

## INCENTIVIZING MULTI-DWELLING HOUSING - ANALYSIS AND CONSIDERATIONS FOR THE SMALL SCALE RESIDENTIAL ZONES

### Recommendation

That the June 3, 2025, Urban Planning and Economy report UPE02149, be received for information.

<b>Requested Action</b>	Information Only		
<b>ConnectEdmonton's Guiding Principle</b>	<b>ConnectEdmonton Strategic Goals</b>		
<b>CONNECTED</b> This unifies our work to achieve our strategic goals.	<b>Urban Places</b>		
<b>City Plan Values</b>	BELONG. LIVE. THRIVE. ACCESS.		
<b>City Plan Big City Moves</b>	A community of communities Rebuildability City	<b>Relationship to Council's Strategic Priorities</b>	15-minute districts
<b>Corporate Business Plan</b>	Transforming for the future		
<b>Council Policy, Program or Project Relationships</b>	<ul style="list-style-type: none"> <li>Zoning Bylaw 20001</li> </ul>		
<b>Related Council Discussions</b>	<ul style="list-style-type: none"> <li>October 16, 2023, Urban Planning and Economy report UPE02036, Charter Bylaw 20001, To adopt a new Zoning Bylaw for the City of Edmonton and repeal Bylaw 12800</li> <li>June 3, 2025, Urban Planning and Economy report UPE02698, Zoning Bylaw 20001 One Year Review</li> </ul>		

# INCENTIVIZING MULTI-DWELLING HOUSING - ANALYSIS AND CONSIDERATIONS FOR THE SMALL SCALE RESIDENTIAL ZONES

## Previous Council/Committee Action

At the October 16, 2023, City Council Public Hearing, the following motion was passed:

That Administration provide a report outlining options to further incentivize multi-dwelling housing through modification to built form regulations, such as site coverage, height and building length, for the (RS) Small Scale Residential Zone.

## Executive Summary

- Zoning Bylaw 20001 aligns zoning regulations with the The City Plan, which includes increasing density and creating a more sustainable urban environment. The bylaw introduced the (RS) Small Scale Residential Zone to allow for a range of small scale housing forms up to three storeys in height in redeveloping areas.
- Administration reviewed development permits data from 2024 and conducted an analysis of the dwelling types achieved through the RS Zone to determine if its regulations resulted in multi-unit development.
- Based on development permit data from 2024, there has been an increase in multi-dwelling housing applications across the city.
- Multi-dwelling housing accounted for approximately 85 per cent of the total number of dwelling units approved in the RS Zone in 2024.
- District Plans and the Priority Growth Area Rezoning project further support The City Plan's growth targets and facilitate multi-unit housing through strategic policy guidance for redevelopment within the nodes and corridors and City-led rezonings in areas that are anticipated to experience more residential development as Edmonton grows to a population of two million residents.
- Administration does not recommend introducing amendments to Zoning Bylaw 20001 to create incentives for multi-dwelling housing. For the purpose of allowing and approving a range of small scale multi-dwelling housing opportunities, the RS Zone is working as intended.

## REPORT

Over the past 10 years, incremental changes to the Zoning Bylaw have been made to remove regulatory barriers and support more diverse housing options throughout Edmonton and increase density through infill development.

The City Plan directs Edmonton's growth to accommodate an additional two million people and sets a target of 50 per cent infill development for all new housing units, with 600,000 new units in Edmonton's redeveloping areas<sup>1</sup>. The Zoning Bylaw supports these targets by enabling diverse housing forms city-wide and expanding opportunities for multi-dwelling housing in redeveloping areas.

Zoning Bylaw 20001 combines different housing types, such as single detached housing, duplex housing, semi-detached housing, row housing, multi-unit housing, secondary suites and backyard

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<sup>1</sup> Redeveloping areas consist of any neighbourhood that is fully developed and has opportunities for redevelopment. This area is generally defined as encompassing lands located within Anthony Henday Drive and will be supported by concentrated development in nodes and along corridors.

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housing into a single residential use. In the (RS) Small Scale Residential Zone, the residential use is permitted and does not limit housing types, providing greater flexibility in how dwellings are arranged within a building and what can be developed on a site.

For the purpose of this report, the “multi-dwelling housing” includes any new development that comprises more than one residential dwelling unit. This includes single detached housing with backyard housing or secondary suites, semi-detached housing, duplex housing, row housing and multi-unit housing (e.g. small apartments). Secondary suites and backyard housing have also been included in total unit counts as they represent units added to a site.

### **Housing Forms in the RS Zone**

The RS Zone is intended to allow for a range of small scale housing forms, such as single detached housing, semi-detached housing, row housing and multi-unit housing up to three storeys in height within redeveloping areas of the city. It replaced six low density residential zones in Zoning Bylaw 12800, expanding the potential for multi-dwelling housing in existing neighbourhoods.

Under Zoning Bylaw 12800, most commonly sized lots<sup>2</sup> could be developed with up to six dwelling units without the need for a rezoning. However, Zoning Bylaw 12800 restricted the development of row housing and multi-unit housing to specific locations and zones.

The RS Zone allows up to eight or more dwellings units depending on the lot size and location. As well, row housing and multi-unit housing can be developed on any lot, allowing for more housing to be built in more areas. The zone also contains regulations that establish minimum setbacks and maximum site coverage, height and building length that set practical limits on the size and scale of new buildings, to ensure compatibility with development in established areas.

### **Incentivize Multi-Dwelling Housing**

Administration has conducted an analysis of 2024 development permit data and explored opportunities to further incentivize multi-dwelling housing through regulations such as site coverage, height and building length.

To identify whether incentives to develop more multi-dwelling housing are needed, Administration:

- Assessed the total number of development permits issued for single detached housing in comparison to multi-dwelling housing in the RS Zone in 2024.
- Assessed the total number of approved residential dwelling units associated with single detached housing compared to multi-dwelling housing in the RS Zone in 2024.
- Compared the total number of residential dwelling units by housing type approved in 2024 against historical permit data of the last five years (2019 - 2023) under Zoning Bylaw 12800.

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<sup>2</sup>Lots within the city’s redeveloping areas are typically 600 sq. m., with dimensions of roughly 15 m wide by 40 m long (50x130 ft). While lots may vary in size due to where the lot is located, time of subdivision and other factors, for the purposes of this report “commonly sized lots” is referring to those properties with a site area of 600 sq. m.

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- Analyzed feedback about multi-dwelling housing gathered through targeted stakeholder engagement as part of the One Year Review of Zoning Bylaw 20001.

### Results

Analysis of multi-dwelling housing in the RS zone indicates that the Zoning Bylaw continues to enable a variety of housing types and which shows that multi-dwelling housing has increased in 2024 compared to the previous five years.

Attachment 1, RS - Small Scale Residential Zone Development Permit Data Analysis, provides a detailed overview of results.

#### Development Permits

In the first year of Zoning Bylaw 20001 being in effect, the RS Zone has seen a greater proportion of multi-dwelling housing units built in comparison to dwellings with one unit. This indicates that the majority of residential development permits in the RS Zone are for multi-dwelling housing.

In 2024, 555 residential development permits were approved in the redeveloping area. These permits included single detached housing, semi-detached housing, duplex housing, row housing and multi-unit housing. Some single detached house permits were issued with more than one dwelling, in the form of secondary suites, meeting the definition of multi-dwelling housing. Taking this into account, those permits issued for single detached houses with only one residential dwelling totalled 28.6 per cent (159 permits). Development permits for single detached houses with more than one dwelling unit totalled 18 per cent (100 permits).

Row house permits were the second largest housing form approved at 29.7 per cent (165 permits). Semi-detached house and duplex permits and multi-unit housing permits were less prevalent at 21.1 per cent (117 permits) and 2.5 per cent (14 permits) respectively.

#### Dwelling Units

Multi-dwelling housing accounts for approximately 85 per cent of the total number of dwelling units approved in the RS Zone, of which row house developments (with and without secondary suites), accounted for more than half of the total dwelling count at 50.6 per cent.

In 2024, there were 177 development permits issued for backyard houses that resulted in 258 new dwelling units. The total number of dwelling units approved for each backyard house permit ranged from one to four, indicating that multi-dwelling housing is present even within backyard housing.

#### Historical Multi-Dwelling Development Permits

Since 2019 there has been an increase in all forms of multi-dwelling housing. This includes a significant increase in the number of backyard housing, semi-detached housing and row housing developments.

On average, row housing development permits added 146 new dwelling units per year from 2019 to 2023. This number increased to 1,216 in 2024, reflecting:

- A greater demand for this housing type.

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- The RS Zone enabling more opportunities to supply this housing need.
- Canada Mortgage and Housing Corporation (CMHC) financing programs supporting the viability of redevelopment for row housing.

### **Incentives in Zoning Bylaw 20001**

Outside of the expanded definition of the residential land use, there are no specific incentives for multi-unit dwellings in the RS Zone. However, the RS Zone allows for a two per cent increase to the maximum site coverage to accommodate:

- A single storey unenclosed front porch.
- Retain an existing historic building.
- Supportive housing or incorporate inclusive design in at least 20 per cent of the proposed dwellings in the building.

Industry stakeholders engaged as part of the One Year Review indicated that these incentives are not being actively utilized as part of their development permit applications. This is in part due to the higher costs to incorporate these features which outweigh the benefits of the additional site coverage.

### **Regulations That Limit Multi-unit Dwellings in the RS Zone**

The site and building regulations establish practical limits to the size, scale and intensity of any new development within the RS Zone. Building height establishes how tall a building can be, setback regulations create space between on site buildings and property lines, site coverage sets limits to how much area of a site can be built upon.

The RS Zone contains two specific regulations that limit the number of dwellings that can occur on a site:

- The minimum site area per dwelling unit on a site is 75 square metres.
- The maximum number of dwellings on an interior site is eight.

If the area of a corner site and an interior site were both 675 square metres, the corner site could have up to nine dwelling units, while the interior site would be limited to a maximum of eight units, provided that the development met all the other regulations of the Zoning Bylaw.

The purpose for introducing the eight unit limit for interior sites was to limit potential impacts of more intense residential development on surrounding properties, while incrementally allowing for more housing to be developed throughout existing neighbourhoods. The eight unit maximum also provides certainty about the maximum number of dwellings that are possible on an interior site.

Administration conducted an analysis of the eight unit maximum in the RS Zone through the June 3, 2025, Urban Planning and Economy report UPE02698, Zoning Bylaw 20001 One Year Review.

### **District Plans and Priority Growth Areas**

The City Plan's density goals are also facilitated and incentivized through the approval of District Plans and projects like the Priority Growth Areas Rezonings. District Plans provide policy guidance

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for rezonings that can enable multi-unit housing at different scales throughout the city, such as the nodes and corridors and under specific criteria within the urban mix areas. The Priority Growth Areas Rezoning project, if approved, further facilitates multi-unit housing development opportunities through City-driven rezonings in five key nodes within the Wìhkwêntôwin Node, 124 Street Corridor, 156 Street and Stony Plain Road Corridors and the University-Garneau Node. The benefits of these rezonings:

- Create more certainty for applicants and the surrounding community about the developments that will be encouraged and supported,
- Reduce costs and risk associated with developer-initiated rezonings, and
- Unlock land supply in existing neighbourhoods with existing services and access to mass transit.

### **Conclusion**

Based on the development permit and variance analysis of multi-dwelling housing and feedback received from the targeted stakeholder interviews, Administration does not recommend introducing amendments to Zoning Bylaw 20001 to create incentives for multi-dwelling housing. For the purpose of allowing and approving a range of small scale multi-dwelling housing opportunities, the RS Zone is working as intended. The analysis highlights that a variety of different housing forms are being approved and the maximum allowable unit density is not always sought out.

Zoning Bylaw 20001 made a shift away from regulating specific residential built forms to allow applicants or homeowners greater choice in how they redevelop their properties. As the data illustrates, a variety of different housing forms are being approved in the RS Zone. Single detached housing is being built with and without additional dwellings, but these sites could be renovated or added onto in the future. The different residential built forms and configurations adds to the diversity of housing possible in the RS Zone and greater choice for Edmontonians. This is complemented by the approved District Plans and activated by projects like the Priority Growth Area Rezoning that encourage and facilitate multi-unit housing development in areas such as the nodes and corridors that are anticipated to experience more residential development as Edmonton grows to a population of two million residents.

### **Community Insight**

As part of the Zoning Bylaw 20001 One Year Review, Administration conducted targeted stakeholder interviews from October to December 2024 to gather feedback from individuals, organizations and businesses who, through themselves or their members, had direct experience with the bylaw through development permit or rezoning applications. Administration also interviewed representatives from community leagues and business improvement area associations who provided general insights on the bylaw's impact to neighbourhoods and businesses over the past year. The intent of these interviews was to gain perspectives on how the Zoning Bylaw was functioning since its adoption.

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Specific questions regarding multi-dwelling housing and the eight unit maximum in the RS zone were asked. Findings from these discussions can be reviewed in Attachment 3, Zoning Bylaw One Year Review What We Heard Report of the June 3, 2025, Urban Planning and Economy report UPE02698, Zoning Bylaw 20001 One Year Review.

A high level summary of perspectives on multi-unit dwellings and the eight unit maximum in the RS Zone is provided below:

- Participants felt that different housing types should not be regulated differently.
- Industry participants noted that removing barriers through zoning regulations would incentivize multi-dwelling housing more than introducing more regulations to encourage specific built forms.
- Industry participants indicated that the site coverage and minimum site area per unit requirements were the biggest barriers to multi-dwelling housing in the RS Zone. Some noted their clients are seeking rezonings from the RS Zone to the RSM Zone to build multi-dwelling housing due to the higher site coverage limits and the absence of dwelling unit maximums, reducing the risk of variances being denied.
- Incentives outside of the City's control, such as the Canadian Mortgage and Housing Corporation (CMHC) financing programs<sup>3</sup> have made row housing developments more financially viable.
- Some community participants shared concerns that going from one dwelling on a property to a maximum of eight is a dramatic change, but there was no clear direction on an appropriate maximum number of dwellings.

### GBA+

One of the key goals of the new Zoning Bylaw was to create the opportunities where different housing options could be available in a neighbourhood to accommodate people in different types of living arrangements and needs. This is supported through the broader Residential Use that allows for a range of housing types in the RS Zone as permitted developments. Through the data analysis Administration has identified that Edmonton is seeing diverse housing options being approved in the RS Zone.

### Environment and Climate Review

To achieve The City Plan's Big City Move which promotes a denser, well-connected city that also achieves climate resilience goals, growth within the Redevelopment Area must be adaptive and reimagined in ways that prioritize existing essential urban infrastructure (i.e. roads, transit, electricity, water, storm and sewage systems), allow increased housing variety types which support housing affordability, and fosters engagement with residents to understand community needs. Given that no new changes are being proposed to the Zoning Bylaw to incentivize multi-dwelling housing,

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<sup>3</sup> [CMHC's MLI Select Mortgage Insurance](#) aims to encourage the development of affordable, accessible and climate resilient housing units. Borrowers can take advantage of higher loan-to-value ratios and longer amortizations if the proposed projects incorporate a certain level of affordable, energy efficient and/or accessible features.

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the environment and climate consideration of developing multi-dwelling housing based on the presented data is focused on sustainable land use practices.

- **Sustainable Land Use:** The 2024 review of both the approved residential permits and development of dwelling units within the RS Zone has demonstrated that a greater proportion of new dwellings developed in this zone were multi-dwelling housing units. These types of developments create different configurations of dwellings and enable housing possibilities, which support climate resilience and sustainability, through efficient land use. As an outcome, greenhouse gas emissions are reduced.<sup>4</sup> Key implications are:
  - Through such housing choices, less land is being converted to accommodate outward growth and is preserved as viable land for future agricultural uses or other ecological purposes, such as habitat preservation or restoration projects within the City.
  - More compact developments support incremental density and facilitate transport-oriented developments, which enables communities to rely more on multi-modal transportation options and less on single occupancy vehicles.
  - Through location efficiency and diverse dwelling choices, the City supports redevelopment with essential infrastructure that already exists, instead of prioritizing new and expensive expansion projects to the infrastructure network.

Ongoing monitoring and analysis of data on multi-dwelling development trends align with The City Plan's vision for a climate-resilient city, achieved through thoughtful adaptation of the existing built environment and urban landscape.

### Attachment

1. RS - Small Scale Residential Zone Development Permit Data Analysis

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<sup>4</sup> Winkelman, S. (October, 2021): Location, location, location: Three ways land use can tackle both the climate and housing crisis. Corporate Knights. Accessed from: <https://www.corporateknights.com/built-environment/15-minute-neighbourhoods/>