

ATTACHMENT A

Summary of “Increasing Housing Options” Initiatives

The following sections outline the initiatives originally proposed as “Increasing Housing Options”, what was heard through stakeholder engagement, and what has changed to address stakeholder input and more recent Provincial legislation. More details on the 2023 stakeholder engagement can be found in the 2023-DEC-18 Staff Report to Council at the link below:

<https://www.nanaimo.ca/docs/property-development/community-planning-and-zoning/increasing-housing-options---december-18-2023-council-report.pdf/>

1 – Secondary Suite Regulations

The secondary suite regulations presented through Increasing Housing Options largely meet or exceed requirements introduced by the Province. One required change, beyond what was already being considered, is to permit secondary suite on single residential dwelling lots regardless of lot size. The below table summarizes the originally proposed secondary suite initiatives and what was heard through engagement.

Initiative	Original Proposal (Increasing Housing Options)	What We Heard (2023 Stakeholder Engagement)	Impact of Provincial Regulations and Proposed Changes
<i>1a – Detached Suite (i.e. “Carriage House”) Eligibility</i>	Expand the types of lots eligible for a detached suite to include single residential dwelling lots greater than 500m ² and ‘through lots’ (lots with two front yards).	Support for expanding the eligibility of detached suites (65% of survey respondents indicated strong support).	Conditions of detached suite eligibility will be removed entirely in the R5 and R14 zones being zoned through SSMUH. In other zones, no further revisions to detached suite conditions are proposed in response to the Provincial requirements and the originally proposed amendments have been incorporated in the draft Zoning Amendment Bylaw. Note that the minimum lot area of 370m ² for secondary suite eligibility has been eliminated as required by the Provincial legislation.

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<i>1b – Number of Secondary Suites</i>	Permit up to one secondary suite (attached) and one detached suite on single residential dwelling lots greater than 800m ² with a minimum 15m lot frontage.	While generally supported, a common concern raised was the potential use of one or both suites as Short-Term Rental (STR) units.	<p>The allowance of two suites on a single residential dwelling lot exceeds the secondary suite requirements introduced by the Province. The lot size and lot frontage requirements have been deleted to ensure viability along with the SSMUH zoning.</p> <p>Clarification has been added to the Short-Term Rental regulations that no more than one STR is permitted per primary residence. This aligns with Provincial Bill 35 and will prevent property owners from constructing an additional secondary suite solely for the purpose of creating a second STR.</p>
<i>1c – Secondary Suites in Duplexes and Townhouses</i>	Recognize and permit up to one secondary suite per dwelling unit in duplexes, townhouses, and rowhouses (“ground-oriented units”).	<p>Suites in side-by-side duplexes, townhouses, and rowhouses are permitted by the BC Building Code but are not specifically recognized in Nanaimo’s Zoning Bylaw.</p> <p>Suites in these types of homes were generally supported, with some concerns raised regarding adequate on-site parking.</p>	<p>Secondary suites are proposed to be recognized and permitted in ground-oriented units in all zones with conditions in the following zones:</p> <ul style="list-style-type: none"> • in the R10 (Steep Slope Residential) zone, permitted only where there is a single residential dwelling; and • in the R5 and R14 zones, permitted only where there are no more than two principal dwelling units (to ensure that the SSMUH zoning doesn’t inadvertently allow for eight units on all lots). <p>On-site parking regulations will remain in place with the existing requirement of one additional parking space per secondary suite.</p>

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<i>1d – Maximum Size of Secondary Suites</i>	Increase the maximum permitted size of a secondary suite from 90m ² to 100m ² and to allow three-bedroom suites.	While comments regarding the size of secondary suites were not specifically sought, some survey respondents again raised concerns with adequate on-site parking.	No impacts from the Provincial regulations have been identified, and the use of larger secondary suites will be monitored through future Housing Needs Reports.
<i>1e – Detached Suite Siting and Size</i>	Review the siting and size regulations for detached suites.	<p>Detached suites were generally supported, although some survey respondents expressed concern with detached suite building heights.</p> <p>Internal review from Staff in the Public Works Department also identified potential concerns with detached suite access from lanes where there is limited opportunity for maintenance (e.g. snow removal, waste collection, etc.).</p>	<p>Amendments to maximum building height for detached suites have been proposed to address concerns heard regarding the massing of two-storey detached suites and to provide more clarity on how accessory building height is calculated in rear yard setbacks.</p> <p>Additional setbacks for accessory buildings, such as detached suites, will be included where a lot abuts a lane and the required lane width has not been achieved, to allow for future expansion of lanes as necessary.</p>

2 – Infill Housing in Existing Neighbourhoods

The City’s previously proposed targeted pre-zoning for infill housing in existing neighbourhoods has been superseded by the Province’s broader Small-Scale Multi-Unit Housing regulations for prescribed density as discussed in the main body of this report. A summary of the infill housing initiatives and implications of the Provincial Policy Manual & Site Standards (the “Policy Manual”) is provided in the table below. While the Policy Manual includes recommended details such as minimum setbacks and maximum building heights in example “Site Standards Packages”, the Policy Manual also encourages local governments to consider local context which Nanaimo has done through the analysis and consultation carried out in Fall 2023.

Initiative	Original Proposal (Increasing Housing Options)	What We Heard (2023 Stakeholder Engagement)	Impact of Provincial Regulations and Proposed Changes
<i>2a – Minimum Lot Areas</i>	Reduce the minimum lot areas in the R4, R5, R6 zones (from 700m ² to 600m ² , from 800m ² to 600m ² , and from 1,500m ² to 1,200m ² , respectively).	Stakeholder feedback was generally supportive of reduced minimum lot areas which are considered during subdivision of existing larger lots.	The Provincial Policy Manual does not make any recommendations regarding minimum lot area for subdivision. The draft Zoning Amendment Bylaw includes the same minimum lot areas as originally proposed, but with reductions for lots on lanes.
<i>2b – Front Yard Setbacks</i>	Reduce the minimum front yard setbacks in existing infill housing zones from 4.5m or 6.0m (depending on zone) to 3.0m in order to maximize rear yard spaces and activate street frontages.	Variable front yard setbacks were considered (3.0m for the first two storeys and 4.5m for upper storeys) but stakeholder reaction was mixed. Survey respondents generally indicated support for reduced front yard setbacks while development stakeholders noted difficulties in achieving variable setbacks with building massing.	The Policy Manual suggests minimum front yard setbacks as low as 2.0m for Site Standards Package B, but recognizes a municipal government’s discretion in considering local context. In preparing the amendment bylaws, Staff have proposed reduced front yard setbacks of 3.0m and 4.5m to address stakeholder comments and meet the intent of the Policy Manual. Variable front yard setbacks are proposed in the R14 zone to align with the Old City Mixed Use (DT8) zone.

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<p><i>2c – Revise R5 (Three- and Four-Unit Residential) Zone</i></p>	<p>Expand one of the eligibility criteria for a fourth dwelling unit in the R5 zone by reducing the minimum lot size for an additional unit from 1,200m² to 800m².</p>	<p>Reducing the lot size eligibility of a fourth dwelling unit was generally supported.</p>	<p>A number of additional changes to the R5 zone have been proposed in order to address the SSMUH regulations and in consideration of the Policy Manual, including:</p> <ul style="list-style-type: none"> • The minimum lot size for a fourth dwelling unit is required to be reduced further to 280m². • The maximum Floor Area Ratio of 0.55 will be removed to provide flexibility. • The number of principal buildings on a lot will be restricted to enable desired building form and efficient site configuration. • Removing 'Rooming House' as a permitted use.
	<p>No changes to maximum building heights were proposed.</p>	<p>A mix of comments regarding building height were received. While some survey respondents expressed concern with residential building heights greater than two storeys in residential areas, others commented that the existing height requirements (8m-9m in the R5 zone) were too restrictive for viable infill development.</p>	<p>The Policy Manual envisions SSMUH zones to allow more intensive three-storey infill development than previously permitted in the City's R5 zone. As such, building heights are proposed to be increased in the R5 zone from 8m to 9m for flat roofs and from 9m to 10.5m for sloped roofs. This aligns with typical building heights for a three storey infill building, with heights measured from average grade on sloping lots. No change to building height in the R14 zone is proposed, which is measured at 7.75m to the midpoint of a sloped roof and aligns with the Old City Neighbourhood Design Guidelines.</p>

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<p>2c – Revise R5 (Three- and Four-Unit Residential) Zone (continued)</p>	<p>No changes to minimum rear yard setbacks were proposed.</p>	<p>The minimum required rear yard setback for a principal building in most residential zones is 7.5m. While no comments were specifically sought regarding rear yard setbacks, some feedback was received on the importance of maintaining rear yard setbacks, particularly where the minimum front yard setback is proposed to be reduced.</p>	<p>The Policy Manual recommends rear yard setbacks between 1.5m and 6.0m, depending on lot size, for principal buildings. Reduced minimum rear yard setbacks are not recommended by Staff given that:</p> <ul style="list-style-type: none"> • This could enable three storey buildings to be built in the rear yards of existing neighbourhoods; • The front yard setback is will be reduced (initiative 2c); • Accessory buildings have a 1.5m rear yard setback with a lower building height; and • Rear yard setback variances could still be considered on a case-by-case basis.
	<p>No changes to maximum lot coverage were proposed.</p>	<p>The maximum permitted lot coverage in the R5 and R14 zones is 40%.</p>	<p>The Policy Manual recommends a maximum lot coverage of 50% on smaller SSMUH lots; however, the City’s calculation of lot coverage is more permissive and generally includes only building footprints rather than the Provincial recommendation which calculates lot coverage as impervious areas (such as driveways and parking spaces). The 40% lot coverage is recommended to ensure usable outdoor spaces on SSMUH development lots.</p>

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<i>2d – Rezone to R5 (Three- and Four-Unit Residential) Zone</i>	Rezone existing single residential dwelling and duplex properties to the R5 zone in certain areas of the City.	There was strong support for pre-zoning, with 56% of survey respondents indicating they “definitely support” the initiative. Some comments were received from residents in the Old City Neighbourhood expressing concern with the blanket R5 zone being applied in the neighbourhood.	Given the implications of SSMUH, rezoning in strategic locations is no longer possible as discussed in the main body of this report. To address comments from residents in the Old City, properties in this neighbourhood are proposed to be rezoned to R14 zone (Old City Low Density Fourplex Residential) instead of the R5 zone.
<i>2e – Revise R7 (Rowhouse Residential) Zone</i>	Allow both multi-family strata and fee simple residential tenure in a revised R7 zone.	Stakeholder feedback on the revised R7 zone was generally positive, with particular support from the development community. Developers, designers, and builders expressed interest in a flexible R7 zone to meet market demands for a “missing middle” form of housing.	No additional changes to address SSMUH are required in the R7 zone, and the previously proposed R7 zoning changes are included in the draft Zoning Amendment Bylaw. The revised R7 zone is expected to be sought by property owners as a target zone through future rezoning applications in Neighbourhood LUDs.
<i>2f – Conversion of Older Homes</i>	Consider permitting additional density for the conversion of existing single residential dwelling structures built prior to 1975 in the residential Old City zones.	Incentives to preserve older homes were generally supported by stakeholders, with some noting challenges around strata conversion. Residents in neighbourhoods outside of the Old City also expressed interest in the initiative.	The proposed density bonusing will permit densities above the minimum SSMUH requirement and is therefore not impacted by Provincial legislation. While Staff recognize comments heard from neighbourhoods outside of the Old City, at present the density bonusing incentive is proposed to apply only to properties in the Old City Neighbourhood, where there is the highest density of older homes. This is intended as an initial step, and should the program prove successful Staff anticipate expanding this incentive to other neighbourhoods.

3 – Family-Friendly Housing

Concerns raised regarding the proposed family-friendly housing regulations are summarized in the previous Staff Report to Council dated 2023-DEC-18 linked at the beginning of this document. The proposed regulations would have required a minimum number of two- and three-bedroom units for larger multi-family residential developments. Given the new requirements for a 20-year Housing Needs Report introduced by the Province, Staff's recommendation is to postpone implementation of the family-friendly housing regulations until after the next Housing Needs Report is completed so that potential housing needs can be better understood.

4 – Adaptable Housing

In Fall 2023, adaptable housing regulations were proposed to:

- require 50% of dwelling units in multi-family residential developments meet BC Building Code adaptable unit standards;
- require all units in Seniors' Congregate Housing to meet adaptable unit standards; and
- incentivize additional adaptable housing units through density bonusing.

Since the time of engagement on Increasing Housing Options last year, the Province has provided more information on the implementation of adaptable unit requirements in the BC Building Code (BCBC) update which is now expected in March 2025. The BC Building Code requirements will supersede any local government requirements for adaptable housing and Staff have not identified any immediate benefits to implementing municipal-level regulations. Staff's recommendation is to not implement adaptable housing requirements as it is anticipated that the Building Code will exceed the City's requirements. Following the BCBC update in March 2025, Staff will review further opportunities for density bonusing in the Zoning Bylaw.