

To: Electoral Area Services Committee

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From: Julie Mundy, Planner I

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Subject: Small Scale Multi-Unit Housing Implementation and Servicing Review

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## RECOMMENDATION

**THAT** the Fraser Valley Regional District Board receive the Urban Systems report *FVRD Small Scale Multi-Unit Housing (SSMUH) Implementation*, dated November 27, 2025.

**AND THAT** the Fraser Valley Regional District Board direct staff to bring forward an implementation strategy to address potential groundwater risks associated with small scale multi-unit housing uptake in early 2026.

## BACKGROUND

FVRD has been working diligently to meet new provincial requirements related to Small Scale Multi-Unit Housing (SSMUH) while ensuring potential servicing and environmental risks are effectively managed.

In December 2023, the Province of British Columbia enacted Bill 44: *Housing Statutes (Residential Development) Amendment Act, 2023*. This legislation introduced changes to the Local Government Act requiring all local governments to update their zoning bylaws to permit SSMUH. **Within FVRD's** electoral areas, the requirements are to permit at least one secondary suite or accessory dwelling unit on every parcel zoned to allow a single detached dwelling.

Before implementing these changes, FVRD identified several areas requiring additional study, including potential water and sewer system capacity constraints, and potential ground water risks associated with the increased density.

To support the planning and implementation work required under Bill 44, the FVRD received a provincial grant through the Capacity Funding for Local Governments Housing Initiatives. This funding was used to engage Urban Systems to complete capacity modelling and analysis to assess the potential impacts of SSMUH-related density increases. Their scope of work included:

- Develop SSMUH dwelling unit build out analysis and growth projections
- Identify water and sewer system capacity constraints

- Assess risks to groundwater associated with the increased SSMUH densities

Projects funded under the Capacity Funding for Local Governments Housing Initiatives must be completed by December 31, 2025.

Previous staff reports addressing SSMUH implementation include:

- [April 11, 2024](#) – Outlining implications of Bill 44 for FVRD and identifying critical values to be considered in implementation: geohazard safety, servicing capacity, groundwater protection
- [November 13, 2025](#) – Introducing zoning bylaw amendments to adopt SSMUH changes

## DISCUSSION

The Urban Systems work is summarized in the draft report *FVRD Small Scale Multi-Unit Housing (SSMUH) Implementation*. This report includes sections on:

- Estimated SSMUH Uptake Scenarios
- Water & Sewer Capacity for Future Growth
- SSMUH and Potential Groundwater Risks
- Implementation Considerations

### Estimated SSMUH Uptake Scenarios

Projections of SSMUH uptake were developed across eligible service areas using low, medium, and high growth scenarios to estimate future SSMUH development. This included identifying the number of SSMUH eligible lots, baseline population assumptions, housing uptake tiers, and theoretical growth scenarios. Tiered growth projections were used to reflect differences in development and growth potential in the FVRD electoral area communities:

- Tier 1 (High SSMUH uptake): Area D, Cultus Lake
- Tier 2: Lake Errock, Hatzic, Dewdney, Deroche
- Tier 3: Dogwood Valley, Yale, Morris Valley

The study confirmed that uptake of SSMUH is expected to be gradual and largely homeowner-driven, with most additions taking the form of basement suites or small detached ADUs. Higher growth and SSMUH uptake are anticipated in Electoral Area D, and Cultus Lake, while more remote areas such as Dogwood Valley and Yale are expected to see minimal change. The Urban Systems report includes details about the number of projected dwelling units and populations for key FVRD service areas under a high buildout scenario.

## Water & Sewer Capacity for Future Growth

FVRD operates 11 water systems and 5 sewer systems serving multiple electoral area communities. Before allowing increased densities under the SSMUH requirements, it was necessary to evaluate whether these systems could support the projected demand from SSMUH dwelling units.

This section focuses on understanding the capacity and potential constraints of the FVRD owned water and sewer systems. The current water and sanitary infrastructure capacity was compared to the calculated demands under SSMUH growth.

### *Water System Capacity Constraints*

The analysis found FVRD water systems can generally accommodate the projected SSMUH development. Water system capacity constraints were identified in the Deroche, Bell Acres, and Morris Valley reservoirs, which may affect the capacity of these systems to accommodate future SSMUH growth under high uptake scenarios.

- **Deroche Reservoir:** This reservoir does not have capacity to accommodate current day estimated fire flow demands of 60 L/s but does have adequate capacity for lower fire flow standard of 30 L/s which was used for past system design. The high SSMUH update scenario is limited and expected to represent less than 3% of the demand serviced.
- **Bell Acres Reservoir:** This reservoir also does not have capacity to accommodate current day demands under a fire flow of 60 L/s. It is noted that the FVRD is considering amending their bylaw to require a minimum fire flow of 30 L/s to reflect the original system design parameters for Bell Acres; this lower fire flow would allow the Bell Acres reservoir to have sufficient capacity for future SSMUH growth.
- **Morris Valley Reservoir:** This reservoir only has enough capacity for fire and balancing storage for the future SSMUH population. There is not enough capacity for emergency storage. The reservoir is planned for relocation (due to geohazard risks) and expansion as part of the Harrison Mills Neighbourhood Plan. The additional demand associated with SSMUH is a small component of the expansion that is planned.

### *Wastewater Treatment System Capacity Constraints*

The FVRD wastewater treatment systems are generally sufficient to meet the demands of projected SSMUH development. The one potential exception is Morris Valley where capacity could be exceeded under a high-uptake scenario. This system is expected to have capacity to service growth under low and medium uptake scenarios and may have potential to be expanded should the need arise. Staff believe that the high uptake scenario is unlikely because the Morris Valley Road developments are predominantly bare land strata developments with no on-street parking and building schemes that limit the development of suites.

### *Consultation with Private Water and Sewer Owners*

FVRD additionally consulted with known private water and sewer system operators within the Electoral Areas. The purpose of the consultation was to ensure operators were aware of the mandated

SSMUH requirements and to seek input about how these private systems may be impacted. No significant comments or concerns were received.

### SSMUH and Potential Groundwater Risks

Some areas within the FVRD Electoral Areas present potential risks to groundwater, particularly where older Type 1 septic systems are prevalent. These risks are most acute in small-lot developments with poor soil and high water tables, such as those areas near lakes (e.g. Lake Errock, Lindell Beach, Hatzic Island, and areas of Hatzic Prairie). These locations were historically developed for seasonal use and in some cases have resulted in smaller lot **sizes than would be permitted under today's standards**. These areas already face cumulative pressures on groundwater quality and the addition of suites or ADUs may increase these risks over time.

Fraser Health's current professional reliance model requires filings by engineers or registered wastewater practitioners but does not involve direct inspections or consideration of cumulative impacts which leaves gaps in oversight.

#### *Options to address groundwater risk*

Six possible options were considered to address the cumulative risks from on-site septic systems, presenting varying degrees of regulation and administration.

OPTION	DESCRIPTION	FVRD REGULATION / ADMINISTRATION
<b>Hazardous Condition Exemption</b>	<ul style="list-style-type: none"> <li>- Use a provincial exemption clause to prohibit SSMUH in areas with unmitigable risks</li> <li>- Requires expert evidence; <b>considered a "nuclear option" and may not be accepted by the province</b></li> </ul>	High. Significant resources required to engage a professional and prepare evidence of the risk or threat from a hazardous condition
<b>Groundwater Protection Development Permit Areas (DPAs)</b>	<ul style="list-style-type: none"> <li>- Requires hydrogeological assessments or higher treatment standards</li> <li>- High administrative burden; may be excessive for suites/ADUs</li> </ul>	High. Resources are required to develop and administer this DPA.  Applicants will face significant additional costs for technical reporting.
<b>Zoning/Subdivision Bylaw Requirements</b>	<ul style="list-style-type: none"> <li>- Mandate community sewer or Type 3 systems in sensitive areas</li> <li>- Clear but inflexible; may lead to variance requests</li> </ul>	Medium – High.  Legal review is required to confirm FVRD has concurrent authority.
<b>Building Bylaw Provisions</b>	<ul style="list-style-type: none"> <li>- Require proof of septic adequacy before issuing building permits for</li> </ul>	Low.

	SSMUH - Targeted, lower burden; could require P.Eng. review for older systems	Can be integrated into existing permitting processes via a Building Bylaw amendment.
<b>Maintenance &amp; Monitoring Program</b>	- Regular inspections of aging septic systems - Develop a bylaw requiring owners of Type 2/3 systems to have annual inspections - FVRD has a septic maintenance - High cost and administrative load	High.  Will requiring significant service and funding resources.
<b>Status Quo &amp; Advocacy</b>	- <b>Continue relying on Fraser Health’s framework</b> - Advocate for stronger provincial oversight and monitoring	Low.

These options were presented to the Electoral Area Services Committee for early consideration on October 9, 2025 and are discussed in detail in the Urban Systems report.

Staff recommend bringing forward an implementation strategy for Board consideration in early 2026.

**Next Steps**

Next steps in the SSMUH implementation include:

- Receive the final Urban Systems report
- Consider final readings and adoption of the zoning bylaw amendments to comply with SSMUH requirements
- Complete provincial reporting requirements for the received Capacity Funding for Local Government Housing Initiatives
- Consider groundwater protection measures and implementation of preferred option

**COST**

The province provided Capacity Funding for Local Government Housing Initiatives to FVRD in the amount of \$203,923. This grant is intended to support and supplement local government activities and projects to meet the new housing legislative requirements and was used to support Urban Systems their water and sewer system capacity and analysis work.

There are no additional costs associated with receiving the Urban Systems final report.

## CONCLUSION

The Urban Systems study provides the technical foundation to address questions about servicing capacity and groundwater risk in order to support the implementation of secondary suites in all FVRD Electoral Areas as mandated by provincial SSMUH legislation. This technical assessment finds that, implementation of SSMUH in the Electoral Areas is not found to create hazardous conditions related to the provision of FVRD water, sewer, or on-site services. Provisions for SSMUH will be implemented broadly across all Electoral Areas through an amendment to the FVRD and Cultus Lake Park zoning bylaws. Additional measures to address potential groundwater risk associated with SSMUH uptake in existing small lot developments will be further outlined and presented to the Board in early 2026.