density. • Staff are reviewing implications for implementation together with density bonus by-laws, and ACCs, including

		implications to existing policies and zoning
Consequential amendments to the Vancouver Charter	<ul style="list-style-type: none"> • Modifies sections of the Vancouver Charter relating to Amenity Cost Contributions (introduced in November 2023 through Bill 46) to align with the requirements of this Bill • Financial Reporting and financial control requirements 	<ul style="list-style-type: none"> • General support for the legislation
Transition provisions	<ul style="list-style-type: none"> • In-stream protection for existing applications • Requirement to update existing density bonusing by-laws by mid-2025 	<ul style="list-style-type: none"> • Staff have two general concerns, which have been shared with Provincial staff <ul style="list-style-type: none"> ○ Timing of the transition to utilize existing density bonusing tools within Transportation Oriented Areas (TOAs) – Currently proposed for mid-2025. ○ Impacts on existing density bonusing and whether By-laws will be required to be specified by a particular date for lands outside of TOAs.

Bill 16 re: Additional authorities at Development Permit stage for off-site infrastructure and TDM

Intent

- To enable municipalities to establish requirements and conditions relating to a development permit application for
 - the provision of road dedications,
 - securing off-site utilities and servicing requirements,
 - requiring transportation demand management measures
- This legislation applies to both the Vancouver Charter, and LGA, respectively.

Key Element	Impact / Effect of Legislation	General Feedback
Clarifying or new authorities to enable municipalities to secure conditions / requirements through development permit (DP) applications	<p>Council may establish by-laws to enable the city to secure additional requirements and conditions at DP stage relating to the following:</p> <ul style="list-style-type: none"> • the provision of road dedications, • off-site utilities and servicing requirements, • transportation demand management measures <ul style="list-style-type: none"> ○ TDM measure may include on-site, off-site or cash in lieu options. 	<ul style="list-style-type: none"> • General support for legislation; • Aligns with the direction from Bill 44, encouraging more up-front planning and pre-zoning of lands • Staff will need to work closely with the Province regarding regulations and interpretation to ensure the City's by-laws and processes may be updated in a timely manner to give effect to the legislation; • Authority for securing "statutory right of ways" (SRWs) was not included in this legislation, nor matters relating to environmental remediation; • Staff understand these TDM measures may be used across the City, including in TOAs and "small-scale multi-unit housing" (SSMUH) zones.
Lieutenant Governor in Council may make regulations	<ul style="list-style-type: none"> • Regulations relating to TDM measures • Regulations relating to public amenities, facilities, utilities or land required as part of a development 	<ul style="list-style-type: none"> • General support for legislation; • Staff are seeking clarification to ensure clear interpretation and understanding of authorities.

Bill 16 re: Tenant protection bylaws:

Intent:

- Amendments to the Community Charter
- Municipalities will have the ability to enact tenant protection bylaws. Developers seeking to redevelop a building must fulfil the terms of the bylaws to receive a development permit.
- These bylaws may include financial assistance, assistance with finding a new place to live and opportunities for right of first refusal on units in a new building.

Staff will continue to review these matters and provide further information in subsequent reports to council.

Bill 18: Vancouver Charter Amendment Act, 2024

The Provincial Government tabled Bill 18 *Vancouver Charter Amendment Act, 2024* in the Legislature on April 8, 2024.

According to the provincial news release:

“Proposed legislative amendments will help improve planning and public hearing processes to support the timely delivery of housing for people in Vancouver.

If passed by the legislature, Bill 18 – Vancouver Charter Amendment Act (No. 2), 2024, will amend the Vancouver Charter to better align with rules and authorities provided to other local governments under the Local Government Act. The proposed legislation would create change in three key areas.

The legislation requires Vancouver to adopt a city-wide official development plan (ODP), similar to an official community plan. This requirement will be phased in to reflect that Vancouver does not currently have a city-wide ODP. The legislation also establishes the same rules for public hearings as those set for other local governments. This will phase out one-off public hearings for rezonings for housing projects that are consistent with the official development plan. Instead, the emphasis will be on providing opportunities for people to be involved upfront in shaping their communities through the official development plan process.”

Staff are currently reviewing the draft legislation in detail and will follow up as soon as possible with more comprehensive analysis. An initial analysis has been provided in the table below.

More information on the above is available at the following links:

- Website – [News release](#)
- Legislation – see [Bill 18](#)

Bill 18: Official Development Plans and Public Hearings**Intent:**

- To replace existing provisions of the Vancouver Charter and update the City’s authorities with regards to the required content and engagement processes pertaining to Official Development Plans (ODP)
- To prohibit Council from holding a Public Hearing for a rezoning application that is consistent with the ODP, and is at least 50% residential
- To provide Council with the option to waive a Public Hearing for any other rezoning application that is consistent with the ODP
- To introduce other powers and authorities regarding Public Hearing procedures, development application procedures, form of development approval authority, fee authority and other technical changes to give effect to the legislation.
- This legislation applies only to the Vancouver Charter.

Key Element	Impact / Effect of Legislation	General Feedback
Official Development Plan (ODP), including transition provisions	<ul style="list-style-type: none"> • Establishes content and engagement requirements for an ODP, similar to that of an Official Community Plan found in the Local Government Act (LGA); • An ODP must be adopted by by-law, following a Public Hearing; • Includes transition provisions to allow the City time to develop an initial city-wide ODP by June 2026, while providing additional time to incorporate existing area specific ODPs by June 2030 • Includes other technical changes to the Vancouver Charter to give effect to the intent of the legislation 	<ul style="list-style-type: none"> • General support for the legislation • This is a significant change in terms of the City's authorities and requirements relating to ODPs • Staff have worked closely with the Province to ensure the content and engagement processes can be incorporated into the first city-wide ODP (Vancouver Plan ODP) by June 2026 • Staff work plans will contemplate further updates to Vancouver Plan by 2030
Prohibiting Public Hearings (mandatory)	<ul style="list-style-type: none"> • Introduces similar restrictions as in the LGA, <u>prohibiting</u> Council from holding a public hearing for a rezoning application that is: <ul style="list-style-type: none"> ○ Consistent with the ODP ○ Is at least 50% residential in floor area. • This will take effect immediately upon Royal Assent, where there is an existing ODP in place (currently, limited geography) • Certain notification requirements apply; • Council decision still required at a regular Council meeting. 	<ul style="list-style-type: none"> • General support, as it aligns with LGA • Limits the public's opportunity to engage on changes happening within their community (intent is to undertake appropriate "up-front" planning and engagement during the development of the ODP) • Though not required, Council may still choose to hear speakers at a regular council meeting • Rezoning applications will still include opportunities for public input through Shape Your City. • Staff are reviewing active applications within existing ODPs to ensure compliance with new procedures
Waiver of Public Hearings (optional)	<ul style="list-style-type: none"> • Introduces similar restrictions as in the LGA, where Council <u>may</u> waive a public hearing for a rezoning application that is: <ul style="list-style-type: none"> ○ Consistent with the ODP ○ Any use • This will take effect immediately upon Royal Assent, where there is 	<ul style="list-style-type: none"> • General support, as it aligns with LGA • Limits the public's opportunity to engage on changes happening within their community (intent is to undertake appropriate "up-front" planning and

Key Element	Impact / Effect of Legislation	General Feedback
	<p>an existing ODP in place (currently, limited geography)</p> <ul style="list-style-type: none"> • Certain notification requirements apply; • Council decision still required at a regular Council meeting. 	<p>engagement during the development of the ODP)</p> <ul style="list-style-type: none"> • Though not required, Council may still choose to hear speakers at a regular council meeting • Staff are reviewing active rezoning applications within existing ODPs to ensure compliance with new procedures
Other changes	<ul style="list-style-type: none"> • Updating the procedures for holding a Public Hearing (similar to LGA, and to give effect to the waiver/prohibition of public hearings noted above); • Introducing the requirement for Council to adopt “procedure bylaws” for considering an application to <ul style="list-style-type: none"> ○ Amend an ODP, ○ Rezoning application, ○ Development permit application; • Enabling Council to delegate the final approval of the form of a development for a CD-1 rezoning bylaw; • Other associated technical changes to the Vancouver Charter, including modifications to fee authorities for rezonings to align with language in the LGA. 	<ul style="list-style-type: none"> • General support, as it aligns with LGA; • Staff will be reviewing impacts to Public Hearing schedules and in-stream applications; • Staff will be bringing forward updates to public hearing procedures and new development application procedures contemplated in the legislation, for Council’s consideration; • Staff will advance modifications to the Zoning and Development By-Law to enable Council to delegate the approval for form of development to the Director of Planning or Development Permit Board.