



COUNCIL REPORT

Report Date: June 25, 2024
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Meeting Date: July 9, 2024
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TO: Vancouver City Council
FROM: General Manager of Planning, Urban Design and Sustainability
SUBJECT: Regulatory Changes to Advance Progress Toward 3-3-3-1 Permitting Targets

Recommendations

- A. THAT Council direct staff to prepare a report for consideration for referral to Public Hearing recommending the removal of the Horizontal Angle of Daylight regulation from all district schedules of the Zoning and Development By-law;

FURTHER THAT Council direct staff to prepare in the same report a proposed amendment to section 10 of the Zoning and Development By-law requiring that all bedrooms and living rooms must include a window on an exterior wall.
- B. THAT Council direct staff to prepare a report for consideration for referral to public hearing recommending an amendment to section 10.1.1 of the Zoning and Development By-law to remove the 10% maximum roof top area limit for mechanical equipment and elevator machine rooms that project above the normal building height limit that applies to a site.
- C. THAT Council direct staff to prepare a report for consideration for referral to Public Hearing recommending the removal of section 10.2 of the Zoning and Development By-law, which requires an acoustical report at the time of Development Permit application for residential uses in various districts across the city.

Council's approval of the above Recommendations does not require Council to later approve referral of these matters to a Public Hearing.

Purpose and Executive Summary

This report outlines findings and recommendations from the Development Policy Rationalization Panel (the Panel) convened to identify regulations and processes that impeded permitting.

A total of six regulations have been identified for elimination or simplification. Three of the regulations have a clear path to resolution detailed in this report, while the other three require more exploration on the part of City staff, to be done as part of the ongoing work to modernize land use permitting regulations. Staff is confident that modernizing these regulations referenced in the recommendations of this current report will significantly streamline permit processing for 3-3-3-1 targets C (small multi-family) and D (highrises).

If the recommendations in this report are approved by Council, staff will bring a referral report to Council in fall 2024 for a possible public hearing in 2024.

Council Authority/Previous Decisions

- 3-3-3-1 Permit Approval Framework (June 2023)

City Manager's Comments

The City Manager concurs with the foregoing recommendations.

Context and Background

Through the Permit Improvement Program, staff convened the Panel to identify regulatory and process challenges with development approvals. This Panel is comprised of seven members, including architects and developers who have completed a significant number of complex multi-family and mixed-use projects in the city of Vancouver as well as other local municipalities.

As a first step, City staff and the City's external consultants interviewed each Panel member individually to identify common themes around issues and opportunities. The feedback across all Panel members was notably consistent, providing a strong mandate to pursue specific changes.

Once the Panel confirmed the recommendations in a workshop, staff performed an implications analysis to understand the risks and benefits of implementing the recommendations.

The following section outlines the opportunities for regulatory change identified by the Panel.

Discussion

The Panel identified several regulations that either directly or indirectly impede permitting. Direct impacts discussed included onerous submissions requirements, restrictive regulations that often need to be relaxed through back-and-forth with applicants, and regulations that result in lengthy reviews to confirm compliance. Indirect impacts were defined as those regulations that affect a project's financial viability due to impacts on approval times, as applicants work with the City to seek relaxations or discretionary variances.

Staff analyzed each Panel recommendation to ensure alignment with existing Council policy and permitting improvement goals. Through this analysis, staff are recommending in this current report three regulatory changes that will directly improve permitting times:

1. **Horizontal angle of daylight.** Eliminate the Horizontal Angle of Daylight regulation from all district schedules.

2. **Mechanical equipment on rooftops.** Remove the 10% maximum roof top area limit for mechanical equipment and elevator machine rooms that project above the normal height limit that applies to the site.
3. **Acoustical reports.** Remove the current requirement to submit an acoustical report at the time of Development Permit application for residential uses in various districts across the city.

Together, these proposed changes will materially simplify the process to prepare, submit and review a Development Permit application, thereby saving staff and applicants' time.

In addition to the above, the Panel identified a further set of regulatory changes that staff is currently reviewing, and will be reported back to Council at the appropriate time.

1. Recommended Change, Horizontal Angle of Daylight

Proposed change

The Horizontal Angle of Daylight (HAD) regulation was introduced to ensure adequate daylight, ventilation, and view access for habitable rooms in dwelling units located in multiple dwellings and mixed-use buildings. The regulation requires applications to comply with complex angles and significant separation requirements from other buildings. It has not been significantly updated in over 25 years.

As the urban environment in the city has evolved, the HAD requirements have become challenging to comply with and often require discretionary variances. The back and forth between staff and applicants trying to meet the requirements adds churn to the process.

Staff have worked closely with the Panel and subject matter experts at the City to develop the following recommendations for HAD:

1. Eliminate the HAD regulations in all district schedules.
2. Introduce a requirement in section 10 of the Zoning and Development By-law that all bedrooms and living rooms require a window on an exterior wall.
3. Use front, rear and side yard setback requirements in district schedules to direct required window locations for living rooms and bedrooms in affected dwelling units.
4. Introduce simplified guidelines to clarify intent, protect unit privacy, and to allow some flexibility in unit design.

Implications, 3331 permitting targets

Removing the current complex and outdated regulation and replacing it with a simplified method of achieving appropriate daylight access will result in fewer processing delays and make it easier for applicants to achieve layout designs that meet the objectives.

By amending the definition of “habitable” rooms to focus only on “living rooms” and “bedrooms” and by relying on the already established setback requirements in these districts the review process will be significantly improved.

Importantly, these recommended changes to HAD regulations will also enable an easier transition to future digital plan reviews.

Based on the implications analysis, staff do not anticipate significant negative impacts from the proposed changes. Minor implications can be addressed through the existing development permitting process. It should be noted that, if approved, this change will enable more flexible unit configurations including flex spaces that don't have windows on exterior walls.

2. Recommended Change, Rooftop Mechanical Exclusion from Building Height

Proposed change

Section 10.1.1 of the Zoning and Development By-law currently allows the Director of Planning to exercise discretion on a site-by-site basis, considering the potential impact on neighbouring sites, in allowing certain features to project beyond the maximum building height limits that otherwise apply to the site.

The discretion currently limits mechanical equipment and elevator machine rooms that are eligible for this exemption, to a maximum of 10% of the roof area on which they are located.

Many projects are unable to fit the mechanical equipment within the 10% limit, and enforcing the current regulations could result in a building height reduction of one storey, which ultimately translates into a loss of housing units.

Instead of reducing building height, staff often spend significant time negotiating with applicants attempting to reduce the footprint of the mechanical equipment as much as possible. In some cases, especially on tower footprints with small roof areas, the limit cannot be achieved, and a discretionary variance is required.

This current process takes time and creates unnecessary inefficiencies.

Recommendation:

1. Remove the 10% maximum roof top area limit for mechanical equipment and elevator machine rooms that project above the normal building height limit that applies to the site (Section 10.1.1 in Zoning and Development By-law).
2. All allowable exclusions under this section are discretionary requiring consideration of the impacts on building placement, massing, views, overlook, shadowing, and noise.

Implications, 3331 permitting targets

This change will eliminate inefficiencies and reduce the number of permitting review cycles for some impacted projects, potentially saving several months for those projects as well as costly design changes.

Based on the implications analysis, staff do not anticipate significant negative impacts from the proposed changes. Minor implications can be addressed through the existing development permitting process.

3. Proposed Change, Acoustical Reports at DP submission

Proposed change

The requirement to submit an acoustical report with a Development Permit (DP) application in specific districts was established to ensure external noise impacts on the proposed building were considered in the design to improve livability. This requirement was established when building wall and window assemblies were at a much lower standard than they are today.

Applicants are currently required to commission a report by a third-party expert, which costs approximately \$10,000 per application and does not provide the intended analysis at this early design stage.

In consultation with some acoustic engineers, staff have concluded that preparing a detailed acoustic report at the DP stage is impractical, because the detailed wall and window assemblies have not yet been designed at this early design stage.

Recommendation:

1. Remove the current requirement to submit an acoustical report at the time of Development Permit application for residential uses in various districts across the city.

Implications, 3331 permitting targets

Removing the need to review acoustical reports will free staff to focus on other permitting review tasks, which should be completed faster with additional resources.

Based on the implications analysis, staff do not anticipate any negative impacts from the proposed changes.

4. Potential future recommended regulatory changes

The three regulatory changes discussed in this section have been recommended by the Panel, but are not being recommended for Council decision at this time.

Inboard or “borrowed light” bedrooms

The requirement for all bedrooms to have a window is currently mandated through the Horizontal Angle of Daylight regulation in various district schedules in the Zoning and Development By-law. This requirement improves livability through access to fresh air and daylight from bedrooms.

Allowing inboard bedrooms could improve affordability and increase the number of family units built in Vancouver. However, there are livability considerations that must be contemplated and addressed.

Should Council approve the removal of the Horizontal Angle of Daylight regulation, staff will explore options to allow inboard bedrooms, including permitting implications, and report back with options and implications.

Balcony requirements and guidelines

Balconies can be important spaces for many apartment residents, but can come at a significant cost – particularly with increased building performance requirements – that can impact affordability for smaller unit layouts. The Panel has suggested that some flexibility around the consistent administrative practice of all units requiring a balcony could improve affordability and project viability.

As part of the ongoing Apartment Living guidelines work, staff will explore options to allow more flexibility for balcony requirements, including allowing shared private outdoor space in lieu of balconies for each dwelling unit.

Bulk Storage and In-suite Storage – Multiple Dwelling Residential Developments bulletin

In order to encourage in-suite storage, the City introduced an exclusion from floor space ratio (FSR) calculations for in-suite storage, provided that storage met specific requirements laid out in the [Bulk Storage and In-suite Storage – Multiple Dwelling Residential Developments bulletin](#).

This bulletin restricts the location of storage to limited areas and prescribes specific dimensions, making compliance difficult, particularly in smaller units. In addition, post occupancy renovations experience significant permitting delays since renovating a storage space creates additional FSR.

While the Panel noted the FSR exclusion is critical for encouraging the provision of in-suite storage, particularly for secured rental housing, the prescriptive nature of the bulletin results in significant churn through the application process.

As part of the ongoing Apartment Living guidelines work, staff will explore options to simplify storage requirements.

Financial Implications

There are no financial implications associated with this report's recommendations.

Legal Implications

If the Recommendations in this report are adopted by Council, staff will prepare a report that recommends referral to public hearing of Zoning and Development By-law amendments regarding the horizontal angle of daylight, mechanical equipment on rooftops and acoustical reports. Council will still need to determine later whether to refer these matters to public hearing and the adoption of the Recommendations in this report should not fetter Council's decision in the future.