City of Delta
COUNCIL REPORT
Regular Meeting

To: **Mayor and Council** File No.: **P23-25**

From: **Development Department**

Date: **January 23, 2025**

Small-Scale Multi-Unit Housing Update and Next Steps

The following report has been reviewed and endorsed by the City Manager's Office.

- **RECOMMENDATION:**

THAT Council receive this update report for information.

- **PURPOSE:**

The purpose of this report is to provide Council with an update on small-scale multi-unit housing (SSMUH) in Delta, as well as to lay out directions for future work for Council's endorsement.

- **BACKGROUND:**

On June 24, 2024, Council adopted changes to Delta's Zoning Bylaws to permit small-scale multi-unit housing (SSMUH) on all single-detached and duplex lots in the city, as required by the Province. These changes allow developers and homeowners to submit building permit applications for single detached homes, duplexes, secondary suites, garden suites, and coach houses without the need for a rezoning application or Council approval. Council requested that staff report back on SSMUH progress in early 2025 to consider potential additional amendments to the Zoning Bylaw.

Since the direction provided by Council, staff have taken a number of steps to further educate the community about SSMUH and understand where adjustments to the bylaw may be beneficial. One of these activities was a one-day event called the Housing Our Future Plan-A-Thon, which encouraged residents to explore housing options. Held on a Saturday, residents had easy access to City planners, inspectors, engineers, and plans examiners to seek guidance on opportunities to add SSMUH to their individual properties. The event was a success with more than 300 residents seeking assistance. Observations from this event helped inform the next steps and future work plan included in this report.

- **DISCUSSION:**

SSMUH Applications Received to January 1, 2025
Since the adoption of SSMUH regulations Delta has received building permit applications for 30 detached accessory dwelling units (garden suites and coach houses), 31 single detached homes, and 19 duplexes. Further, Delta has received 2 rezoning applications

for a total of 51 houseplex units, a form of small-scale multi-unit development that was not included in the regulations introduced in June 2024.

What We've Heard

Staff have been tracking enquiries and feedback from the public and the development community with respect to SSMUH, including at the Plan-A-Thon engagement event that was hosted on November 23, 2024. Generally, feedback and questions fall into the following categories:

- Comparison of costs/requirements of a SSMUH project to small lot subdivision
- Desire to increase the maximum height of garden suites
- Larger floor area exemptions for accessory units
- Interest in ability to stratify units
- Desire to increase the maximum lot coverage allowed to increase the opportunities to add new detached accessory dwelling units on smaller lots
- Review of setbacks, particularly rear yard, to increase the opportunity for garden suites on recently developed lots that have already achieved maximum lot coverage
- General interest in constructing secondary suites, detached accessory dwelling units, duplexes, and multiplexes

Next Steps and Future Work

Now that SSMUH regulations have been in place for approximately seven months, staff have had the opportunity to review submitted applications, receive and review feedback, and further consider the impact of the various forms of SSMUH development. During this period, 20 delegated minor development variance permits were issued for SSMUH housing projects for zoning regulations including setbacks, height and lot coverage. This evaluation has led staff to consider potential updates to SSMUH regulations, which are outlined below:

- **Houseplexes**: For clarity of implementation, staff propose to develop a definition of houseplexes for the Zoning Bylaw. Specifically, there is a need for differentiation from duplex, townhouse, and other ground-oriented forms of development. The introduction of this new definition will also have to be considered within the context of other bylaws, such as the Development Cost Charge Bylaw.
- **Height and Density**: The limits on height and density, which were not changed during the introduction of SSMUH regulations in 2024, may be inadvertently preventing the development of SSMUH in some situations. Staff propose to revisit how height and density are calculated in low density development, which may also necessitate evaluating other zoning parameters such as lot coverage, site permeability, and setbacks.
- **Single Detached and Duplex Zones**: Currently, Delta has 13 single detached and duplex zones (RS and RD Zones) and numerous comprehensive development zones (CD Zones) that permit SSMUH development, many of which are legacy zones that are artifacts of past patterns of development in the City. Staff propose to re-evaluate these zones in light of the new regulatory context, with the intention of consolidating and simplifying into a small number of new zones and reviewing the minimum size for small lot subdivision.

The steps outlined above would require careful consideration of impacts on other regulations in Delta and would include public consultation on the proposed bylaw amendments. After the consultation is completed, staff would bring forward a report with a summary of the consultation and proposed bylaws changes for Council's consideration, anticipated for fall 2025.

Minister of Housing and Municipal Affairs Letter
On January 10, 2025, Delta received a letter from the Minister of Housing and Municipal Affairs (Attachment A). In the letter, the Minister acknowledges that Delta met the Provincial requirement by passing zoning bylaw amendments permitting SSMUH development as-of-right by June 30, 2024. The Minister also indicated that his Ministry will continue to monitor the ongoing implementation of SSMUH regulations, and intend to prioritize future infrastructure investments in communities that meet or exceed the Site Standards.

The next steps outlined in this report represent Delta's stated intention to further evaluate and refine SSMUH regulations, as was also described in the Small-Scale Multi-Unit Housing report presented to Council on June 3, 2024. Staff have and will continue to take into consideration the Provincial Policy Manual and Site Standards. Delta continues to advocate to the Province for more support to achieve the mandated housing targets, including funding for infrastructure upgrades and changes to the BC Building Code to allow two secondary suites in single detached homes.

Implications:

Financial Implications – There are no financial implications to Delta.

▪ CONCLUSION:

Small-scale multi-unit housing has generated interest from Delta residents since the regulations were adopted in June 2024. The Development Department continues to receive and process inquiries and applications to build new small-scale homes throughout the city. It is recommended that staff proceed with the review and consultation on potential changes to the Zoning Bylaw to allow for further opportunities to support new small-scale multi-unit housing projects.

D. Mayhew

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General Manager, Development

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▪ ATTACHMENT:

A. SSMUH Letter from Minister Kahlon

BRITISH
COLUMBIA

January 10, 2025

Reference: 69694

His Worship George V Harvie
Mayor of the City of Delta
4500 Clarence Taylor Crescent
Delta BC V4K 3E2
Email: mayorharvie@delta.ca

Dear Mayor Harvie:

Thank you for your ongoing commitment to address housing needs in your community, and for passing zoning bylaws to support the implementation of small-scale multi-unit housing in your local area. Upon review of your zoning bylaw, I write today to remind you of the legal requirement in Bill 44 that when developing a zoning bylaw, you "must consider the applicable guidelines, if any, under section 582". The guidelines under section 582 are found in the Small-Scale Multi-Unit Housing Policy Manual and Site Standards, which can be accessed online through the link below. I note that Bill 44 also contains a provision that a local government must not otherwise restrict development within communities.

British Columbia continues to face a housing crisis. While much has been accomplished in the past year to remove restrictive zoning across our communities, we must remain focused on enabling small-scale multi-unit housing. Consistent zoning parameters across communities will provide for the certainty and clarity required to ensure small-scale multi-unit housing becomes a reality across British Columbia.

Allowing up to six units of small-scale multi-unit housing in previously single-family and duplex zones is the essential first step in realizing change on the ground. But we know from the experience of other jurisdictions, and from consultation with both planners, and builders, that flexible site standards including setbacks, building height, lot coverage and parking requirements will help to encourage development and increased housing supply.

Office of the Minister of Housing and Municipal Affairs

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The Ministry of Housing and Municipal Affairs worked with planning experts and builders to establish site standards that provide more flexibility for siting new homes on a lot, while retaining outdoor space for other important priorities including tree protection and stormwater management. For zones where 3 to 6 units are permitted, allowing 3 storey buildings and building heights of 11 meters will support the development of houses that are large enough for families. Allowing lot coverages between 40 per cent and 60 per cent, depending on the unit count, enables the creation of livable homes while leaving room for other important features like trees and outdoor amenity space. Lot coverage and flexible setbacks work together: reduced setbacks with modest lot coverage for buildings creates more opportunities to locate housing on a site while retaining open space.

Finally, we know that parking is one of the most important on-site considerations. Paved parking spaces increase impermeable surfaces, limit opportunities for green space, and increase the cost of construction. Parking requirements should be kept to a minimum wherever possible. We also recommend that new small-scale multi-unit housing not be subject to restrictive form and character development permit requirements that slow the approvals process and that restrictive floor area ratios not be used to limit building size. In addition, Local governments should be aware that restricting certain tenure types, for instance, not allowing for strata ownership of new SSMU homes, can impact financial viability where land costs are high.

I appreciate that many local governments worked to ensure the unit-level density requirements in Bill 44 were in place in your community by the June 30th deadline but felt more time was needed to fine tune your site standards. I know from reading the thoughtful reports prepared by your staff and from your conversations at Council that many of you intend to return to your zoning bylaw amendments this fall. I also know that resistance to the requirements in Bill 44 and the Provincial policy recommendations remains in some communities. Section 457.1 of the *Local Government Act* requires that local governments not use authorities to unreasonably prohibit or restrict the use, or density of use, required to be permitted under Section 481.3 [zoning bylaws and small-scale multi-family housing].

The Province will continue monitoring and evaluating the ongoing implementation of this legislation. Our intention is that future infrastructure investment will be prioritized for high growth, high need communities who meet or exceed the Provincial Site Standards.

I know that you share our goals and agree on the collective responsibility of all governments to address the housing crisis in our province. But for many local governments the work we asked you to do under Bill 44 is not yet finished. I expect over the next few months you will take another look at your bylaws and consider updates to achieve better alignment with the Provincial Site Standards, to successfully enable development.

Sincerely,



Ravi Kahlon
Minister of Housing and Municipal Affairs

Link: Small-Scale Multi-Unit Housing Provincial Policy Manual and Site Standards
www2.gov.bc.ca/assets/gov/housing-and-tenancy/tools-for-government/local-governments-and-housing/ssmuh_provincial_policy_manual.pdf

CC: Teri Collins, Deputy Minister, Ministry of Housing and Municipal Affairs
Bindi Sawchuk, Assistant Deputy Minister, Ministry of Housing and Municipal Affairs
Donny van Dyk, City Manager, City of Delta
Chad Taylor, Director of Development, City of Delta