Housing Accelerator Fund – Neighbourhood Character Protection

ISSUE

City Council, at its Regular Business Meeting held on November 22, 2023, considered the Housing Accelerator Fund report and resolved:

"That Administration report back on options to protect the character of existing neighbourhoods in time for the Q2 public hearing including a jurisdictional scan."

BACKGROUND

Housing Accelerator Fund

The Housing Accelerator Fund (HAF) is an incentive program from the Government of Canada which supports local governments in boosting housing supply in an expedited manner. The HAF requires municipalities to undertake transformational initiatives by encouraging missing middle housing and ending exclusionary zoning.

- Missing middle housing can be defined as the gap between single family homes and mid-rise apartment buildings and are typically up to four storeys. Missing middle housing is an important consideration as it provides for increased housing options that add to the overall housing stock, while providing more options along the spectrum of affordability.
- Exclusionary zoning is a type of regulation that excludes or does not permit certain types of housing. Exclusionary zoning can preserve certain character-defining elements of a neighbourhood; however, this can result in economic and social segregation as the regulations can result in increasing the cost of housing, making it unaffordable for some.

City Council, at its Regular Business <u>Meeting</u> on May 31, 2023, approved the Housing Action Plan for the City of Saskatoon's (City) application to HAF. The Action Plan outlined 13 initiatives intended to create more housing supply at an accelerated pace and enhance certainty in the approvals and building process.

City Council, at its Regular Business <u>Meeting</u> on November 22, 2023 approved the changes to the Housing Action Plan to address requests from the Federal Minister of Housing, Infrastructure and Communities. The Action Plan includes initiatives which encourage missing middle housing and address exclusionary zoning, including:

- Permitting "as-of-right" development for up to four residential units on a property in all residential zoning districts city-wide; and
- Permitting four storey multiple-unit development within 800 metres of the Bus Rapid Transit system corridors, being termed the "Transit Development Area" (see Appendix 1).

Proposed amendments to <u>Bylaw No. 9700, The Official Community Plan Bylaw, 2020</u> (OCP) and <u>Bylaw No. 8770, The Zoning Bylaw, 2009</u> (Zoning Bylaw) will be brought forward in early 2024 to address these requests. Administration is not considering changes to other related documents such as Local Area Plans at this time.

JURISDICTIONAL SCAN ON NEIGHBOURHOOD CHARACTER

Administration reviewed documents from Regina, Edmonton, Kelowna, Winnipeg, Kingston, Ottawa and London, Ontario (see Appendix 2).

The reviewed municipalities have submitted applications for HAF. As such, their planning policies and documents may see changes in the upcoming years to accommodate their respective HAF commitments, and many municipalities are moving forward with changes to their approach for planning and development approvals. For example, the request to legalize up to four units on a site as-of-right has been reflected in all municipalities that have received HAF approval to date, except for municipalities which already allowed for four units on a site.

The jurisdictional scan suggested neighbourhood character can be defined using a wide range of attributes depending on contexts and motivations. Some attributes are more appropriate for policies and regulations, such as items typically included in development regulations like setbacks, massing, parking, driveways, screening and landscaping. Other attributes that are sometimes cited as character are inappropriate to include in policy or regulation, such as resident demographics (tenure, income, etc.). Additionally, some municipalities have suggested the density or typology of residential buildings (i.e., one-unit dwellings vs. multi-unit dwellings), while often perceived as a part of neighbourhood character, is not in itself appropriate to segregate in the name of protecting character.

CURRENT STATUS

Official Community Plan

The OCP provides a comprehensive policy framework for all decisions on land use and development matters in Saskatoon. The OCP contains various policies/statements that relate to neighbourhood character:

- Regulating land uses, by ensuring rational land use patterns, mitigating conflicting uses and guiding how uses and character may change in the future;
 - For example, a land use designation described in the OCP is Low Density Residential 1 (LDR1). Areas designated LDR1 have the potential for one- or two-unit dwellings or community uses that are typically served by local streets. As a result, these areas are characterized by one- or two-unit dwellings. The current LDR1 land use designation excludes missing middle housing which does not align with the Housing Action Plan. This OCP land use is proposed to be amended in early 2024;
- Regulating neighbourhood infill development, particularly the form (e.g., height, scale) of buildings and how buildings fit into existing streetscapes;
- Regulating lot subdivision in existing areas, particularly considering frontage, configuration and orientation of existing nearby lots;

- Enabling the establishment of Architectural Control Districts (ACD) and Heritage Conservation Districts (HCD);
- Creating welcoming public spaces that reflect unique local characteristics; and
- Designing and encouraging adaptive reuse of community facilities and schools.

Zoning Bylaw

The Zoning Bylaw contains detailed regulations for all types of development which can impact the character of an area. This includes:

- Zoning Districts specify permitted uses and development standards, such as lot size and building height. Some zoning districts provide for a variety of permitted uses while others can be more restrictive, and this affects the perceived character of an area;
 - For example, low density zoning districts such as R1, R1A, R1B and R2 limit the housing form to one or two unit dwellings, which can be character defining features for a neighbourhood. As noted, Zoning Bylaw amendments will be brought forward to permit multiple unit dwellings up to four units in all residential neighbourhoods in early 2024;
- General Provisions with direction for specific uses. This can include requiring development to take a particular form or not alter the form to accommodate the use. For example, for day cares in residential neighbourhoods, any exterior alterations to a dwelling or former dwelling must be consistent with the residential character of the building or property;
- The Zoning Bylaw establishes and regulates landscaping for commercial, institutional, industrial, mixed use and multi-family developments. Landscaping incorporates natural features through the city, which can be character defining elements in a neighbourhood;
- Neighbourhood Level Infill regulations ensure that residential development in established neighbourhoods does not impact the character of the neighbourhood by regulating massing and form;
- Direct Control Districts (DCDs) may be applied in areas where it is desirable to exercise control over the use and development of land. Saskatoon has eight DCDs, including for River Landing and The Willows; and
- Architectural Control Districts. More information is below.

Architectural Control Districts (ACD) and Heritage Conservation Districts (HCD)

The *Planning and Development Act, 2007* limits the City's ability to regulate architecture to ACDs applied to a designated geographic area. The City cannot regulate architecture in a more general manner or by attaching conditions to a rezoning or discretionary use application. ACDs are intended to preserve the physical character of an area or to promote a design theme for an area.

The process to establish an ACD requires at minimum two years and involves completing a planning study, design plan, engagement with affected property owners and stakeholders, and preparing the necessary bylaw amendments for consideration by City Council.

The OCP states that ACDs should be applied only in areas where there is a clear public interest. ACDs are embedded within the Zoning Bylaw. Saskatoon has two ACDs: ACD1 – South Downtown Area (River Landing) and ACD2 – Broadway (B5B Overlay Zone).

HCDs are typically reserved for areas with outstanding heritage value such as buildings, streets and landscaping or a group of original buildings which uniquely represents a historic period. There are currently no HCDs in Saskatoon. Designation of an HCD via *The Heritage Property Act* can ensure that heritage conservation objectives are sustained into the future.

ACDs and HCDs differ by their enabling legislation but are similar in terms of applying additional controls on how a specifically selected group of properties can be used and developed in line with either design guidelines or heritage guidelines. ACDs can be more flexible than HCDs in that the rationale required to designate a district is not strictly limited to clearly defined 'heritage' significance but can be used to promote any kind of desired design theme. An ACD or HCD may in some cases be combined with a Direct Control District to further protect the character of the designated area.

Developer's Architectural Controls

Developers can adopt architectural controls which require the builder and homeowner to stay within specified guidelines. For example, Saskatoon Land applies architectural controls in greenfield developments to create a comprehensive community vision, strengthening streetscapes and fostering diversity while achieving a unifying architectural theme. The standards may include elements such as dwelling styles, massing and relief, front entry, exterior materials and others. These controls are implemented by the developer through sales agreements and not through the City's regulatory planning and development processes. Where there is a discrepancy between the developer's architectural controls and the Zoning Bylaw, the Zoning Bylaw takes precedence.

Other Bylaws, Policies and Plans

There are other bylaws, policies and plans which have relevance to neighbourhood character including the Tree Protection Bylaw, Civic Heritage Policy and Local Area Plans. Each provide guidance on defining elements that contribute to neighbourhood character. Administration is not directly considering these in the context of HAF.

DISCUSSION/ANALYSIS

From the municipal scan, there is no consensus on what constitutes neighbourhood character or which elements of neighbourhood character should be protected. In general, neighbourhoods can be characterized by many different features, including but not limited to architectural features, building massing, lot size and landscaping. As noted in this report, several planning policies and regulations influence neighbourhood character and can be implemented to protect certain neighbourhood characteristics:

 OCP policies and zoning regulations which regulate building form and lot size. Amendments being brought forward through the HAF will result in some development standards being changed; however, others will remain and will continue to define the built form in line with existing patterns;

- As noted in this report, significant time and effort, as well as thorough consideration of rationale and implications, is involved to establish ACDs and HCDs. As such, ACDs and HCDs can be impractical tools to protect neighbourhood character in a general sense and could add barriers to the achievement of the City's Housing Accelerator Fund commitments; and
- Other Bylaws, Policies and Plans which provide guidance for specific elements of neighbourhood character.

In established neighbourhoods, the Neighbourhood Infill zoning regulations which apply to primary dwellings, are a tool that is being used to ensure building form is in line with existing patterns. The development industry has indicated these regulations limit the potential development that can be built. An initiative identified in the Housing Action Plan is to undertake a review of the Neighbourhood Infill regulations. This will begin in mid 2024 and is anticipated to be completed by mid 2025. As part of this review, Administration will be considering a housing design catalogue for Saskatoon. A housing design catalogue contains standardized or pre-approved housing designs intended to enable quicker development approvals and this could be a way to promote infill designs that consider neighbourhood character. The Government of Canada has announced consultations on a national housing design catalogue and will be exploring ways to support municipalities in their own local housing design catalogues.

In summary, the City has planning tools that can be used to impact some elements of neighbourhood character, but they can be costly and onerous to develop and implement. In the context of HAF they contradict the intent of removing barriers to the development of more housing.

FINANCIAL OR OTHER IMPLICATIONS

There are no financial, privacy, legal, social or environmental implications identified.

NEXT STEPS

Administration will begin the review of the Neighbourhood Infill regulations in mid 2024, to be completed by mid 2025. This review includes stakeholder and public engagement.

APPENDICES

- 1. Map of Transit Development Area
- 2. Neighbourhood Character in Other Cities

REPORT APPROVAL

Written by:	Patrick Lo, Planner
	Christine Gutmann, Senior Project Planner
Reviewed by:	Chris Schulz, Planning Project Services Manager
	Lesley Anderson, Director of Planning and Development
Approved by:	Darren Crilly, Acting General Manager, Community Services

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