

ATTACHMENT B

Small-Scale Multi-Unit Housing (SSMUH) Exemptions

Staff have reviewed the permitted exemptions under the LGA and associated regulations, and have identified a number of properties that can be exempted from SSMUH zoning bylaw amendments as follows:

1. Lots that are not connected to a municipal water or sewer system (LGA s.481.4[1][c]).
Staff have identified approximately 25 restricted zone lots that are not connected to community sewer services and are not otherwise exempted. These lots are generally in the Harewood Mines / Western Acres neighbourhood on the south side of the Nanaimo Parkway or along Stephenson Point Road. Staff recommend exempting these properties while recognizing that individual property owners may apply to rezone in the future (where consistent with City Plan) should sewer servicing be extended or secured as a condition of development.
2. Zones where the minimum lot area is 4,050m² or greater (LGA s.481.4[1][d]).
Three residential zones will not be subject to the SSMUH zoning where the minimum lot area is or is proposed to be 4,050m² or greater, including the R3 (Island Residential), AR1 (Rural Resource), and AR2 (Urban Reserve) zones.
3. Restricted zone lots greater than 4,050m² in area (LGA s.481.4[1][e]).
Staff have identified approximately 350 lots in restricted zones that are greater than 4,050m² in lot area. Given that these properties have future development potential that could yield greater housing supply than as envisioned by SSMUH, Staff recommend exempting these lots as permitted by the Provincial legislation.
4. Lots subject to a hazardous condition (Reg. OIC 673-2023 s.3[1]).
The City has six Development Permit Areas (DPAs) that address hazardous conditions including: DPA1 – Environmentally Sensitive Areas; DPA2 – Hazardous Slopes; DPA3 – Sea Level Rise; DPA4 – Abandoned Mine Workings Hazards; DPA5 – Wildfire Hazard; and DPA6 – Steep Slope Development. Staff have reviewed the DPAs related to hazardous conditions and with minor revisions to DPA guidelines in Part 18 of the Zoning Bylaw, most concerns around hazardous conditions impacting SSMUH can be addressed through the DPA requirements.

Where Staff have identified potential hazardous conditions not covered by a DPA, however, is within the North Slope Area impacting approximately 450 properties in North Nanaimo. The City of Nanaimo North Slope Development Policy (the “North Slope Policy”), approved 1993-MAR-22, recognizes specific properties with low, minor, and high hazard ratings related to slope stability as determined by a geotechnical assessment. The North Slope Policy requires geotechnical and slope stability assessments prior to development in low and minor hazard areas, and the same studies with further third-party assessments in high hazard areas. Staff recommend exempting these lots based on the identified hazardous conditions. While beyond the scope of SSMUH, Staff expect to review DPA2 further for alignment with the North Slope Policy area as a future project.

5. Lots within a TOA (Reg. OIC 673-2023 s.3[2]).
In addition to the SSMUH regulations, the Province has introduced TOAs that were previously presented to the Governance and Priorities Committee on 2024-MAR-25. Staff recommend that restricted zone properties inside the Provincial TOAs (approximately 40 lots) be exempt from rezoning, except for those properties identified in the City Plan Neighbourhood land use designation where infill housing is encouraged.