



The Corporation of **THE CITY OF NORTH VANCOUVER**
PLANNING & DEVELOPMENT DEPARTMENT

REPORT

To: Mayor Linda Buchanan and Members of Council

From: Daniella Fergusson, Manager, Planning (City Design and Planning)

Subject: PROVINCIAL LEGISLATION ALIGNMENT – ZONING BYLAW OPTIONS
AND PROPOSED DIRECTION

Date: June 16, 2025 File No: 09-3900-30-0008/1

The following is a suggested recommendation only. Refer to Council Minutes for adopted resolution.

RECOMMENDATION

PURSUANT to the report of the Manager, Planning (City Design and Planning), dated June 16, 2025, entitled “Provincial Legislation Alignment – Zoning Bylaw Options and Proposed Direction”:

THAT staff be directed to initiate an amendment to the Official Community Plan to enable changes to the Zoning Bylaw that would allow for the 20-year housing need;

THAT staff be directed to initiate an amendment to the Zoning Bylaw to accommodate the 20-year housing need;

THAT staff be directed to schedule an ‘OCP Facilitated Town Hall’ to gather feedback on the proposed amendments to the Official Community Plan;

AND THAT staff be directed to bring back proposed changes to the Official Community Plan and Zoning Bylaw later this year for Council’s consideration.

ATTACHMENTS

1. Summary of Proposed Direction (CityDocs [2677189](#))
2. Official Community Plan Excerpt (CityDocs [2676510](#))
3. Residential Level 5 Land Use Designation Map (CityDocs [2636081](#))

SUMMARY

The purpose of this report is to present options for accommodating the 20-year housing needs in the City's Zoning Bylaw, per Provincial requirements, and outline the next steps in the Provincial Legislation Alignment process.

Staff provided a summary of Provincial legislative changes and requirements to Council on January 20, 2025 at a Council Workshop and an analysis of the impact of the Provincial legislative changes on City bylaws on March 31, 2025 at a Regular Council Meeting.

BACKGROUND

In June 2024, the Province introduced new requirements for local governments to complete an Interim Housing Needs Report (HNR) by January 1, 2025 using a prescribed HNR Method for identifying future housing needs. All local governments will be required to prepare a "regular" Housing Needs Report in 2028 and every five years thereafter.

The Provincial legislation is directing a new "proactive planning" approach for BC municipalities. It requires local governments to review and update their Official Community Plan (OCP) and Zoning Bylaw by December 31, 2025 to accommodate the identified 20-year housing need. Using the prescribed "HNR Method" calculation, the Interim Housing Needs Report determined that the City had 29,021 housing units in 2021 and that the City of North Vancouver will need 21,301 additional housing units to address both its underlying and future housing needs. This represents a 20-year housing need of 50,322 housing units. Council received the 2024 Interim Housing Needs Report on December 9, 2024.

The City retained Urban Systems to understand how much residential development could theoretically be accommodated under the current land use bylaws and whether there is sufficient capacity to address 20-year housing needs. The analysis concluded that, while the OCP has more than enough capacity, the Zoning Bylaw is short by 6,556 housing units. Please note that the March 31, 2025 staff report discussed a gap of 5,605 units plus an additional 951 units that were anticipated to be brought forward in May as part of the small scale multi-unit housing approach (total of 6,556 units). As compliance with Provincial legislation does not require the full 951 units to be rezoned the total required capacity has been adjusted to the larger total. Finally, to meet the provincial legislation, the Zoning Bylaw must be amended by December 31, 2025, to increase capacity from the currently estimated 43,766 housing units to 50,322 housing units.

Council received the report from staff and Urban Systems on March 31, 2025. Staff were directed as follows:

THAT staff be directed to bring back a report with options of areas that could be rezoned to satisfy the zoning capacity requirements;

AND THAT staff be directed to provide consultation opportunities during the development of the Official Community Plan, in accordance with Section 475 of the *Local Government Act*.

This report follows on the March 31, 2025 direction from Council to present areas of the City that could be rezoned to satisfy the zoning capacity requirements and to outline consultation opportunities in support.

DISCUSSION

Staff reviewed Council's Strategic Plan, *Metro 2050*, the OCP, and City strategies to prepare guiding principles for developing and evaluating options to accommodate the 20-year housing need into the Zoning Bylaw. Recognising that the City is not undertaking a comprehensive update of the OCP at this time, staff considered:

1. *Proximity to Infrastructure & Amenities*, such as access to: utilities; transit, bike, and transportation infrastructure; and access to daily needs and amenities.
2. *Existing Policy Framework*, such as: *Metro 2050* policies regarding directing growth to the Regional City Centre and Frequent Transit Development Areas; avoiding the encroachment of residential land into employment lands; and, OCP land use designations and policies, particularly in areas where existing undeveloped capacity exists.
3. *Housing Choice/Diversity* considerations from the Interim Housing Needs Report, Community Wellbeing Strategy, and Housing Action Plan, with a focus on continuing to offer a variety of housing types, sizes, tenures for a range of incomes and stages of life.
4. *Environmental Protection and Hazard Management* considerations, such as avoiding development in areas that have sensitive ecosystems or that are subject to natural hazards.
5. *Pace of Change and Concentration of Impact* considerations, such as how the recommended options could affect the pace of change experienced in the City, whether the options could concentrate the construction impacts and new growth in concentrated areas, and how the level of change might impact the surrounding neighbourhood.

The guiding principles suggest two considerations for options to add capacity into the Zoning Bylaw:

1. Directing growth to City-owned lands versus private lands, and
2. Providing for a variety of housing types.

The following section describes the considerations in more detail and how this led to the proposed direction.

Directing Growth to City Lands versus Private Lands

The City owns a number of properties that are suitable for residential development. By increasing the allowed density on City-owned land, Council can control the amount, type, and pace of development. The City's land holdings are also centrally located and align well with the guiding principles. The Summary of Proposed Direction Map (Attachment #1) shows five City Lands that are recommended for consideration. The properties are City Hall, Fire Hall, East First Lands, Alder Street Lands, and Harry Jerome Neighbourhood Lands. The City could initiate an OCP amendment and rezoning to add net new units of housing capacity. The proposed amendments could achieve approximately 950 units of housing capacity across all five properties.

The remaining units of housing capacity needed to achieve a 20-year housing capacity in the Zoning Bylaw would need to be accommodated on land not owned by the City.

Providing for a Variety of Housing Types

The OCP and *Metro 2050* contain policies directing new growth to the Lonsdale Regional City Centre, the Marine Drive Frequent Transit Development Area, and the East 3rd Frequent Transit Development Area. In addition, the City's Housing Action Plan, Community Wellbeing Strategy, and Interim Housing Needs Report (2024) contain policies encouraging a variety of housing types for people in all stages of life, which includes ground-oriented family-friendly housing. Currently, City policy supports directing new residential growth to areas well-served by transit, schools, healthcare, shops, services, parks, and other community infrastructure and amenities, while at the same time supporting the development of multiple housing types.

The identified City Lands are located within the Regional City Centre and Frequent Transit Development Area and offer mid-rise and high-rise buildings forms. To complement this, staff looked at opportunities to increase the amount of ground-oriented family-friendly housing in the City. One option would be to allow up to four dwelling units on single-detached and duplex properties in the Residential Level 1, 2, and 3 land use designations, and up to six dwelling units within the Regional City Centre. These properties already allow up to 3 or 4 units of housing. The goal is to allow gentle infill density in a greater variety of forms that fit in with the existing look and feel of a neighbourhood. The form of housing could include: single-detached houses with suites and coach houses; duplexes with suites and/or coach houses; or, multiplexes. A benefit of this approach is spreading out the impacts of new development across the whole city, such as how fast neighbourhoods feel like they are changing or the amount of construction impact. This approach would add approximately 6,000 units of housing capacity.

PROPOSED DIRECTION

To meet 20-year housing need, an approach that adds density on City Lands and across the City's lower-density areas is proposed. The proposed direction reflects the guiding principles by recommending higher density growth within and adjacent to the Regional City Centre and Frequent Transit Development Areas, and gentle infill

throughout the rest of the City. The proposed direction also offers a variety of housing types, ranging from multiplexes to 6-storey apartments and high-rise buildings.

The following diagram summarises the proposed direction (Attachment #1):



The recommended option connects to two Housing Accelerator Fund initiatives. Adding OCP capacity on the City-owned Alder Street Lands to an OCP Residential Level 5 (R5) level of density would help achieve Housing Accelerator Fund commitments regarding R5 pre-zoning. The recommendation to allow up to four units of housing across the City's single-detached zones, and up to six units in the Regional City Centre, would support the multiplex commitment.

There are two areas where the proposed direction will need further study: heritage character and heritage conservation areas; and, townhouses and row houses.

The proposed direction does not include increasing the density in the Ottawa Gardens Heritage Conservation Area, the East 10th, Finlay's Row, or Grand Boulevard Heritage Character Areas. It is recommended to bring forward incentives to protect heritage buildings and engage with residents of the heritage areas about how the City should move forward. Staff recommend designating the residential parts of these heritage

areas as a special study area in the OCP as part of the OCP update, and then revising the land use designations at a future time after further study and engagement.

Second, staff acknowledge that the edges of the Regional City Centre and Frequent Transit Development Area could be good locations to add strata townhouse or fee-simple row house levels of density. This would require a zone that encourages lot consolidation. In addition, the zone would need to carefully consider small-scale multi-unit housing legislation to make sure that the City does not inadvertently create a “restricted zone” for fee-simple row houses. This element can either be considered through this process or as part of the broader Zoning By-law Update Project. Information will be provided on this as part of a future Council report on the Zoning Capacity Process.

OTHER CONSIDERATIONS

Staff explored other ways to add capacity to the Zoning Bylaw that are not recommended at this time. These other considerations include:

1. Rezoning lands where the OCP allows more capacity.
2. Rezoning lands owned by other levels of government.
3. Accelerating the consideration of major development applications.

1. Rezoning Lands where the OCP Allows More Capacity

Staff reviewed lands where the OCP allows more units to be built than the current zoning. Specifically, the OCP Residential Level 5 (R5) land use designation allows 6-storey multifamily buildings at a 2.6 FSR (Attachment #3). The City could initiate a rezoning process so that the properties would be zoned for a height and density that matches what is already allowed under the OCP. This approach would direct growth to the Regional City Centre and areas well served by transit, shops, and services. Further, many of the buildings are quite old, with about two-thirds being built before 1970 and more than 90% being built before 1990. However, this approach is not recommended in light of two risks.

The first risk is the loss of affordable housing and displacement of tenants; older buildings are generally more affordable. In addition, about half of the buildings in the R5 land use designation are rental properties. The City does have the tools in place under the new legislative framework to protect tenants, such as a Tenant Displacement Bylaw. Further, the City could use Rental-Only Zoning to help maintain the proportion of rental buildings and units. However, displacement could still occur with development.

The second risk is that the City usually negotiates community benefits through the rezoning process. If the City initiates a rezoning, then the City cannot negotiate the community benefits. The Province has introduced new development financing tools intended to allow cities to pay for community benefits. Therefore, this option may be more appropriate to implement once Council has considered the new development financing tools.

2. Rezoning Lands Owned by Other Levels of Government

Staff reviewed lands owned by the Province and Metro Vancouver within the City. These lands are currently being used for affordable housing or are being identified as a future school site. As a result, it is not recommended to add residential zoned capacity to these lands at this time.

3. Accelerating Consideration of Major Development Applications

The City has received OCP and Zoning Bylaw Amendment applications for a few notable major projects. If approved by Council, the projects would contribute to the City's 20-year housing needs. However, the applications are major projects that require due consideration by technical staff and community input. Because the City's deadline to incorporate the 20-year housing needs into the Zoning Bylaw is December 31, 2025, there is not enough time to process the OCP and Zoning Bylaw amendments for these major development applications. The City will be required to undertake another Housing Needs Report by December 31, 2028 and then update the OCP and Zoning Bylaw to incorporate the 20-year housing need by December 31, 2030. So, there may be an increased 20-year housing need number that the City will have to consider at that time, which these developments may contribute towards.

COMMUNICATIONS AND ENGAGEMENT

To build 20-year housing need capacity into the Zoning Bylaw, the OCP will need to be amended. In addition, the City will need to consider OCP amendments to meet other Provincial requirements, such as updating the Regional Context Statement. While addressing this critical, provincially mandated work, the City is committed to exploring ways to improve liveability and to better integrate new development into its neighbourhoods. Engagement with community and industry, in addition to further research, will be critical to this effort.

Following direction from Council, staff will lead a communications and community engagement program beginning in mid-June through July. This process will share information on the OCP and Zoning Bylaw update to gather input on how to create models of ground-oriented, gentle infill density in a greater variety of forms that fits in with the existing look and feel of a neighbourhood.

The proposed engagement will include pop up open houses throughout the City, accessible easy to understand learning tools, workshops with industry partners, and community group meetings to help refine these planning tools. Staff will also host an "OCP Facilitated Town Hall" followed by a public hearing on the proposed approaches in September 2025.

SERVICING ANALYSIS

In 2024, the City conducted an analysis of existing water, sewer, and drainage utility capacity and what the impact of new development would be on the utility infrastructure. The servicing capacity analysis consisted of three steps:

- 1) updating the City's utility models to align with our current state asset management data;
- 2) modelling the capacity of the existing systems in a first scenario where the current developability within the OCP was completely built out; and
- 3) modelling the capacity of our existing systems in a second scenario where the current developability within the OCP was completely built out and the R1 (single-family), R2 (duplex/triplex) and R3 (townhouse/multiplex) OCP land use designation areas were built out at either 6 units or 8 units, depending on the lot area.

In both scenarios results of the modelling identified areas of the systems that would require increased capacity to support the growth. Scenario two resulted in more water upgrades required due to fire flow requirements for buildings that are 5 units or more. As the proposed direction identified in this report has a growth scenario between the two scenarios modelled staff feel confident that the analysis undertaken provides a good indicator of our systems future function. It is anticipated that build-out of the R1, R2, and R3 areas would be gradual over time and, therefore, the City expects that upgrades will be required only when sufficient growth is developed. With this assumption, construction-related impacts, beyond our current pace for end of life renewal and growth based upgrades, are expected to be minimal. In addition continued focus on reducing the effective impervious area of new developments and advancing water use reduction and conservation strategies, will also help to extend the capacity of our systems to support growth in our community.

Under current bylaws, upgrades are required for applications with two or more units that propose enough increased demand that the City's existing infrastructure is deemed insufficient to support the proposed growth. Typically, applicants are responsible for the full cost of required upgrades. Moving forward, staff are working on an updated Development Cost Charges approach so that each development pays a proportional share of the required upgrades resulting in more predictable utility upgrade costs that are closely aligned with a particular application's proposed growth.

NEXT STEPS

If Council supports this proposed direction, staff will prepare amendments to the OCP and Zoning Bylaw for Council's consideration. Staff will also undertake the communications and engagement program described above.

In addition, staff are preparing housekeeping amendments to the OCP and a Regional Context Statement. A summary of the proposed changes and a draft Regional Context Statement will be shared with Council via a subsequent staff report.



RESPECTFULLY SUBMITTED:

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