

Small-Scale, Multi-Unit Housing

Toolkit for Local Governments

March 2024

Purpose of this Resource

This resource is intended to help local governments and their community members understand the legislative changes introduced in 2023 related to small-scale, multi-unit housing (SSMUH). The information in this tool kit is for guidance only and is not a substitute for provincial legislation. It is not legal advice and should not be relied on for that purpose.

Introduction – B.C.’s New SSMUH Legislation

In the fall of 2023, the Province of British Columbia introduced changes to the Local Government Act and Vancouver Charter to require local governments to permit between 2-6 housing units in residential zones that are otherwise restricted to single-family dwellings and duplexes (referred to as *Restricted Zones* in the legislation). Local governments are required to update their zoning bylaws before June 30, 2024, to comply with this new legislation related to small-scale, multi-unit housing.

What is small-scale, multi-unit housing?

Small-scale multi-unit housing (SSMUH) refers to a range of housing unit configurations that can provide more affordable and diverse options than single-family homes. Examples include:

- secondary suites in single-family dwellings,
- detached garden suites (e.g., accessory dwelling units (ADUs) or laneway homes)
- duplexes,
- townhomes, and
- house-plexes.

The modest increase in density resulting from these forms of housing is typically compatible in scale and form with existing low-density neighbourhoods. These forms of infill housing can produce significant benefits for neighbourhood vibrancy, inclusiveness, and environmental and economic sustainability.

Why has the Province introduced these changes?

The aim of the SSMUH legislation is to increase housing supply, create more diverse housing choices, and over time, contribute to more affordable housing across BC. The cost of single-family detached homes are out of reach for many people in a growing number of

BC communities. However, zoning regulations that exclusively permit single-family detached homes often cover 70-85% of the privately held, residential land base in communities. Even though they are less expensive to rent and buy, multi-unit forms of housing are not permitted in most areas of our communities. The approval processes for multi-family buildings are also often longer, more costly, and more uncertain than for single-family homes.

These conditions make it challenging to build multi-unit housing throughout the province. This historical approach to zoning regulations has limited the diversity of housing supply required to meet the changing needs of people in BC's communities.

The Province is addressing this by requiring local governments to allow secondary suites or ADUs throughout BC, and in over 80 communities, to also allow multiple units of housing on single-family and duplex lots without the need for the property owner to go through a rezoning process. Similar approaches have been used successfully by cities, states, and countries around the world to create more inclusive, affordable, and resilient communities.

Local governments have a critical role to play in the implementation of these legislative changes, and much to gain from its success. The legislation establishes requirements for the minimum number of units that must be permitted in single-family or duplex zones based on lot size and location. Local governments have the discretion to permit higher densities than the legislative requirements in the zones impacted by the new legislation.

While updating their zoning bylaw(s), local governments are required to consult the Provincial Policy Manual and Site Standards, as well as any technical or policy bulletins published by the Province. Local governments have the flexibility to implement zoning bylaw regulations (e.g., setbacks lot coverage) that reflect their unique circumstances. However, the zoning bylaw updates cannot be designed to limit the use or density of use required by the legislation due to the need for more housing across the province.

To support local governments with the additional work load associated with implementing these changes, the Province has delivered \$51 million in new funding to help build capacity. Over time, it is expected that the suite of legislative changes introduced in the fall of 2023 related to local government land-use planning will help reduce administrative work loads for local governments that are associated with processing development applications.

Where do the SSMUH requirements apply?

All municipalities and regional districts in BC are required to comply with the SSMUH legislation applicable to their situation. The legislation applies to residential zones restricted to single-family homes, and in some case, duplexes. The requirements are explained below and the exemptions are described on the next page.

Secondary suite or accessory dwelling units on lots in single-family zones

A minimum of one secondary suite or one detached ADU must be permitted on each parcel of land zoned for single family use in *Restricted Zones*. Local governments may choose to permit either a secondary suite or an ADU, or both.

Three to six units on lots in single-family and duplex zones

Unless an exemption applies, three to six dwelling units must be allowed on each parcel of land zoned for single-family or duplex use that is in a *Restricted Zone* and is:

- a) wholly or partly within an urban containment boundary established by a regional growth strategy, or
- b) if (a) does not apply, wholly or partly within an urban containment boundary established by an official community plan within a municipality with a population greater than 5,000 or
- c) if neither (a) or (b) apply, in a municipality with a population greater than 5,000.

Minimum Number of Units	Characteristics of the lots to which the requirements apply
Minimum of three units	A minimum of three (3) units must be permitted on each parcel of land 280 m ² or less in a <i>Restricted Zone</i> .
Minimum of four units	A minimum of four (4) units must be permitted on each parcel of land greater than 280 m ² in a <i>Restricted Zone</i> .
Minimum of six units	A minimum of six (6) units must be permitted on each parcel of land in a <i>Restricted Zone</i> that is: a) wholly or partly within 400 metres of a prescribed bus stop, and b) is 281 m² or greater in area.

Exemptions

Areas subject to hazardous conditions, that cannot be reasonably mitigated, can be exempted based on a report prepared by a qualified professional for the local government. Lands subject to the Islands Trust Act or a rural land use bylaw, as well as manufactured home zones, are not subject to the legislated SSMUH requirements, including the requirements for secondary suites and ADUs.

There are a several additional exemptions for the 3-6 units per lot density, including:

- land protected for heritage conservation purposes at the time when the SSMUH legislation came into force (see the legislation for specific exemption provisions),
- land that is not connected to a water or sewer system provided as a service by a municipality or regional district (must be connected to both),
- land within an area designated as a Transit-Oriented Area, or
- parcels of land that are greater than 4,050 m² in size and land within a zone in which the minimum lot size for subdivision is greater than 4,050 m².

If local governments have identified exempted lots, after their zoning bylaws are updated to comply with SSMUH legislation, they must provide written notice to the Minister of Housing that identifies:

- a) the land to which the exemption applies, and
- b) the section(s) of the legislation relevant to the purpose of the exemption.

Extensions

Local governments may apply for extensions to comply with the SSMUH legislation for areas within their jurisdictions. One or more extensions may be granted by the Minister of Housing, if the Minister is satisfied that the local government is unable, by June 30, 2024, to comply for any of the following reasons:

- a) the local government is in the process of upgrading infrastructure that services the specific area or lots for which the extension is being requested;
- b) the infrastructure that services the area where SSMUH would apply is such that compliance by June 30, 2024, is likely to increase a risk to health, public safety, or the environment in that area; or
- c) extraordinary circumstances exist that otherwise prevent compliance in relation to the area.

Requests for infrastructure-related extensions must be received by June 1, 2024. Additional guidance on extensions will be issued in a Technical Bulletin in early 2024.

Local Government Responsibilities

The legislation and regulations will require most local governments to update zoning bylaws before June 30, 2024 to permit small-scale, multi-unit housing in single-family and where applicable, duplex zones in accordance with the required minimum densities in the legislation. In doing so, local governments are required to consider the Provincial Policy Manual and Site Standards, and any additional technical guidance issued by the Province to support SSMUH implementation.

Local governments must not use their authorities in such a way that unreasonably prohibits or restricts the use or density of use required to be permitted under the legislation. For example, the legislation prohibits local governments from using development permit areas, heritage conservation areas, or heritage alteration permits to unreasonably restrict the use or density required by SSMUH legislation, as well as land use regulation bylaws or land use permits. Under the legislation, local governments are also not permitted to do the following:

- require on-site parking on lots that must be permitted to have a minimum of six units,
- use density bonusing as the means for approval of the minimum densities they are required to permit under the legislation (an exception is the lots for which the requirement of a minimum of six units applies, where conditional density bonus rules may be established for only **one** of the **six** housing units), or hold a public hearing on a zoning bylaw update proposed for the sole purpose of complying with the SSMUH legislation.

More Information

The Provincial Policy Manual and Site Standards sets out detailed provincial expectations for local government compliance with the SSMUH legislation. It also contains a set of site standard packages with zoning regulations that local governments must consider in developing their own bylaws to conform to the various SSMUH density requirements. Additional technical guidance may be issued by the Province as needed to support implementation of SSMUH requirements.

Any questions about the new legislation may be directed to:

Ministry of Housing
Planning and Land Use Management Branch
Telephone: 205-387-3394
Email: PLUM@gov.bc.ca