



City of Port Moody

Report/Recommendation to Council

Date: March 12, 2024
Submitted by: Community Development Department – Policy Planning Division
Subject: Province's Local Government Housing Initiatives

Purpose

To update Council on Provincial Bills 44, 46, 47, and 35, their effects on the municipality, and the City's proposed workplan.

Recommended Resolution(s)

THAT the report dated March 12, 2024, from the Community Development Department – Policy Planning Division regarding Province's Local Government Housing Initiatives be received for information;

AND THAT a 2024 operating project be established in Policy Planning with a budget of \$320,310 of funding received from the Province;

AND THAT staff be approved to broaden the use of Capital Projects: Missing Middle Housing Policy, Moody Centre South Neighbourhood Plan – Phase 1, Moody Centre Development Priorities and Density Standards, and Moody Centre Streetscape Standards to support neighbourhood planning identified to support the implementation of the Provincial Housing Bills.

Executive Summary

This report discusses the new Provincial legislation changes to the *Local Government Act* (LGA), and its effects on Port Moody. An overview of each piece of legislation with its respective exemptions and impacts to the City of Port Moody has been provided. A high-level timeline with deliverables to meet the Province's legislative requirements is presented to identify the prioritized work that must be completed in addition to staff's existing workplans and how it affects City departments.

Background

In Fall 2023, the Province passed a series of legislation to increase residential density in BC communities. As part of the [Homes for People Action Plan](#), the Province enacted the following legislative changes:

- *2023 Housing Statutes (Residential Development) Amendment Act*, Bill 44;
- *2023 Housing Statutes (Development Financing) Amendment Act*, Bill 46;
- *2023 Housing Statutes (Transit-Oriented Areas) Amendment Act*, Bill 47; and
- *2023 Short-Term Rental Accommodations Act*, Bill 35.

These bills are a significant change to the Province's planning framework and set out critical deadlines for the City. This report provides a summary of the four bills and the work the City needs to undertake over the next two years to attain compliance with the legislation, and an analysis of their impacts for Port Moody.

Discussion

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

Bill 44 received royal assent on November 30, 2023. The focus of this legislation is to establish new unit minimums for all Single Detached Residential and Duplex (classified as Semi-Detached Residential in Port Moody's Zoning Bylaw) lots in the City. As Port Moody is wholly within Metro Vancouver's urban containment boundary, all Single Detached Residential and Duplex lots are eligible for the following unit minimums for Small-Scale, Multi-Unit Housing (SSMUH), provided the lot does not qualify for an exemption:

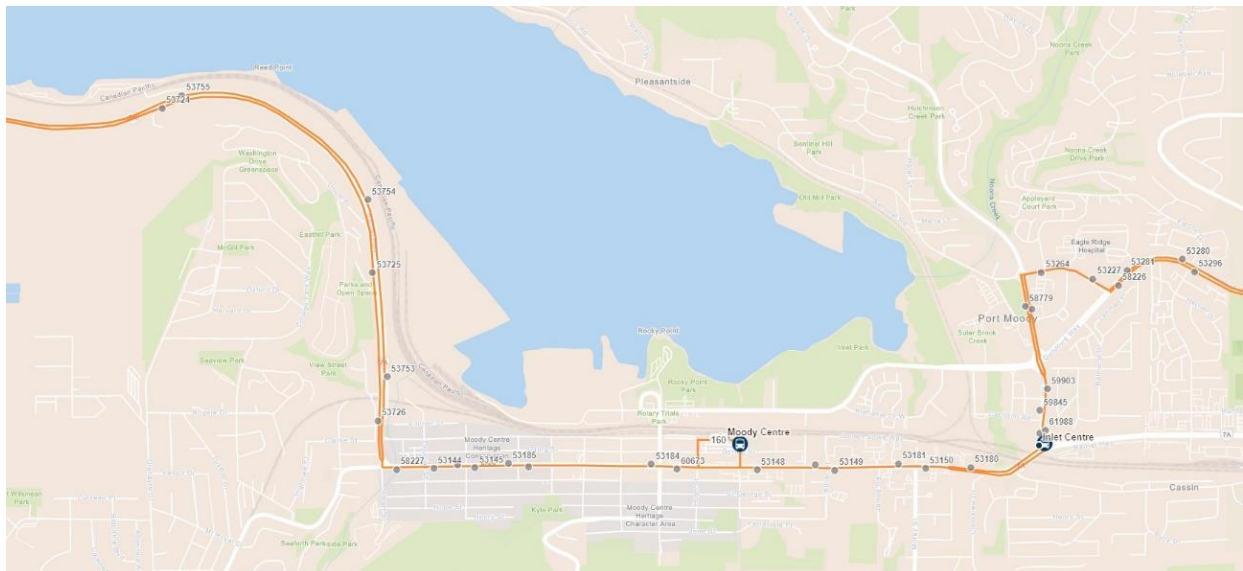
- a minimum of 3 units must be permitted on each parcel of land less than 280m² (3,014ft²);
- a minimum of 4 units must be permitted on each parcel of land greater than 280m²; or
- a minimum of 6 units must be permitted on each parcel of land greater than 280m² and within 400m of a prescribed bus stop.

A prescribed bus stop refers to any bus stop that is served by at least one bus route that is scheduled to stop at least every 15 minutes, on average, between the hours of:

- 7am and 7pm, Monday to Friday; and
- 10am and 6pm on Saturdays and Sundays.

For Port Moody, the only bus route that meets this service criteria is the 160 route (Map 1).

Map 1



Unit allocation for each of Port Moody's parcels are identified in the draft SSMUH Map (**Attachment 1**).

In addition to the legislation, the Province released the [Small-Scale, Multi-Housing Unit Housing Provincial Policy Manual and Site Standards Guide](#) to support the implementation of Bill 44. The Policy Guide identifies factors local governments must consider when updating their zoning bylaws to incorporate the SSMUH requirements and sets Provincial expectations for compliance. Recommended zoning regulations are included in the manual for parcels by property size and number of units allowed (p.65-74). These regulations provide guidance for the following parameters:

- front lot line setback;
- rear lot line setback;
- side lot line setbacks;
- maximum height;
- maximum number of storeys;
- maximum lot coverage; and
- off-street parking requirements.

Exemptions

The SSMUH regulations sets out several conditions under which certain parcels that would otherwise meet the Provincial lot size and locational criteria are exempt from the requirement to amend zoning to permit three to six units:

- land that is protected under s.12.1(2) of the *Heritage Conservation Act*;
- land that is, on the date the SSMUH legislation comes into force, designated as protected under a bylaw made under *LGA*, s. 611 [heritage designation protection];
- lands subject to a heritage revitalization agreement, as defined in *LGA*, section 586, entered into before December 7, 2023;
- land that is not connected to a water or sewer system (parcels must be connected to both) provided as a service by a municipality or regional district;
- land that is within a zone in respect of which the minimum lot size that may be created by subdivision is 4,050m²;
- a parcel of land that is larger than 4,050m²; and
- within a designated Transit-Oriented Development Area.

SSMUH developments will be subject to environmental protection DPAs established under *LGA* section 488(1)(a) provided they do not unreasonably restrict the ability to realize the use and density required under the SSMUH legislation.

Additionally, lands subject to hazardous conditions can be exempted from the SSMUH regulations provided the City obtains a report in which a qualified professional certifies that:

- increasing the density would significantly increase the threat or risk from the hazardous condition; and
- the threat or risk from the hazardous condition cannot be practically mitigated.

Zoning Bylaw Update

Bill 44 requires the City to update its Zoning Bylaw by June 30, 2024, to incorporate the SSMUH housing into the existing single-family and duplex zones. Staff are in the process of reviewing the legislative requirements on lot size and the proximity to bus stops serviced by frequent transit and assessing the number of units each lot will be allocated. GIS and planning staff are instrumental in this process.

The City is unable to hold a Public Hearing for zoning bylaw updates for the sole purpose of complying with the SSMUH legislation. Consequently, notice that a Public Hearing will not be held must be given by the City, according to the process set out in *LGA* section 467.

At the conclusion of the bylaw update process, the City will need to notify the Minister of Housing in writing that the zoning bylaw amendment necessary for compliance with the SSMUH requirements has been adopted, the location of any exempted land, and the legislative provisions supporting the exemptions. A copy of the bylaw must be included in this notification.

The Province will require municipalities to align zoning bylaws with their Official Community Plans and Housing Needs Reports on a regular basis, including updating zoning bylaws to permit the use and density required to accommodate the total number of housing units needed over at least the next 20 years. The draft OCP, Port Moody 2050 process has been paused to take into consideration the work that needs to be completed related to Bills, 44, 46, and 47. The first OCP update must be completed by December 31, 2025.

Housing Needs Report

In April 2019, the Ministry of Municipal Affairs and Housing introduced new legislation under Part 14 of the *Local Government Act*. These new regulations require local governments to complete Housing Needs Reports by 2022 and thereafter every five years.

The purpose of the legislation is to:

- enable the provincial government to gain an understanding of recent changes in demographics and housing and provide important context to plan for future housing needs;
- enable municipalities to better understand their current and future housing needs; and
- assist local governments in implementing policies and bylaws that respond to current and projected housing needs.

Council endorsed the City's first [Housing Needs Report](#) in September 2021. As part of Bill 44, the Province updated the legislation pertaining to the housing needs report. When updating housing needs reports every five years, the City is now required to use a standard methodology and calculate housing needs over a 20-year time horizon, along with the 5-year timeline originally required. Bill 44 also directly links the housing needs reports to official community plans and zoning bylaws to ensure all three documents align.

The City is required to complete a Housing Needs Report before January 1, 2025. It will then be required to complete another Housing Needs Report by December 31, 2028, and on or before December 31 in every fifth year after that date.

Public Hearings

Sections of the *Local Government Act* dictating public hearings have been changed by Bill 44. Public Hearings have been removed for projects that are aligned with the OCP. Development applications seeking a rezoning will still be required to receive three readings and adoption, but a Public Hearing will no longer be part of the process. A notice of no public hearing is required. However, Public Hearings will continue to be required whenever the City updates or develops a new OCP or considers rezonings requiring an OCP amendment. Staff are actively working with legal counsel to better understand the specific circumstances that prohibit a public hearing and the circumstances whereby it is at the discretion of the municipality to hold a public hearing. To ensure the City acts consistently when making public hearing assessments, legal Council is providing legal opinions to guide us through this process.

Impacts of Bill 44

Bill 44 involves substantial changes to planning processes and land use for the City. Staff have started working on the technical analysis to determine the unit allotment per parcel. Design and massing work began in February 2024 with the anticipation that this work will allow for the draft zones to be developed by May 2024.

Staff will work towards creating incremental and maximum density scenarios as part of the Housing Needs Report due before January 1, 2025.

If the City does not comply with the Bill 44 legislative requirements by June 30, 2024, it may be subject to a ministerial order that overrides the City's Zoning Bylaw to directly enable the minimum density of use permitted by SSMUH requirements. In these cases, the Minister will first give notice and provide an opportunity for the City to make the amendments.

Housing Supply Act and Bill 44

In November 2022, the Province passed the [*Housing Supply Act*](#), legislation designed to address issues associated with the creation of new housing. As part of the *Act*, the Province can establish housing targets for a specified municipality in relation to housing supply, including the availability and affordability of housing. On September 26, 2023, the Province announced housing targets for the first cohort of municipalities which included Port Moody (Table 1).

While the *Housing Supply Act* is a separate piece of legislation that creates occupied unit targets for Port Moody, provincial representatives have noted that the Housing Needs Report methodology should result in similar projections between the two legislative acts. If there is a situation where a large discrepancy is found, staff will discuss with its Provincial counterparts on how to proceed.

Table 1

| City of Port Moody - 5-Year Housing Targets | | | |
|---|---------------------------|------------------------------------|------------------------------|
| | Unit Category | Provincial Estimate of Need (100%) | Minimum Housing Target (75%) |
| Total Units | | 2,259 | 1,694 |
| Units by Size | Studio & 1-Bed | 1,204 (488 1-bed Minimum) | 903 (366 1-bed Minimum) |
| | 2-Bed | 438 | 328 |
| | 3 or more Bed | 616 | 462 |
| Units by Tenure | Rental | 939 | 704 |
| | Owned | 1,319 | 989 |
| Total Rental Units by Affordability | Market | 622 | 466 |
| | Below Market | 317 | 238 |
| Supportive Rental Units | On-Site Supports | 40 | 30 |

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

Bill 46 received royal assent on November 30, 2023. This Bill changed the *Local Government Act*, impacting how local governments plan for and finance development in their cities, in particular with regards to updating Development Cost Charges (DCCs), and the creation of a new amenity financing tool, Amenity Cost Charges (ACCs).

Development Cost Charges

Bill 46 expanded the infrastructure categories that DCCs can be collected for. In addition to being collected for sewage, water, parks, drainage, and roads necessary to adequately service the demands of the new development, DCCs can now help pay for the capital costs for fire protection facilities, police facilities, and solid waste and recycling facilities. A DCC bylaw update is required for the City to use DCCs to collect on the new categories.

The DCC bylaw update is a project to update the City's DCC Program. The program is to collect fees from development to help offset the cost of urban development and support the demand for infrastructure growth, including sewer, water, drainage, roads, parks, fire protection facilities, police facilities and solid waste and recycling facilities. DCC programs are approved by the Province, and the City received approval on its last updated program at the end of 2019. Minor adjustments may be done annually. Per best practices, the DCC program requires a comprehensive review and update every 5 years to ensure the program is aligned with growth projections, development projections and considers the implementation status of all the capital projects in its program. Work will start in 2024 for the next DCC program update, with adoption planned for Spring 2026.

Amenity Cost Charges

Prior to Bill 46 receiving royal assent, the City used Community Amenity Contributions ("CACs") and the Density Bonus zoning provisions to collect and pool funds from developers to build amenities that serve existing and new Port Moody residents. As set out in the [CAC Program](#), CACs applied to all areas of the City, with the exception of properties within the 215A Levy Area of Inlet Centre. A voluntary CAC is made to the City in the amount of \$6.00 per 0.09m² (1.0ft²) on the floor area being developed on a lot for residential use where an application has been made to the City for rezoning of the lot.

The \$6.00 per 0.09m² (1.0ft²) of the residential floor area received by the City is allocated as follows:

- \$2.00 to the City's Affordable Housing Reserve Fund; and
- \$4.00 to the City's General Community Amenity Contribution Reserve to assist with the funding of other public amenities deemed appropriate by the Council.

However, Bill 46 introduces Amenity Cost Charges ("ACCs") as a new development financing tool to help local governments assist with covering increased capital costs associated with providing or altering amenities to benefit a development and any associated increase in population of residents or workers. The Province has not released a policy manual specific for Bill 46, but the Provincial Policy Manual: Transit Oriented Areas includes a section on development financing. Once an ACC bylaw has been imposed, the collection of money and in-kind contributions for the amenities will be completed through the ACC. The City must determine the area or areas in Port Moody where population growth is anticipated and identify what amenities are needed.

The amenities that may be funded through the ACC are those that provide social, cultural, heritage, and recreational or environmental opportunities, and may include, without limitation:

- community, youth, or seniors' centre;
- recreational or athletic facility;
- a library;
- a daycare facility; or
- a public square.

Under this new legislation, affordable housing will not be funded, and the ACC is not payable in relation to the development of any class of affordable housing. The City can continue to use density bonus authorities to acquire affordable housing and special needs housing although changes in how the density bonus tool can be used are still being reviewed.

At the UBCM Housing Summit 2024, Minister Kahlon confirmed there will be further legislation coming in Spring 2024. Staff's understanding based on information provided to date is that this additional legislation will allow local governments to have the inclusionary zoning policies in place to acquire affordable housing or cash-in-lieu for affordable housing. The legislation will also allow local government to set policies around tenant displacement.

ACCs will be set based on units, lots, or floorspace area in a new development and must consider the capital cost of the amenities, phasing of amenities, whether the charges are excessive in relation to existing standards of service, and a land economic analysis.

Once an ACC bylaw has been adopted by Council, there are situations where certain development scenarios can be exempt from collecting the ACCs:

- ACCs cannot be used to pay the capital costs of projects that have received or are eligible for funding through DCCs;
- for developments that do not increase population; and

- specific development cases, such as a public place of worship or not-for-profit rental housing or for-profit affordable housing.

The Province has not issued a deadline for local governments to implement the ACC bylaw or update the DCC bylaw. CACs can continue to be collected on projects so long as an amenity cost charge has not been imposed. Staff expect to begin work to create the new ACC bylaw the latter half of 2024 and an analysis to determine amenity needs will inform this bylaw.

Impacts of Bill 46

To summarize the impacts of Bill 46, the City is required to update the DCC bylaw to include the new infrastructure categories. This bylaw will require the approval by the Inspector of Municipalities. Furthermore, with the combined impact of Bill 44, Bill 46 has resulted in CACs no longer being able to be collected from single-family homes and duplexes because CACs can now only be collected on projects that require rezoning. Although a possible impact of this could be that the Affordable Housing Reserve Fund and the General Community Amenity Contribution Reserve could collect less funds a preliminary review does not impact a significant financial impact. Further analysis is needed to understand how a fully implemented ACC could finance the other amenity needs typically covered by CACs for Port Moody.

To implement the ACC, a bylaw must be put in place by the City. While this bylaw will not require the approval of the Inspector of Municipalities, there are specific requirements for development of the bylaw, such as consulting affected parties and rules to ensure transparency and accountability for the ACC funds collected, that the City must follow.

However, unlike prior to Bill 46 where the City could collect amenity contribution funds into a general reserve fund, Bill 46 now requires the City to determine the area(s) that will expect population growth and identify the type of amenity needed to serve this area.

Once the ACC bylaw is in place, the City must report on the annual collection of ACCs, the expenditures, and the balances by June 30 of each year.

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

On November 30, 2023, Bill 47 received royal assent. The intent of Bill 47 is to enable mixed-use, complete communities around transit stations and bus exchanges while also addressing multiple provincial challenges, such as the housing crisis, climate change, and how to be economically sustainable with investments in infrastructure. In addition to the legislation, the Province released the [Provincial Policy Manual: Transit-Oriented Areas](#) to support the implementation of Bill 47. By June 30, 2024, Bill 47 requires the City to use longitude and latitude coordinates provided in [Order in Council 674/2023](#) to designate by bylaw and a map that shows the land captured within 200m, 400m, and 800m of a rapid transit station, such as SkyTrain stations, and within 200m and 400m of major bus exchange/West Coast Express stations as Transit Oriented Areas (“TOAs”). Within these TOAs, Bill 47 prescribes the Minimum Allowable Density Framework (“MD Framework”) for minimum allowable height, measured in storeys, and densities, measured in FAR, within prescribed distances in a tier system. Local governments must comply with the newly established density requirements as identified in the MD Framework.

In Port Moody, the two TOAs that took effect immediately are:

- Inlet Centre Station; and
- Moody Centre Station
 - At Moody Centre Station, there are two overlapping TOAs because Moody Centre is also where the West Coast Express stops. In this case, the higher density of the SkyTrain station is applied.

Attachment 2 identifies the radii of the two TOAs in Port Moody. The coordinates used to generate this map was provided by the Province in OIC 674/2023. The TOAs, as defined by the coordinates aligns with some of the work Port Moody has already defined as transit-oriented development in the draft 2050 OCP.

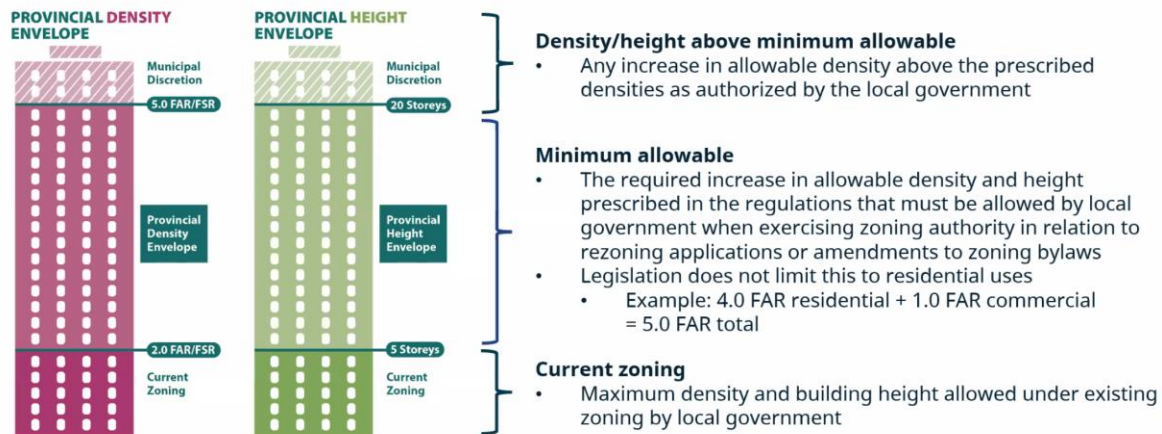
As identified by the MD Framework in **Attachment 2**, Inlet Centre and Moody Centre Stations' 800m catchment areas will be subject to prescribed distances and will contain the following tiers:

| Tier Level | Prescribed Distance | Minimum Allowable Density (FAR) | Minimum Allowable Height (Storeys) | Examples of building types |
|------------|---------------------|---------------------------------|------------------------------------|----------------------------|
| 1 | 200m or less | Up to 5.0 | Up to 20 | Condo Tower |
| 2 | 201m to 400m | Up to 4.0 | Up to 12 | High-rise, mid-rise |
| 3 | 401m to 800m | Up to 3.0 | Up to 8 | Mid-rise |

Although local governments retain zoning authority, the MD Framework's new minimum allowable densities must be followed when local governments exercise zoning authority in relation to rezoning applications or amendments to the zoning bylaw. Local governments have the zoning authority to establish densities and heights greater than the prescribed Provincial regulations. The prescribed minimums are established as "up to" regulations. This provides a variety of allowable densities and heights within the TOAs.

While the allowable densities and heights are available for rezoning applicants, the City may not reject rezoning applications based on density or heights exceeding what is currently allowed in a zoning bylaw if what is proposed is less than or equal to the minimum allowable limits set in the MD Framework.

Framework example



Source: Ministry of Housing Webinar: Transit-Oriented Areas, January 18, 2024

Exemptions and Limitations

The MD Framework applies to any parcel of land within the TOA on which the current zoning permits residential land use. However, the following exemptions are available for the Port Moody context:

- land zoned to permit industrial use; or
- if the residential use is secondary or ancillary to the industrial use; or
- heritage designated objects or sites; or
- environmentally sensitive areas, including flood plains, hazard areas, and riparian areas; or
- if there are individual site constraints, such as if the site cannot physically accommodate all the available density or building height, cost considerations, or land assembly issues.

Within the TOAs, the City may not reject a rezoning proposal based on density or heights exceeding what is currently allowed in the zoning bylaw if the proposal is within the minimum allowable limits set in the MD Framework. However, if one of the following two statements applies, then the local government may reject the proposal:

- if the exemptions listed above apply; or
- if the proposal is not less than or equal to the prescribed minimum allowable density or height in the regulations.

There is no requirement to pro-actively zone to the prescribed heights and densities in TOAs. The MD Framework does not change the existing rezoning process for the City. Application fees, submission requirements, staff review for compliance with municipal regulations, staff reporting, bylaw introduction and readings, and final adoption are not affected by this legislation or the regulations. Only density and height requirements are imposed by the new framework.

Parking within TOAs

Prior to Bill 47, minimum parking requirements around transit-oriented developments are set by the local government. However, the land around higher-order transit is often expensive and

providing underground parking can be a significant expense for higher density residential projects. Therefore, to aid in a development project's economic viability and encourage more residential units to be built at a more affordable cost point while encouraging residents to utilize transit, Bill 47 now restricts local governments from requiring residential off-street parking except for parking for people living with accessibility needs, for commercial use and loading purposes, and for people to access amenity needs. Residential parking will now be provided based on market demand as determined by the developer and applies only to the TOAs. The City is required to update the parking section in the Zoning Bylaw by June 30, 2024, to reflect this change. The City's Bicycle Parking requirements and Electric Vehicle Charging Infrastructure requirements will still apply.

Bill 47 presents a significant change from the current parking model as well as some of the Big Moves the City brought to Council for consideration in 2023. For example, the public engagement for the Master Transportation Plan Update identified the implementation of Smarter Parking Initiatives, which included setting parking maximums, limiting the number of parking spaces allowed for specific land use as well as other parking initiatives. Currently, the Transportation Division is finalizing the update to the Master Transportation Plan, and this will be tied with one of the Big Moves of the Master Transportation Plan.

Impacts of Bill 47

As described above, Bill 47 will require the City to identify the 200m, 400m, and 800m TOA catchment areas around Moody Centre and Inlet Centre SkyTrain stations in its Zoning Bylaw by June 30, 2024. A map has been generated to show any parcel of land which is partially included in the catchment area is deemed to be wholly within the catchment area of the higher TOA. In addition to the TOA bylaw, the City must also update its parking regulations. The City may no longer require residential off-street parking in the TOAs, except for parking for people living with disabilities, or for non-residential needs, such as commercial, loading, or for access to amenities. While residential parking will now be provided based on market demand as determined by the developer, the City's electric vehicle charging infrastructure requirements will apply. The City will also continue to encourage appropriate transportation demand management measures as part of transportation impact assessments. In response to Bill 47 excluding industrial zoned land from the MD Framework, the City will also be working towards creating policy to manage the future use of these lands.

The Minister of Transportation and Infrastructure must be notified in writing of the final adoption of the bylaw and that the bylaw is compliant with the TOA requirements. A copy of the bylaw must be included in this notification.

With the MD Framework setting minimum densities within the TOAs, the City's Density Bonus section in the Zoning Bylaw will need to be updated. Currently, the City collects the amount of the amenity contribution equivalent to 75% of the land value of the additional density above 2.5 FAR. Bill 47's minimum densities in the TOAs will affect the current policy so that the City cannot collect density bonus funds below the 3, 4, and 5 minimum FARs on any developments within those respective tiers.

On February 22, 2024, staff received a letter (**Attachment 3**) from the Province stating local governments will be able to use existing base densities established in their zoning bylaws when calculating density bonus contributions in TOAs on an interim basis. For Port Moody, the City

will then continue to collect density bonus contributions above 2.5 FAR. The Province expects local governments to transition to new planning tools, such as the ACC Bylaw, by mid-2025. As such, staff will need to revisit and revise for Council's consideration the policy to allow collection of density bonus funds above the new TOA FAR limits, while maintaining the 2.5 FAR threshold for the rest of the City in 2025.

Similarly, the new minimum densities in the TOAs will likely render the City's Inclusionary Zoning – Affordable Housing Units Policy financially unfeasible. For cities that utilize a density bonus to achieve affordable units, they will no longer be able to do so, except on densities greater than the 3, 4, or 5 FARs allocated through the MD Framework within the TOAs. Port Moody's Inclusionary Zoning Policy relies upon both the increased land value associated with a higher density and the density bonus itself. As the density bonus will begin at higher FARs within the TOAs, it is likely that inclusionary units will no longer be financially feasible for nearly all projects.

However, as part of the recent webinars, the Province has mentioned that future legislation will include the development of an inclusionary zoning program. The timeline for this legislation is likely Spring 2024 as referenced above.

If the City does not comply with the Bill 47 legislative requirements by June 30, 2024, the Province may impose regulation that designates the TOAs in Port Moody. In these cases, the minister will first notify the local government of the recommendation and provide at least 90 days for the local government to designate the TOA. If a TOA designation by regulation is made, the bylaw by which the local government designated TOA(s) is deemed to be amended to the extent necessary to reflect the TOA designated by regulation.

2023 Short-Term Rental Accommodations Act, Bill 35

On October 26, 2023, Bill 35 received royal assent. The intent of *Short-Term Rental Accommodations Act* ("STRAA") Bill 35 is to curtail listings of rentals of less than 90 consecutive days and return short-term rental ("STR") units to the long-term rental market. On December 7, 2023, the Province released the [Short-Term Rentals: Policy Guidance for BC Local Governments](#) and additional STRAA regulations are expected in 2024. STRAA was introduced as part of the Homes for People Action Plan to address the housing crisis and intends to regulate STR listings of less than 90 days. It also amended the *Local Government Act*. STRAA's three responses to returning short-term rentals to the long-term rental market are:

- strengthening local government tools, such as increased fines and ticketing and STR business licence requirements, to enforce STR bylaws;
- returning short-term rental units to the long-term rental market by changing non-conforming use protections and imposing provincial principal residence requirements; and
- establishing provincial oversight in the form of a provincial registry and an STR Compliance and Enforcement Unit.

For STR providers, effective May 1, 2024, STRAA permits hosts to rent their *principal residence* and *one secondary suite or accessory dwelling unit*. Both the secondary suite and the accessory dwelling unit each must be a self-contained living unit with its own kitchen, sleeping area, and washroom facilities, which are located on the same property as a dwelling unit.

Bill 35 requirements:

By May 1, 2024, the short-term rental offer must now have and display the following:

- a valid business licence number provided by the local government; and
- a valid provincial registration number; and
- any information to be prescribed by the regulation.

If either the business licence or provincial registration number is missing from the short-term rental offer, the short-term rental platform (i.e., AirBnB, Facebook Marketplace, VRBO, newspaper, etc.) must remove the offer at the request of the local government.

The Province will manage the compliance and enforcement of Bill 35, with the Province sharing non-compliance listing information with local governments as they occur.

General exemptions

Currently, the City of Port Moody is included in the list of communities where principal resident requirements apply as of May 1, 2024. However, the Province has established an annual process where local governments can request to “opt-out” of the principal residence requirement if that community can demonstrate it has sustained a rental vacancy rate of 3 percent or more for two consecutive years. As Port Moody’s vacancy rate was 1.3% in 2023, the City cannot opt out.

Specific exemptions

Bill 35 only applies to the principal residences that an individual lives in for a longer period during a calendar year than any other place. Types of accommodation, such as strata-titled hotels or motels, time shares, fractional ownership, or home exchange properties, living accommodations primarily for students and employees of educational institutions, and strata corporation guest suites, are not suitable for permanent accommodation, and therefore not applicable for Bill 35.

Impacts of Bill 35

As the City does not meet the conditions for opting out, the City is required to issue business licence numbers to STR accommodation providers. While it is the responsibility of the STR provider to obtain the appropriate business licence number, the City can inform hosts early about their ability to operate their STR after May 1, 2024. After May 1, 2024, if the City regulates STRs, then the Province recommends reviewing and updating business licence bylaws to align with the *STRAA*. Under Bill 35, the City may now receive revenue from issuing business licences for short-term rental accommodation providers.

In terms of enforcement impacts, the City will continue to enforce existing STR bylaws, but the Provincial Compliance and Enforcement Unit will be responsible for tracking compliance, issuing orders, and administering penalties. However, for municipal bylaw infractions, under the Bylaw Enforcement Ticket Regulations, Bill 35 has increased the maximum from \$1,000 per infraction, per day to \$3,000 per infraction, per day. The City will need to update the City of Port Moody Municipal Ticket Authorization Bylaw, 2020, No. 3218 to reflect this increase in fines.

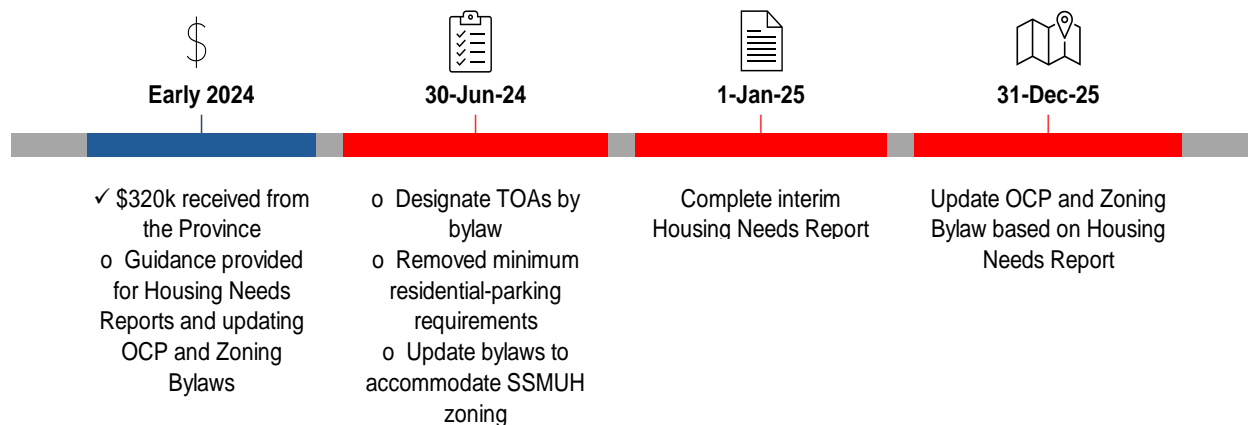
Summary of Implementation Requirements of Provincial Housing Requirements

The Province's local government housing initiatives have several deliverables due over the next two years:

- Update the City of Port Moody Municipal Ticket Authorization Bylaw, 2020, No. 3218 to increase fines from \$1,000 per infraction per day to \$3,000 per infraction per day.
- A Zoning Bylaw update to be completed by June 30, 2024. To do so, GIS staff will need to examine every property parcel to determine whether it is provided additional units, density, or height. Zoning parameters will need to be created to meet the needs of the SSMUH typologies. The required off-street parking section will need to be updated to meet the requirements for the SSMUH typologies and for any future development contained in the designated TOAs.
- If required, staff will need to request for an extension from legislation by June 1, 2024, for any parcels or areas that would be unable to support the additional density assigned to them through Bills 44 and 47. Extensions can only be provided up to December 31, 2030. For parcels exempt from the legislative changes, written notice must be provided to the Minister of Housing as soon as practicable after the City updates its Zoning Bylaw.
- An interim Housing Needs Report will need to be completed before January 1, 2025, using the Province's methodology. Staff will need to create 5-, 10-, and 20-year population projections, while linking these projections to the buildable capacity enabled through the OCP and Zoning Bylaw. To align this timeline with Council's meeting schedule, staff will need to bring the Housing Needs Report for endorsement by November 26, 2024.
- The City will need to update the OCP to match the changes in the Zoning Bylaw and projections in the Housing Needs Report by December 31, 2025. Given the scope of the changes required by the provincial statutes, and the associated timing for related OCP updates, staff have considered the effects of this process and the impact to the draft OCP, Port Moody 2050 amendment that was currently underway. As such, the draft OCP process has been paused to take into consideration the work that needs to be completed related to Bills, 44, 46, and 47.
- The DCC Bylaw will need to be updated to include the expanded infrastructure categories for which local governments can use DCCs. While the Province has not set a timeframe for when the City needs to have the updated charges in place, Engineering staff anticipated a DCC update as part of their 2024 workplan; this work is expected to start in 2024.
- Similarly, there is no provincial requirement to initiate a new Amenity Cost Charge. However, as SSMUH typologies do not require rezonings, the City will not be able to collect CACs on this housing form. Staff anticipate initiating work on a new ACC bylaw in 2024 but this work will not be completed until there is a full understanding of amenity needs after the required OCP update is completed in December 2025.

Figure 1 provides a summary of the new provincial housing requirements and associated timelines.

Figure 1:



Staff Summary and Next Steps

Since Bills 44, 46, 47, and 35 received royal assent, staff have held several internal meetings to discuss the new workplan items and impacts to other City projects and policies. Departments have noted that the impacts extend beyond the new legislated requirements and into other existing policies. The increase in housing units outside of where the existing OCP envisioned will result in the City needing to examine the potential impacts to physical and social infrastructure and transportation, among other City processes and strategic priorities. These new statutes and associated timelines will have a significant impact to established workplan items across all City departments. In response, an interdepartmental working group has been established to coordinate the City's response to the legislation.

Zoning Bylaw Update

Bill 44 and 47 requires the City to update its Zoning Bylaw to incorporate the SSMUH housing into the existing single-family and duplex zones, and identify the 200m, 400m, and 800m TOA catchment areas around Moody Centre and Inlet Centre SkyTrain stations in its Zoning Bylaw by June 30, 2024.

The SSMUH Zoning Project will update the existing single-family and duplex zones to enable the 3-, 4-, or 6-unit typologies to be built in Port Moody. The SSMUH Zoning Project encompasses a GIS analysis of existing residential parcels, undertakes a site design and massing analysis, and will create the draft zones. As shown in the timeline below, while the bylaw needs to be adopted by June 30, 2024, to meet the Provincial requirement, the City's internal workflow requirements will require staff to complete the work by May 27, 2026. Below is the workflow for the SSMUH Zoning Project:

- January 4-31, 2024: Project initiation
- January 8-February 9, 2024: GIS mapping
- February 1-March 31, 2024: Design development and massing options
- April 1-May 1, 2024: Preparation of draft zones
- May 1-17, 2024: Proposed information sessions
- May 20-24, 2024: Write report and incorporate feedback
- May 26, 2024: Notice of no public hearing

- May 27, 2024: Workflow begins on report, including draft Zoning Bylaws
- June 1, 2024: Area or parcel Provincial exemption request
- June 11, 2024: First 3 readings
- June 25, 2024: Adoption of Zoning Bylaw

The TOA Zoning Project will update the Zoning Bylaw with a map containing properties that fall within the 200m, 400m, and 800m radii of the Moody Centre and Inlet Centre SkyTrain stations. As part of the mapping exercise, staff will designate exempted properties from the densities. Staff will also create an interim development policy for the extended TOA in order to provide guidance for properties south of St Johns Street.

With the increased development, Engineering will also undertake studies to look at the infrastructure, transportation, traffic, and parking capacities of the TOA neighbourhoods. Below is the workflow for the TOA Zoning Project:

- January 4-January 31, 2024: Project Initiation
- January 8-February 9, 2024: GIS Map transit-oriented radii
- February 21-May 1, 2024: South of St. Johns Street Interim Development Policy
- February 21-May 1, 2024: Infrastructure needs study
- February 21-May 1, 2024: Sewer study
- February 21-May 1, 2024: Transportation, traffic, and parking study
- May 1-17, 2024: Proposed information sessions
- May 20-24, 2024: Write report and incorporate feedback
- May 26, 2024: Notice of no public hearing
- May 27, 2024: Workflow begins on report, including draft Zoning Bylaws
- June 1, 2024: Area or parcel Provincial exemption request
- June 11, 2024: First 3 readings
- June 25, 2024: Adoption of Zoning Bylaw

DCC and ACC Bylaws

Bill 46 requires the City to amend the DCC bylaw to allow DCCs to help pay for the capital costs of the new infrastructure categories of fire protection facilities, police facilities, and solid waste and recycling facilities. The amendment will identify these new infrastructure categories along with the existing infrastructure categories of sewage, water, parks, drainage, and roads necessary to adequately service the demands of new development. This bylaw will require the approval by the Inspector of Municipalities. While there is no provincial deadline identified for when local governments will need to update the DCC bylaw, the City will update the DCC bylaw in 2024.

Below is a tentative timeline to update the DCC bylaw:

- Spring 2024: The City expects the release of the guidelines and regulations to accompany Bill 46.
- Spring-Summer 2024: Population projections based on development projections underway.
- Summer 2024-Summer 2025: Modelling of utilities, such as water and sanitation, to determine infrastructure requirements, such as upsize watermains or sanitary sewers.

- Early fall 2025: Updated DCC bylaw presented to Council for approval with selective public engagement.
- Fall-Winter 2025: Send update DCC bylaw to Inspector of Municipalities for approval.
- Spring 2026: Early estimate of updated DCC bylaw in effect

Similar to the DCC, there is also no deadline to impose the ACC by bylaw. However, below is a tentative timeline to impose the ACC bylaw:

- Spring-Summer 2024: Draft interim guidance around amenity cost charge.
- Summer 2024: The City will procure a consultant to lead the development of the ACC.
- Fall 2024: The City expects further provincial legislation to support local government to fund affordable housing.
- Winter 2024-Spring 2025: Consult affected parties, conduct land economic studies, and follow the requirements when developing the ACC bylaw.
- Summer-Fall 2025: Draft the ACC bylaw.
- Winter 2025: Present the ACC bylaw to Council for approval.

Housing Needs Report

While the City recently produced a Housing Needs Report in September 2021, the City is now required to update a housing needs report every five years using a standard methodology to calculate the housing needs over a 20-year time horizon.

Below is a tentative timeline to complete the Housing Needs Report by January 1, 2025:

- Spring 2024: Procuring consultants in advance of release of Housing Needs Report standard methodology.
- Spring 2024: The City expects the release of the Housing Needs Report standard methodology.
- Summer 2024: Complete the Housing Needs Report
- Fall 2024: Complete the Housing Needs Report
- November 2024: Present the Housing Needs Report to Council

Official Community Plan

In order to begin updating the OCP, the City will first need to complete the Zoning Bylaw update and the Housing Needs Report. Once the Housing Needs Report has been submitted to the Province by January 1, 2025, the City anticipates the following workflow to complete the OCP update by December 31, 2025:

- January to February 2025: Begin the update to the OCP
- March-July 2025: Continue updating OCP and undertake stakeholder and community engagement
- August-November 2025: Referral of the Regional Context Statement to Metro Vancouver for consideration and acceptance
- November 2025: Issue notice of public hearing and present to Council

Prior to the housing statutes receiving royal assent, Port Moody was in the process of nearing the completion of the draft Port Moody 2050 OCP. However, the draft OCP process has been paused to take into consideration the work that must be completed for Bills 44, 46, and 47.

Corporate Policies and Bylaws Updates

Many of the City's corporate policies and bylaws have been affected by the changes to the *LGA*. Table 2 summarizes the known policies and bylaws that will need to be updated to reflect the changes enacted by the Province.

Table 2

| Policy/Bylaw Name | Change required | Timeline |
|---|--|---|
| Development Cost Charges Bylaw | Add fire protection facilities, police facilities, and solid waste and recycling facilities as categories that DCC can collect for | No Provincial deadline; this work will begin in 2024 |
| City of Port Moody Municipal Ticket Authorization Bylaw, 2020, No. 3218 (Bill 35) | Increased the maximum from \$1,000 per infraction, per day to \$3,000 per infraction, per day | Before May 1, 2024 (date of when short-term rental providers must abide by Bill 35) |
| Density Bonus Section, Zoning Bylaw | Change the density bonus 2.5 FAR threshold to reflect the 3, 4, and 5 FAR densities in the TOA | Summer 2025 |
| Development Approvals Procedures Bylaw | Update to take into consideration the Province's changes to the <i>Local Government Act</i> | Immediately |
| Inclusionary Zoning Policy | Update to reflect changes to the financial proformas due to the TOA's new MD Framework | After the Provincial legislation enabling Inclusionary Zoning is passed in Spring 2024 |
| Tenant Relocation Policy | Update to reflect future Provincial legislative changes to protect tenants from displacement through development | After the Provincial legislation enabling tenant protections is passed in Spring or Fall 2024 |

Staff are also aware that there are a number of other City strategic plans and documents that may require updates following the completion of the Housing Needs Report and anticipated changes to population projections and development patterns.

The Province has created a [website](#) to compile information on the legislation. Continued updates to the policy guides are expected as local governments begin implementation. Additionally, provincial staff have hosted a [webinar series](#) on the legislation and policy guides. Staff also attended the UBCM [housing summit for local governments](#) on February 13-14, 2024. The summit focused on the effects of the provincial legislation.

Other Option(s)

This report is for information only; therefore, no other options are being provided.

Financial Implications

On December 21, 2023, Port Moody was notified of the amount of funding received from the \$51 million Local Government Housing Initiatives Funding program (**Attachment 4**). \$320,310 has been confirmed to be transferred directly. This funding is intended to support and supplement local government activities and projects to meet the new legislative requirements arising from Bills 44, 46, and 47. The Province also provided Local Government Housing Initiatives Funding Program Scope and Guidelines. The guidelines identify what projects are eligible for this funding and how to use, manage, and report on the fund.

Staff are requesting the ability to broaden the use of funds allocated to the following existing Capital Projects: Missing Middle Housing Policy, Moody Centre South Neighbourhood Plan – Phase 1, Moody Centre Development Priorities and Density Standards, and Moody Centre Streetscape Standards. Some components of these projects will continue as originally envisioned but the overall scope may need to be adjusted to address priority neighbourhood planning needs identified as a result of the work associated with the Provincial housing bills.

Policy Planning and Finance staff have started the process to manage and report on the fund. Annual reporting is required on a calendar year basis (i.e., January 1 to December 31) and the Province expects local governments to use this funding prior to December 31, 2025.

There are ongoing project discussions with the different departments which will determine the need for future spending. Initial uses for the \$320,310 have been identified as:

- Community Development: SSMUH land use analysis, Zoning Bylaw amendments, site planning and architectural testing, and legal review;
- GIS: geospatial mapping for the TOA areas around Inlet Centre and Moody Centre Stations;
- Environment and Parks: assessment of park and trail needs, the impact of project population growth on biodiversity, the impact to the existing urban forestry program, and the impact to existing creeks and other environmentally sensitive areas;
- Engineering and Operations: ACC land economics analysis, as well as an assessment for future infrastructure and transportation needs; and
- Communications and Engagement: public communication activities.

Bill 35 is not anticipated to require financial resources to implement. Depending on the type of business licence the short-term accommodation host requires, revenue from the associated business licence process is possible.

As previously mentioned, the provincial legislation will affect the City's ability to collect CACs and Density Bonus in the manner it has historically done. Staff will need to adjust the policy to collect density bonus funds for those projects that exceed the respective 3, 4, and 5 FAR in the TOAs, while maintaining the 2.5 FAR threshold for the rest of the City by mid-2025. An ACC Bylaw will need to be created to collect funds for amenities for projects that will no longer need to go through a rezoning process (i.e., SSMUH typologies), and the DCC Bylaw will need to be updated to collect funds for the new infrastructure categories.

Communications and Civic Engagement Initiatives

Staff are developing a communications plan to provide residents with information on the new legislation, impacts to Port Moody, next steps, and links to provincial resources. At the writing of this report, a webpage is being developed containing much of this information, and will continue to be updated as more information comes available. The URL for the page will be:

<https://www.portmoody.ca/en/business-and-development/provhousinglegislation.aspx>.

Public hearings will continue to be required whenever local governments update or develop new OCPs. Thus, the provincially mandated OCP update by December 31, 2025, will include a public consultation process.

As part of the Zoning Bylaw update due June 30, 2024, the City must not hold a public hearing for zoning bylaw updates for the sole purpose of complying with the SSMUH and TOA legislation. Pursuant to *LGA* section 467, the City will give public notice that a public hearing will not be held.

Council Strategic Plan Goals

The recommendations in this report align with the following Council Strategic Plan Goal:

- Strategic Goal 3.1 – Create complete and connected communities through balanced growth.

Attachment(s)

1. City of Port Moody – Draft SSMUH Map.
2. City of Port Moody – Draft TOA Map.
3. Updated TOD Manual Guidance on the use of Density Bonus in Transit-Oriented Areas
4. Local Government Housing Initiatives Funding Letter – City of Port Moody.

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Report Approval Details

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|----------------------|--|
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| Attachments: | <ul style="list-style-type: none">- Attachment 1 - City of Port Moody - Draft SSMUH Map.pdf- Attachment 2 - City of Port Moody - Draft TOA Map.pdf- Attachment 3 - Updated TOD Manual Guidance on the use of Density Bonus in Transit-Oriented Areas.pdf- Attachment 4 - Local Government Housing Initiatives Funding Letter - City of Port Moody.pdf |
| Final Approval Date: | Mar 4, 2024 |

This report and all of its attachments were approved and signed as outlined below:

Mary De Paoli, Manager of Policy Planning - Feb 29, 2024

Kate Zanon, General Manager of Community Development - Feb 29, 2024

Stephanie Lam, City Clerk and Manager of Legislative Services - Mar 1, 2024

Lindsay Todd, Manager of Communications and Engagement - Mar 1, 2024

Paul Rockwood, General Manager of Finance and Technology - Mar 1, 2024

Anna Mathewson, City Manager - Mar 4, 2024