



CORPORATE REPORT

To: Electoral Area Services Committee
From: Graham Daneluz, Director of Planning & Development

Date: 2024-02-08
File No: 0130-20

Subject: Overview of New BC Housing Legislation: Bills 35, 44, 46 & 47

INTENT

This report is intended to advise the Fraser Valley Regional District Board of information pertaining to new housing legislation in British Columbia. Staff is not looking for a recommendation and has forwarded this information should members want more clarification to discuss the item further.

BACKGROUND

In late November 2023, the Province of BC adopted new legislation aimed at increasing the supply of **housing**. According to the Union of BC Municipalities, the legislation, “will bring about sweeping changes to the local planning framework.”

The legislation implements components of the Province’s [Homes for People](#) plan released in April 2023 to address “the housing crisis, a foundational problem underpinning nearly every other challenge faced by people in B.C.”

This report summarizes the new legislation, identifies its impact on electoral area communities, and outlines implications for FVRD budgets and work plans.

DISCUSSION

Bill 35 – Short-Term Rental Accommodations Act

The Province of BC estimates that over 16,000 housing units are unavailable for long-term residential rentals because they are used for short-term rentals (rentals of less than 90 days). The [Short-Term Rental Accommodations Act](#) – and the subsequent [Short-Term Rental Accommodations Regulation](#) (OIC No. 679) – are intended to reduce the number of dwelling units in BC that are used for short-term rentals and thereby increase the supply of housing units. It received royal assent on October 26/23.

Under the Short-Term Rental Accommodations Act:

- **Provincial Registry.** All short-term rental (STR) hosts are required to register the rental with a newly created provincial registry. Platforms that post STR listings, such as AirBnB, are required to ensure listings are registered and to share listing data with the Province (which will share it with local governments). The Act provides the Province with tools - including compliance orders, injunctions, and administrative penalties - to enforce this aspect of the Act. The Province has stated its intention to develop a compliance and enforcement unit within the Ministry of Housing to support enforcement.
- **Regulations.** The Act sets out regulations that allow STRs to only occur within a principal residence and one accessory dwelling (i.e. a suite or carriage house) on the same parcel as the principal residence. A principal residence is a residence in which an individual resides for a longer period of time in a calendar year than any other place.
Lawful non-conforming, or grandfathering, protections (under Part 14, Division 14 of the Local Government Act) do not apply.
This regulation applies only in municipalities with a population of 10,000 or over (and a few other instances). It does not apply to regional district electoral areas unless the regional district requests to opt in.
Regional districts may opt in to the regulatory scheme by providing the Minister of Housing by March 31st of any year with a Board resolution requesting that the Lieutenant Governor in Council apply the regulations to some or **all of FVRD's electoral areas** (excluding Cultus Lake Park, Sasquatch Mountain Resort, Manning Park, and farmland). The change would take effect on November 1st of that year.
- **Business Licensing.** The Act amends the Local Government Act to broadly enable regional districts to regulate businesses and require business licenses. This is a new power provided to regional districts. It is not limited to short-term rentals.
- **Increased Penalties.** Fines available to be imposed by local governments are increased to enable more effective enforcement of bylaws including, but not limited to, bylaws regulating short-term rentals. Fines resulting from prosecution under the Offense Act are increased from \$10,000 to \$50,000. Fines able to be imposed under the Bylaw Enforcement Ticket Regulation (MTI tickets) are increased from \$1000 to \$3000 per day per infraction. There is no change to penalty amounts associated with Bylaw Enforcement Notice tickets, the method of ticketing most commonly used by local government.

The adoption of the Act does not immediately result in any major change for short-term rentals within **FVRD's electoral areas**. Hosts must register STRs with the provincial registry and display registration numbers on listings. Listing platforms must ensure listings are registered and are required to disclose listing data to the Province which may share it with local governments.

The FVRD Board may wish to consider whether to: 1) act on its new powers to regulate businesses and require business licenses; and, 2) consider whether it wishes to **'opt-in' to the regulations of the Act** (the primary residence restriction). Additionally, it is desirable to review electoral areas bylaws to consider updating references to maximum penalties that may be imposed under the Offense Act.

Unless directed otherwise, staff will bring these matters forward in budgets and work plans in subsequent years; they are not included in our work plan for 2024.

Bill 44 – Housing Statutes (Residential Development) Amendment Act

The [Housing Statutes \(Residential Development\) Amendment Act](#) makes a variety of changes to the Local Government Act to:

- end the practice of restrictive zoning to allow only a single dwelling unit on residential properties across the province;
- enable effective long-term planning for housing; and,
- reduce barriers to the approval of residential developments by requiring upfront zoning and reducing public hearings.

Bill 44 received royal assent on Nov 30/23. The corresponding [Local Government Zoning Regulation](#) (BC Reg 262/2023) – a regulation under the Local Government Act enabled by Bill 44 - was deposited on Dec 7/23.

For FVRD electoral area communities, Bill 44 will have the following effect:

- **Zoning for suites or ADUs.** By June 30/24, FVRD must amend its electoral area zoning bylaw to allow at least a single-family dwelling and a suite or an accessory dwelling unit on each residential parcel where a single-family dwelling is permitted. Furthermore, other powers such as development permitting must not be exercised in a manner that unreasonably prohibits or restricts the use of land or density of residential development required to be permitted under Bill 44.

The June/24 deadline for amending the zoning bylaw can be extended by the Minister of Housing upon receipt of an application demonstrating that implementation is delayed by required infrastructure upgrades; risks to health, public safety, or the environment; or, extraordinary circumstances that prevent compliance.

The Local Government Zoning Regulation exempts lands subject to hazardous conditions from the requirement to allow a suite or ADU where:

- development of the land to a density of use required to be permitted under the applicable provision of the Act would significantly increase the threat or risk from the hazardous condition;
- the threat or risk from the hazardous condition cannot practically be mitigated; and,
- the local government has obtained a report in which a qualified professional certifies to the local government that the hazardous condition exists and that development at the density required to be permitted under Bill 44 would significantly increase the risk.

While FVRD has obtained many geotechnical reports certifying the presence of hazardous conditions, **many won't** provide the specific certifications set out in the regulation to support

an exemption **simply because these reports don't contemplate suites or ADUs**. Further review is needed to provide clarity on this important matter.

- **Interim Housing Needs Report.** By January 1/25, FVRD must receive an interim Housing Needs Report (HNR) for all electoral areas. This will involve an update to the HNR received by the Board in 2021 to estimate housing needs for 20 years (the 2021 HNR considers 5 years); identify actions taken by FVRD since 2021 to reduce housing needs; and, include a statement about the need for housing in proximity to transit and active transportation infrastructure.
- **Standardized Housing Needs Report.** By December 31/28, FVRD must receive an HNR prepared using a standardized methodology prescribed by the Province. The report must consider housing needs for 20 years. The HNR must then be updated every five years thereafter – i.e. in the year 2033, 2038, 2042, and so on.
- **Official Community Plans.** The Regional Board must consider the most recent HNR when developing, amending, or updating an official community plan (OCP). Furthermore, OCPs must include the policies of the regional district respecting each class of housing needs for 20 years per the most recent HNR.

No timelines are prescribed for updating regional district OCPs to meet these requirements or to reflect HNRs as they are updated. The Province recognized that regional districts often have multiple OCPs and that imposing a timeline to amend them would impose an unreasonable burden.

- **Zoning Bylaws.** When developing or adopting a zoning bylaw to permit the use and density of use required by Bill 44, local governments must consider any relevant provincial policy guidelines.
- **Public Hearings.** Local governments are now prohibited from holding public hearings on a proposed zoning bylaw if the zoning bylaw is:
 - consistent with the OCP; and,
 - the sole purpose of the bylaw is to permit a development that is, in whole or in part, a residential development; and,
 - the residential component of the development accounts for at least half the gross floor area of all buildings and other structures proposed as part of the development.

Before Bill 44, local governments had the choice to waive a public hearing for a zoning amendment consistent with the OCP.

Where a local government waives the requirement for a hearing, or where it is prohibited from holding a hearing, notice (i.e. newspaper ads and mail-out) must be given before first reading.

Bill 44 sets out **additional requirements only for municipalities** and for some categories of land that **don't** currently exist in FVRD electoral areas. As a result, the new requirements outlined below will not apply to FVRD electoral areas at this time:

- Minimum zoned densities of three to six dwelling units per residential parcel - depending on parcel size, servicing, and a few other factors – are required within municipalities of more than 5000 people; in locations with Urban Containment Boundaries set out in Regional Growth Strategies; and, in locations within 400 metres of a bus stop with service at least every 15 minutes. **At this time, FVRD’s electoral areas do not meet these criteria.**
- Municipal OCPs must be amended by December 31 of the year in which the council received the most recent Housing Needs Report.
- Municipalities must use zoning powers to provide for the use and density of use required to accommodate at least the 20-year total number of housing units required as set out in their Housing Needs Report by December 31 of the year in which the HNR is received. Furthermore, a municipality must not require the owner of land to provide off-street parking for the residential use of a housing unit required to be permitted under Bill 44.

This is not an exhaustive account of the new requirements flowing from Bill 44. There are provisions related to conditional density amenity bonuses, the use of heritage powers, and other matters that have low relevance for FVRD electoral areas. They are not summarized in this report.

Board members should also be aware that the amendments to the Local Government Act resulting from Bill 44 also give the Lieutenant Governor in Council the power to make a variety of regulations related to the location, density, siting, size, and dimensions of housing units.

Bill 46 – Housing Statutes (Development Financing) Amendment Act

The [Housing Statutes \(Development Financing\) Amendment Act](#) amends the Local Government Act to expand the scope of Development Cost Charges and to allow a new mechanism – Amenity Cost Charges – to fund infrastructure and amenities necessary to support increased residential development. Bill 46 received royal assent on Nov 30/23.

For FVRD electoral areas, Bill 46 will have the following effect:

- **Development Cost Charges.** The range of matters for which development cost charges (DCCs) can be levied is expanded to include fire protection, police, and solid waste and recycling facilities. Previously, only sewage, water, and drainage facilities could be subject to DCCs in regional district electoral areas.
- **Amenity Cost Charges.** A new development financing tool – Amenity Cost Charges (ACCs) – is established to assist local governments in supporting the population associated with increased housing development. ACCs function much like DCCs but they can be set up to fund facilities or features that provide social, cultural, heritage, recreational, or environmental benefits to a community including community centres, recreation facilities, public squares, and other facilities. The facilities must be owned by FVRD or owned by a person/public authority that has entered into a partnering agreement with FVRD. They are payable at the time of subdivision or building permit. The Province intends that ACCs would replace other

forms of amenity contribution schemes with a structured and consistent way to fairly assess amenity charges across the province.

To implement an ACC bylaw, the regional district would need to:

- o Identify areas where more housing supply is planned (based on Official Community Plans and other planning documents) and what amenities are needed to support that supply. ACCs would apply to new developments in those areas.
- o Determine the ACC amounts following the rules set out in legislation (for example, the capital costs must be allocated between existing users and new users)
- o Consult during the development of the ACC bylaw and charge rates
- o Pass a bylaw that implements the charges

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

The [Housing Statutes \(Transit-Oriented Areas\) Amendment Act](#) received royal assent on Nov 30/23. The related [Local Government Transit-Oriented Area Regulation](#) (OIC No. 674) and [Designation of Transit-Oriented Areas Regulation](#) (OIC No. 677) – regulations under the Local Government Act - were ordered on Dec. 7/23. The purpose of the Act and the regulations is to ensure higher density within 800 m of major transit stations. The requirements enacted by Bill 47 do not affect FVRD electoral areas because there are no transit stations in our electoral areas. It is briefly discussed here only to provide information to EA Directors.

COST

New provincial legislation will have a large impact on FVRD budgets and work plans. The table below summarizes tasks required to meet new legal requirements as well as optional but recommended tasks to implement the legislated changes.

Summary of Implementation Requirements and Options

Bill/Act	Implementation	Statutory Requirement or Optional?	Timeline
Bill 35 Short-Term Rental Accommodations Act	<ol style="list-style-type: none"> 1. Consider business licensing 2. Consider 'opting in' to STR regulations 3. Update existing bylaws to reflect maximum Offense Act and MTI penalties, as applicable 	Optional	2025-26

Bill 44 Housing Statutes (Residential Dev't) Amendment Act	Zoning for Suites or ADUs 4. Coordinate with Cultus Lake Park regarding CLP lease agreements and second dwellings 5. Geotechnical certification of areas to be exempt from the requirement to allow second dwellings 6. Zoning amendment to allow suites or ADUs on lands zoned for SFDs (where suites or ADUs are not currently permitted) 7. Assess the capacity of FVRD water and sewer systems to support additional density and identify any infrastructure upgrades required. This would inform budgeting, planning, and potentially DCC bylaws.	Optional	Mar/24
		Optional	TBD
		Statutory Requirement	June 30/24
		Optional	TBD
	Interim Housing Needs Report (HNR) 8. Update the 2021 NHR for FVRD electoral areas to consider the 20-year horizon	Statutory Requirement	Jan 1/25
	Standardized Housing Needs Report 9. Receive a full HNR meeting the prescribed requirements	Statutory Requirement	Dec 31/28 and every 5 years after
	Official Community Plan Updates 10. Amend OCPs to consider the most recent HNR and set out policies for all classes of housing needs for a 20-year period	Statutory Requirement	No Timeframe req'd
	Public Hearings 11. Amend the Development Procedures Bylaw to address the prohibition on holding public hearings for residential zoning amendments that are consistent with the OCP 12. Develop policies or bylaw provisions to guide public submissions – and Board consideration of submissions - received in response to a notice of residential zoning amendments for which no public hearing will be held. Consider procedural fairness requirements.	Statutory Requirement	2024
		Optional	2024
	Bill 46 Housing Statutes (Dev't Financing) Amendment Act	Development Cost Charges 13. Assess the application of the expanded scope of DCCs in FVRD electoral areas	Optional*
Amenity Cost Charges		Optional*	TBD

* To some extent, these will be done in the context of neighbourhood planning for Harrison Mills and Harrison Rise. However, the use of these development finance tools should be more broadly considered in other EA communities.

	14. Assess the application of the new ACC tool in FVRD electoral areas		
Bill 47 Housing Statutes (Transit-Oriented Areas) Amendment Act	n/a	n/a	n/a

Housing Capacity Funding

The Province of BC has provided Housing Capacity Funding to FVRD to, “support and supplement local government activities and projects to meet the new legislative requirements arising from Bills 44, 46, and 47.”

FVRD has been offered \$203,923 for implementing the new housing statutes in electoral areas. For regional districts, the funding formula is a flat amount of \$80,000 plus a per-capita amount of \$5.80.¹

Eligible uses of these funds include:

- housing needs report (HNR)
- official community plan (OCP)
- zoning bylaw
- development cost charge (DCC) bylaw
- amenity cost charge (ACC) bylaw
- transit oriented density bylaw
- transportation, parks or neighbourhood plan
- procedures bylaw
- works and services bylaw
- parking bylaw
- infrastructure master plans
- asset management plans or strategies
- long-term financial plan
- capacity modelling/analysis
- condition and risk assessments
- demand management strategies
- stormwater surcharge or rainwater recharge studies

The Province expects local governments to use this funding before December 31, 2025.

The capacity funding agreement is attached for information.

A work plan and cost allocation associated with the grant funds will be brought forward for consideration at a later date. At this time, staff have not determined whether the grant amount is sufficient for undertaking the required work.

EA Directors should be aware that the allocation of staff resources, and potentially budgeted funds, to meet these new statutory requirements will detract from our ability to meet work plan priorities and

¹ For municipalities, the funding formula is a flat amount of \$150,000 plus a per-capita amount of \$4.39. In total, the Province is providing \$51 million to local governments.

complete day-to-day work (such as application processing) within the timeframes we aspire to. Workplan impacts will likely extend into 2025.

CONCLUSION

This staff report summarizes new provincial legislation intended to improve the supply of housing for British Columbia. It identifies the impact of the new legislation on electoral area communities and outlines implications for FVRD budgets and work plans. It will take a considerable amount of staff resources and funding to implement the new requirements. The Province has provided a grant of \$203,923 to offset costs.

Additional Resources

The following are good sources of additional information on Bills 35, 44, 46 and 47:

[Province of BC. Short-Term Rentals: Policy Guidance for BC Local Governments. Dec/23.](#)

[Civic Legal. Short-Term Rental Accommodations Act- A Summary of Bill 35. Oct/23.](#)

[UBCM. Provincial housing legislation introduces sweeping changes to local government framework. Nov. 3/23.](#)

[Province of BC. Legislation introduced to streamline delivery of homes, services, infrastructure. Nov. 7/23.](#)

[Province of BC. Provincial Policy Manual & Site Standards.](#)

[Province of BC. Provincial Policy Manual: Transit-Oriented Areas.](#)

[Young Anderson. Province introduces significant renovations to local government enabling legislation. Nov. 3/23.](#)

[Young Anderson. More big changes for BC local government. Nov 10/23.](#)

[UBCM. New legislation on development finance. Nov 8/23.](#)

COMMENTS

Kelly Lownsbrough, Director of Corporate Services/CFO: Reviewed and supported.

Jennifer Kinneman, Chief Administrative Officer: Reviewed and supported.