



DATE OF MEETING: June 6, 2023
TO: Denman Island Local Trust Committee
FROM: Narissa Chadwick, Island Planner (Regional Planning Team)
Local Planning Services
COPY: Renee Jamurat, Regional Planning Manager
SUBJECT: Housing Review Project Preliminary Report

RECOMMENDATIONS

1. That the Denman Island Local Trust Committee request staff send a letter to relevant First Nations to ask how they would like to be engaged in the development of a housing action plan for Denman Island.
2. That the Denman Island Local Trust Committee request staff forward the June 8, 2023 report and other relevant materials, with a terms of reference, to the Denman Island Housing Advisory Committee for review and comments by October 1, 2023.
3. That the Denman Island Local Trust Committee request that staff ask the Denman Housing Action Group to help gather community based information relevant to understanding housing need.
4. That the Denman Island Local Trust Committee request staff identify public engagement options.
5. That the Denman Island Local Trust Committee request that staff develop a project charter for the next phase in the Housing Review Project.
6. That the Denman Islands Local Trust Committee request staff to develop a business case focussing on the need for a water availability assessment as part of the housing project for 2024/25.

REPORT SUMMARY

The purpose of this report is to:

- Provide background on past efforts related to housing on Denman Island;
- Provide an overview of what is known of housing needs on Denman Island based on past work;
- Identify steps for addressing housing needs (Suitable Land Analysis and OCP and LUB Options); and
- Recommend next steps for the Denman Island Housing Project.

BACKGROUND

Housing has been a key concern for Denman residents for over the past two decades. The traditional approach to land use planning on Denman Island has resulted in zoning that has almost exclusively supported the development of single detached housing. As numerous housing studies have indicated, this has limited housing options and contributed to housing challenges. Changes made to the Official Community Plan (OCP) and Land Use Bylaw (LUB) to allow secondary suites in some zones, and secondary dwellings by Temporary Use Permits (TUPs) as a result of the 2013 Housing Needs Review, increase the opportunity for more diversity in housing to some degree. However, increasing community concern contributing to the initiation of the Denman Housing Project in 2022 indicates that there is more to be done to address housing need on Denman Island.

Past efforts to address housing and steps leading up to and supporting the current Denman housing project are summarized below.

Housing Consultation and Reporting for Denman Over Two Decades

In a document review presented to the Denman Island LTC on April 4, 2023, the Denman Island Housing Action Group (DIHAG) provided summary and analysis of a number of public consultation processes and reports related to housing on Denman Island produced in the last 20 years. Staff have reviewed all of the documents identified by DIHAG, as well as others, and confirm DIHAG's observation that over the past two decades that there has been a high degree of consistency in observations and recommendations related to housing. Providing adequate and affordable housing for Denman residents with minimal environmental impact is a central theme.

An annotated bibliography of reports can be found in Appendix 1. Staff are working to have many of these reports available on the Islands Trust website. Staff have used these documents to help identify housing needs and options for LUB and OCP amendments (described later in the report).

Resulting Outcomes of Housing Initiatives Over the Past Two Decades

The outcome of rezoning applications and LTC Projects related to housing over the past two decades include:

2010 – Density Bank created as part of 2009 OCP Review

2011 - Housing Cooperative led CoHo Landing rezoning application resulted in permitting 15 single detached home on a cooperatively owned property (5201 Denman Rd.).

- 2014 – 2013 Denman Housing Needs Project resulting in approval of OCP and LUB amendments permitting secondary suites (outright) and secondary housing units (through TUP) on lands zones R2 (rural residential), A (agricultural), F (forestry) and RE (Resource).
- 2017 – Denman Community Land Trust Association rezoning application resulted in permitting 8 units of seniors housing (Pepper Lane – 3730 Denman Rd.)
- 2022 – Denman Housing Association rezoning application resulted in permitting 20 units of rental housing (mixed market and affordable) (Denman Green - 6080 Woodham Rd.)

Denman Housing Review 2022/23

In July 2022 the Denman LTC approved a project charter supporting the Denman Island Housing Review Project. The purpose of the project was to: “Through the use of a consultant, engage the APC, community members and stakeholders to assist in identifying necessary updates to the Denman Island Official Community Plan and Land Use Bylaw to increase housing options for affordable and attainable housing. Develop recommendations for policy and regulatory amendments that will minimize impacts of housing generally to better protect the environment while supporting equity, diversity and inclusion”.

The project began in May 2022 and was completed in March 2023. Vancouver Island University’s (VIU) Mount Arrowsmith Biosphere Region Research Institute (MABRRI) was retained to facilitate public engagement and provide a report on their findings. The process was criticized by community members, including the DIHAG, for not effectively engaging the community, not providing background on housing need and not acknowledging work that had been previously done to identify and address housing needs on Denman.

Denman OCP and LUB Housing and Short Term Rentals Review 2023/24

In fall of 2022 a business case was submitted to Trust Council for 2023/24 funding and allocation of staff time to address housing needs through amendments to the OCP and LUB. A budget of \$18,000 and Regional Planning Team time was allocated to this project for fiscal 2023/24. Of this, \$6000 has been allocated to legal review and \$12,000 to the development of communication and educational information/community information meeting(s) and public hearing. With LTC direction, staff will develop a project charter identifying timing and funding allocation.

Related Regional Planning Committee Directives

The Denman Housing Review will benefit from work that is being supported by the Trust Council Regional Planning Committee. This work includes: the development of a Trust Wide Housing Strategy, the development of a suitable land analysis methodology (to be discussed in more detail further in this report), and an update to housing needs assessments Trust Wide in 2024/25.

Regional Planning Team

The development of the regional planning team was the result of the Local Planning Services Review, an initiative of the previous Trust Council. Regional planning team members work on major projects throughout the Trust Area. Having Regional Planning Team staff work with a number of Local Trust Committees (LTC) helps build staff expertise in specific topic areas and facilitate information sharing that benefits all the islands in the Trust Area. For instance, Denman has the opportunity to benefit from

housing project work done on Mayne Island as well as freshwater sustainability implementation work done for North Pender Island and Galiano Island.

WHAT IS KNOWN - HOUSING NEEDS ON DENMAN ISLAND

As identified by past engagement processes and housing related projects on Denman, the lack of housing inventory, diversity in housing and increasing property values have made purchasing and renting housing increasingly less accessible and attainable for residents on Denman Island. As the 2018 Housing Needs Assessment, Northern Region of Islands Trust identifies, “based on the population growth projected for 165 units and 48% need for affordable rental, Denman Island now requires up to 80 affordable housing units”. This number may have increased since the last census. Many of the reports contained in Appendix 1 point to a variety of similar housing needs; and many of these needs are identified in the following summary below.

Who Needs Housing?

Seniors - The need for affordable and attainable seniors housing has been a key theme throughout the past two decades. The Denman Island’s population is increasingly comprised of seniors. The 2021 Statistics Canada report identified that 52% of the population is over 60 years old .There are 110 seniors on Denman that are considered low income households. The 2014 report Affordable Housing for Seniors on Denman Island identified a strong interest in seniors housing that is smaller scale in size and close to the Denman Island Village.

Families with children - According to Statistics Canada data there are 145 families (households with children). Almost half (70) of these households are lone parents. The number of households with children increased from 120 in 2015 to 155 in 2021. During this time the number of lone parent households has increased by 20. Lone parent families, in general, are statistically the most vulnerable when it comes to housing. More data is needed to determine what the housing need for families is.

Workers and volunteers - A number of reports identify that individuals and families have had to leave Denman Island because of the lack of housing options. This has a negative impact on services that are critical to the functioning of the community. As identified by Islands Trust staff in the 2022 business case submitted to Trust Council, as of June, 2021, the preschool, General Store, and at least one farm are having trouble finding staff, mainly due to lack of housing on the island. The labour and volunteer force will continue to decrease if affordable housing options are not available.

Inadequate housing and hidden homeless - A number of reports have identified the existence of the “hidden homeless”. These are people living in places that are considered unsuitable and inadequate for human habitation such as travel trailers, vehicles and busses, tents or other temporary accommodation. These living conditions tend to be under reported as they violate bylaws. The 2018 Needs Assessment report for Denman identified that 83% of survey respondents indicated they were aware of people living in illegal and inappropriate housing on the island. This trend has continued. A community based assessment is needed to get a clearer picture of this need.

Households in core housing need - Those in core housing need are paying over 30% of their income on housing and are living in dwellings that are considered unsuitable or inadequate. On Denman 105 households are identified to be in core housing need according to 2021 Statistics Canada data.

Housing Needs Considerations

Affordable and adequate rental opportunities. Permanent rentals has been a consistent housing need over the decades. About 90% of the survey respondents related to the 2013 Affordable and Convenient Housing Needs report indicated that rental units on Denman were inadequate. Other reports since then identify the existence of inadequate housing as well as unsafe housing conditions and insecure tenure. Another issue that has been identified is the existence of seasonal rentals which results in residents having to find temporary accommodation in the summer months. The DIHAG in their February 2023 presentation to the DILTC identified the rental vacancy rate to be “almost 0%”.

Subsidized development of owner housing. While there is a clear role or purpose for rental housing on Denman, for those wanting to be rooted in the community, attainable and affordable ownership could be a more desirable option. The median value of single –family dwellings identified in the 2021 Statistics Canada data is \$645, 000. The Basic Housing Information Denman Island report provided by Peter Spur in January looked at BC Assessment data for 2022 and identified that the average price of housing on Denman was \$1,003,859. Only five of these were priced below \$700,000. As Spur identified, this would be unattainable for a majority of Denman residents where the median income is \$59,200. Understanding what is needed and developing a Housing Action Plan will enable Denman to be in a position to take advantage of funding opportunities and partnerships that may result in subsidized ownership and rental opportunities.

Legalizing existing housing. As a number of report identify, in cases where “illegal” housing is providing safe and secure fulltime accommodation efforts should be taken explore how to bring these dwellings into conformity with the OCP and LUB. In some cases these may be secondary dwellings existing without TUPs. There may be secondary suites where they are not permitted. The proliferation of dwellings in the Agricultural Land Reserve suggests consideration of an application for ALR exemption.

Provision of a mix of housing options. As identified by 2021 Statistics Canada data, 96% of Denman’s occupied dwellings are single-detached houses. Secondary suites are permitted in some zones, secondary dwellings (including travel trailers, buses and similar vehicles) are only permitted with TUP. There are no multi-family developments. Due to lack of options those in need of affordable housing are using a range of means to meet housing needs, including shared housing, illegal dwelling units, and non permitted trailers and mobile homes. As will be identified in the next section, there are many options the LTC could consider to further increase opportunity for housing diversity.

Updating Needs Assessment

Staff acknowledge the importance of an updated needs assessment that includes both qualitative and quantitative analysis in order to understand the intensity of each of the needs identified above and

identify needs that may not have been captured. This will help Denman set targets in their Housing Action Plan to be ready for potential future finding opportunities.

Updating housing need data for Denman will be done during the course of this project. An Islands Trust Wide housing needs assessment update is a priority of fiscal 2024/25. Staff recommends that the LTC consider engaging the DIHAG, if they are interested, to help with identifying hidden needs that may not be captured by the consultant or staff leading the needs assessment processes. DIHAG could also be involved designing a qualitative survey to be used as part of the formal needs assessment process.

Not having an updated needs assessment should not delay the continuation of this project. Reports indicate that many of the needs identified above have not been addressed.

Some 2021 Statistics Canada Data relevant to housing is contained in the Denman Island Housing Profile Snapshot contained in Appendix 2.

STEPS TO ADDRESSING HOUSING NEED

Addressing housing need through increasing options and diversity in housing require knowing **WHERE** on the land increases in residential density and intensity of land use can be accommodated with limited risk to the environment, **WHAT** type of housing should be supported through changes to land use policies and regulation. **HOW** the housing is build will be dependent on private land owners, government agencies and not for profit organizations and require advocacy and partnerships.

1. Identifying WHERE to put housing

This step is about balancing housing needs with the ‘preserve and protect’ mandate. Environmental impact and groundwater availability are key considerations in identifying **WHERE** to put housing. OCP Objective 1 speaks very clearly to this interest *“To ensure that housing options are sensitive to ground water availability and sewage disposal capability, guard against contamination of ground water and preserve the rural nature of Denman Island “.*

OCP policy and land use bylaw regulation and zoning options permitting housing diversity enable properties to be “ready” for potential investment by property owners, non-profit and government organizations to build units that address housing need (The chart in Appendix 3 identified the roles different jurisdiction have in providing housing). In urban areas developers identify “ready land” as land that is most conducive to building affordable housing. Ready land in this context is land that is pre-zoned for multi-family and has adequate servicing (e.g. sewage, water, road) that does not need to be developed or updated by the developer. In the Islands Trust Area “ready land” can be considered to be land that has already been pre-zoned and land that is identified to be suitable for development (e.g. has adequate water, impact to the environment will be limited).

Understanding if land is suitable for increasing housing options involves understanding growth limits. This includes knowing if the land has adequate potable groundwater supply and the ecological impacts of increasing density and intensity of use. Denman’s population has grown by 19.4% from 2016 to 2021.

Increasing population if not accommodated appropriately will begin to have negative impacts on a number of environmental factors in addition to increasing health and safety concerns.

Suitable land analysis is a tool that can be used to help identify areas that are most suitable for increasing density and intensity of residential use. Mayne Island piloted the use of a suitable land analysis to identify a pilot area for with flexible housing project. (Flexible housing permits an increase in number of dwellings within a combined maximum floor area of all buildings). Mayne Island’s suitable land analysis involved using existing groundwater mapping data, saltwater intrusion data and data related to contamination potential.

Recognizing the value of suitable land analysis to housing projects, the Island Trust’s Regional Planning Committee has allocated a portion of its 2023/24 budget to the development of a methodology for a more complex suitable land analysis than that used for Mayne Island. This analysis will include build-out mapping and other sources of data (e.g. sensitive ecosystems, steep slope, endangered species) as well as groundwater data. Given the importance of this analysis to Denman’s housing review project, Denman will likely be one of the pilot communities for the suitable land analysis being developed. By this Fall the LTC may have a draft suitable land analysis to help inform the housing project. Denman will still need a water availability analysis to complete the suitable land analysis. This will need to be part of the LTC’s budget request for 2024/25.

Determining suitability of land for increase in density and intensity of land use will also include consideration of social and economic factors including distance to services and distance to ferry.

2. Identifying WHAT can be built

This step is all about increasing housing options by identifying **WHAT** kind of housing should be supported through changes to land use policies and regulations. Permitting, through amendments to the Official Community Plan (OCP) and Land Use Bylaw (LUB), the ability to build a mix of housing in a diversity of locations (using housing agreements where feasible), is the strongest tool LTCs have to support housing affordability. The table in Appendix 4 identifies existing housing policies in the OCP and LUB. Table 1 and 2 below identify options for amendments to the OCP and LUB.

OCP Policy Options

OCP policies need to permit flexibility to build a diversity of housing in a diversity of locations. Creative solutions may be necessary. This could include the development of housing for workers and volunteers in areas that are not currently zoned for housing such as the Community Zones (Institutional, Conservation and Park). It also could mean supporting different approaches to housing such as RV parks or tiny home villages with communal cooking and bathroom facilities. Staff have identified options for OCP amendments in Table 1. Other options may emerge as the project progresses.

Table 1: OCP Policy Options

OCP POLICY OPTIONS	
Option	Staff Comments
MAP SCHEDULE	
Suitable Land Identification - Include map schedule identifying land more suitable for additional housing	Including maps that identify areas most suitable for increased housing would support evaluation of the impacts of both application based and LTC driven projects where increasing density or intensity of land use is being considered. The types of maps that could be added include water balance, groundwater recharge and sensitive ecosystems. These maps do not have to be added to the OCP. If they are added it is likely that they will need to be updated in the future.
FORM/USE	
Remove TUP requirement for secondary dwelling units in all designations	The OCP permits secondary dwelling units in rural and sustainable resource designations by TUP. TUP is not recommended for uses requiring permanent structures. The Denman Island Housing Review (2013) survey indicated strong support for allowing more secondary suites and secondary dwellings. The Denman Housing Review (2023) recommends removing the TUP requirement.
Allow Variations in Housing Form	If there is interest in permitting untraditional forms of housing (e.g. communal cooking and bathroom facilities and separate sleeping units) this will need to be supported by the OCP.
Establish policies for rezoning for tiny home and RV villages in suitable locations.	While there appears to be a need, this type of zoning does not currently exist on Denman Island and is not contemplated by the OCP. This could include identifying land that would be suitable and developing rezoning criteria.
Permit residential use in all designations	Existing OCP policies explicitly support housing in the residential and rural designation. This support should be extended to other designations where housing is supported.
DENSITY/INTENSITY	
Permit flexible housing in residential and other land use designations including lots less than 1 hectare	Flexible housing, piloted on Mayne Island allows additional dwelling units within a maximum combined floor area of all dwellings on a property in suitable areas. Policy restricts parcels less than 1 hectare to one dwelling.
Permit reduction of minimum parcel size in some designations to facilitate donation of land for affordable housing	Subdivision regulation currently includes minimum lot sizes for residential, rural and sustainable resource land designations. The OCP could support a reduction of this minimum if the lot is being donated to and NGO or government organization for the development of affordable housing.
Permit more than 5 dwellings units in R1 if clustering and size is considered	In R1 one dwelling per 1 hectare to a maximum of 5 dwellings is permitted. Consider permitting additional dwelling units if floor area is restricted and clustering is considered.
Permit zoning for additional density in exchange for lots	This involves allowing rezoning for subdivisions of properties where two or more additional lots could be created provided a lot or lots

being donated for affordable housing.	created would be donated to a non-profit or government organization for affordable housing.
Review density bank policy and make updates	The density bank is unique to Denman and can be a useful tool in limiting and redirecting density. The Residential Density Bank Chart in OCP needs to be updated with numbers in standing resolution. It may be useful to identify an alternative way to record changes in density bank beyond standing resolutions that do not require OCP amendment. Density allocations specifically for affordable, First Nations and other specific needs could be considered. Currently secondary suites are not deemed to contribute to density extending this to smaller secondary dwellings could be considered.
WORKFORCE HOUSING	
Require workforce housing as a condition of rezonings for commercial / institutions and industrial purposes	This is an increasing trend in small communities where services are being impacted by lack of housing for workers.
TEMPORARY USE PERMITS	
Develop TUP guidelines for RVs and Tiny Homes.	TUP can be used to legally site RVs and Tiny Homes that do not conform to existing bylaws.
ALR EXCLUSION	
Include policies related to ALR exclusion	Local Governments may apply for land to be excluded from the Agricultural Land Reserve. The OCP should include policies that indicate the circumstances under which an application for exclusion for affordable housing would be appropriate.
OTHER OCP UPDATES	
Update policies that are outdated	Housing policies that refer to actions to be taken that have been implemented should be updated (e.g. Policy 19 referring to review of OCP policies following needs assessment and Policy 29 referring to bringing existing dwellings into conformity pre existing dwellings)
Revisit site specific exemptions in light of potential changes to secondary dwelling policy	Policy 8 identifies specific permissions for Site Specific Zones R1(1) and R1(2). These should be revisited if changes related to secondary dwellings are made.

LUB Regulation and Zoning Options

Table 2 identifies a number of Land Use Bylaw options to address housing needs. These include options such as expanding permission for secondary suites into areas where they are not currently allowed and removing the need for TUPs for secondary dwellings and pre-zoning for subdivision to enable additional density in exchange for lots donated for housing. All LUB options adopted must be consistent with the OCP.

Table 2: Land Use Bylaw Options

LAND USE BYLAW OPTIONS	
Option	Staff Comment
DEFINITIONS	
Review Definitions to ensure consistency with OCP and LUB update	OCP and LUB updates may required updates to definitions. Other definitions may also need to be added
Create definition for variations in housing form	If the LTC wants to support variations in housing form that are not already defined in the LUB a new definition will need to be created.
Revise definition of affordable housing	Denman’s current definition of “dwelling unit, affordable housing” is tied to a housing agreement.
SUBDIVISION	
Subdivision density bonus	If there is suitable land close to services the LTC could introduce density bonus regulations that establish a base permitted lot density, as well as a provision for additional density in exchange for the contribution of a lot or lots for affordable housing.
Smaller lot subdivision	Allow for smaller lot subdivision for the purposes of creating affordable housing. This could also be considered in areas where smaller lots will have minimal impact to the environment. respondents. Staff recommend this be used in limited circumstances where lots are being donated for affordable housing.
TARGETED REZONING	
Review zoning of properties that are currently zoned for multiple dwellings	These properties are identified in the previous section of this report. As they are already zoned and designated for multiple dwellings the zoning and associated regulations could be amended to address current housing needs and opportunities.
Amend zoning to allow for small-scale density bonus in appropriate locations	This would involve rezoning specific properties for subdivision into smaller lots to create additional properties in exchange for donation of a lot to a non-profit or government organization that builds affordable housing.
ZONING TO INCREASE SMALL SCALE DENSITY/INTENSITY	
Permit secondary suites in all areas where dwellings are permitted	<p>Secondary suites are currently not permitted in R1 and R3. 78% of Denman Islands Housing Review respondents indicated interest in expanding secondary suite to R1. R3 is co-housing.</p> <p>Consider changes to secondary suite regulation to permit flexibility (e.g. reconsider form, size, access)</p>
Allow secondary dwelling units outright in appropriate areas	Secondary dwelling units are currently only permitted by TUP in a number of zones. These units could be allowed outright. The LTC may want to expand permission for secondary dwelling units to other zones.
Introduce flexible housing	Flexible housing, piloted on Mayne Island allow additional dwelling units within a maximum combined floor area of all dwellings on a property. The LTC may way to pilot this approach areas that are suitable.

Allow more zones to have some measure of housing outright	Housing is currently not permitted in the Community Zones (Institutional, Conservation and Park). Providing the ability to have housing in zones where is not currently permitted enables options such as housing above community services building or connected to the school for workers and volunteers.
ZONING FOR ALTERNATIVE DWELLING VILLAGES AND HOUSING VARIATION	
Pre-zone for manufactured/mobile/ tiny home parks	If the LTC identifies land appropriate for a manufactured or tiny home village it could pre-zone the land for that use
Permit variations in housing in suitable locations	Variations in housing refers to housing does not meet the current definition of “dwelling unit” which identifies a dwelling as containing cooking facilities. Separate units with shared cooking facility are not currently recognized.
ZONING- SIZE AND SITING	
Increase building height/storeys	Where suitable, the LTC could increase the permitted height of, or number of storeys for buildings. This may include commercial or community service areas where residential units are permitted and could be built above other uses.
GUEST ACCOMODATION	
Review short-term vacation (guest accommodation) regulations	Review regulations related to short term vacation rental to ensure that the intended restrictions are supported by the regulation. Consider restrictions on short term vacation rentals of additional units through the housing project.
ECOLOGICAL FOOTPRINT REDUCTION OPTIONS	
Require freshwater cisterns for all new builds	Other LTCs are considering bylaws requiring freshwater storage of at least 18,000 litres.
Update potable water requirements for subdivision	North Pender has recently update potable water requirements for subdivision. Their bylaw can be used as reference.
Establish floor area and/or lot coverage maximums where appropriate	The LTC could consider these options to limit the size of single dwellings and accessory buildings in order to reduce environmental impact.
Prohibit groundwater fed swimming pools	As the biggest limiting factor for increasing density and intensity of residential use is water regulations prohibiting groundwater fed pools would complement housing.

While permitting a diversity of housing in suitable areas “makes ready” the land for opportunities that may emerge it is important to recognize that expanding permission for housing through OCP and LUB changes will not result in the housing being built. Uptake in increases in residential opportunity is extremely slow and limited throughout the Island Trust Area. How housing gets built, as identified below is dependent on the interest of those who have the land and financing to build.

3. Developing Partnerships to Build Housing : HOW to get housing built

Once the policies and regulations are in place to enable housing options, **HOW** the housing will be built will be dependent on private land owners, government agencies and not for profit organizations. Housing,

no matter how small the dwelling, is expensive to build. Reducing the cost and barriers to building a diversity of housing on the island is multi faceted given the number of jurisdictions involved in different aspects of housing from subdivision approvals to building code to regulating drinking water and sewage (see chart in Appendix 2). A number of actions that contribute to affordable housing being built fall outside of DILTC land use authority but could be addressed through advocacy.

Housing Action Plan

The development of a housing action plan will provide the opportunity to identify actions that are related to the suitable land analysing, the implementation of land use options through bylaw amendment and actions that require coordination and co-operation with other agencies. Should the DILTC decide to proceed with staff recommendations, the benefits of developing a housing action plan for Denman Island will be discussed in the staff report accompanying the Project Charter.

NEXT STEPS

- Staff write a letter to relevant First Nations to ask how they would like to be engaged in the development of a housing action plan for Denman Island.
- The Denman Island Housing Advisory Committee review the Housing Review Options staff report and other relevant material by October 1.
- Staff will connect with the DIHAG to see if they are interested in helping to gather community based information relevant to understanding housing need and will work with them to identify the information required.
- Staff will identify options of public engagement.
- Staff will develop a project charter.
- Staff will develop a business case which include water availability assessment.

RATIONALE FOR RECOMMENDATIONS

- 1. That the Denman Island Local Trust Committee request staff send a letter to relevant First Nations to ask how they would like to be engaged in the development of a housing action plan for Denman Island.** - As First Nations have identified interest in engagement at the start of major projects all major OCP and LUB project should include this step.
- 2. That the Denman Island Local Trust Committee request staff forward the June 8, 2023 report and other relevant materials, with a terms of reference, to the Denman Island Housing Advisory Committee for review and comments by October 1, 2023.** - The DILTC has indicated interest in engaging the newly formed HAPC in the early stages of the housing review project. Providing several months for review will enable the HAPC to explore the option in depth and still provide adequate time for public engagement on options prior to the end of the fiscal year.
- 3. That the Denman Island Local Trust Committee request that staff ask the Denman Island Housing Action Group (DIHAG) to help gather community based information relevant to understanding housing need** – As indicated in the report there is information, such as understanding the situation of the hidden homeless and those living in dwellings that are not permitted, that is not easily captured by census data or formal needs assessments. If DIHAG is interesting in participating staff will work with DIHAG to identify the type of information needed.

4. **That the Denman Island Local Trust Committee request staff identify public engagement options.** As defined in the business case supporting this project, public engagement is a key component. Staff will consult with the HAPC and DIHAG to identify option for public engagement.
5. **That the Denman Island Local Trust Committee request that staff develop a project charter for the next phase in the Housing Review Project.** The project charter will provide focus and timeline for the project.
6. **That the Denman Islands Local Trust Committee request staff to develop a business case focussing on the need for a water availability assessment as part of the housing project for 2024/25.** Any funding and/or staff time required to support this project for 2024/25 requires a business case to be supported by Trust Council. As identified in the report, water availability assessment is a key to understand where additional housing can be built.

ALTERNATIVES

1. The DILTC could choose not to refer this report to the HAPC at this stage and engage the HAPC at another point in the process.
2. The DILTC could choose a different date for the HAPC to return with comments on the June 6, 2023 Housing Review Options staff report. Staff advise recommend this be no sooner than October 1 to allow for detailed consideration and opportunity for public engagement.
3. The DILTC could choose on to recommend staff connect with the DIHAG to explore their interest in helping to gather community based housing needs information and either decide this information is not needed or identify other ways to collect this information.
4. The DILTC could identify preferred public engagement options and request staff to schedule public engagement.
5. The DILTC could choose not to move forward with the housing review project at this time.

Submitted By:	Narissa Chadwick, RPP MCIP, Island Planner	May 26, 2023
Concurrence:	Renée, Jamurat, RPP MCIP, Regional Planning Manager	May 26, 2023

ATTACHMENTS

1. Annotated Bibliography of Past Reports
2. Denman Housing Profile Snapshot
3. Roles and Responsibilities Chart
4. OCP and LUB Policies and Regulations

Appendix 1 – Annotated Bibliography of Report Related to Housing on Denman

Below is a summary of Denman Island housing related projects and reporting undertaken over the past 20 years¹. These have been used to inform the identification of housing need and OCP and LUB amendment options.

2003 Denman Island Local Trust Committee (Special Advisory Planning Commission) Accessory Dwelling Advisory Committee – Final Report. In 2002 the LTC appointed an Advisory Planning Committee to look at accessory dwelling units. The resulting report indicated that the APC was divided on allowing accessory dwelling units. There was consensus related to the type of restrictions that should be in place if they are allowed (e.g. siting, septic, water supply).

2008, Hornby Island Community Economic Enhancement Corporation (Eberle Planning and Research) Housing Needs on Hornby and Denman Island – Final Report. This is a snapshot of housing needs on Hornby and Denman Islands in 2008. Developed through a combination of 2006 Statistics Canada census data, community surveys, and interviews with key informants. The report identifies that renters and elderly residents were in precarious housing situations on both islands. Recommendations for supporting housing need included: affordable home ownership opportunities, assistance for renters, home repair assistance for elder home-owners, home care for elders, elder housing, secondary suites and detached units and emergency/temporary accommodation.

2009 (February), Housing Affordability – A Denman History. This article in the Flagstone written by Directors of the Denman Community Land Trust Association (DCLTA) provides a brief documentation of the history of housing affordability on Denman from 1972 to 2008 when the DCLTA was established. Points of interest include: 1993 when an informal count of renters identified that many of the 60 counted were long-term residents. In 2005 when property values increased considerably many rental units were sold.

2013 (October), Denman Housing Needs Summary Report of August Community, Staff Report. In 2012 the Denman LTC initiated a housing needs review. Public consultation and discussion lead to a focus on secondary suites and secondary dwelling units (including the use of moveable units) and the introduction of Temporary Use Permits (TUP) for approval of secondary dwelling units. The outcome of the housing review was to permit secondary suites (outright) and secondary housing unit (through TUP) on lands zones R2 (rural residential), A (agricultural), F (forestry) and RE (Resource).

2013 (June) Rural Affordable Housing Project, Denman Community Land Trust Association. This report focussed on affordable housing opportunities for those wanting to live and farm in the Agricultural Land Reserve (ALR). The report indicated that the principal need was for affordable housing for those who wished to farm. The major challenge was the lack of regulatory provisions to accommodate farmer-housing options in the ALR. Recommendations included: secondary suites to be permitted on farms, moveable housing units to be permitted without permanent foundations, the development of a regulatory framework to enable cooperative multiple-farmer family housing in the ALR.

¹ Staff recognize that this list may not be exhaustive and welcome contributions to the documents that will be posted on the Islands Trust website.

2013 (November) Affordable and Convenient Housing Needs on Denman Island, Roberts Management Consulting. The report, produced for the Denman Housing Association, identified a significant need for safe and secure rental housing. Of the 44 renters surveyed 90% identified their rental units to be inadequate. The report concluded that “preferred housing was evenly split between affordable rentals, homeownership, and ownership of shared land”. The report indicated that about 80 households on Denman Island need better rental housing. The report suggests that a cluster of low maintenance owned and rental units located near the village would be very suitable for improving housing on Denman Island.

2014 (September) Affordable Housing for Seniors on Denman Island, Sephanie Slater (for Denman Community Land Trust Association). This report explored the need for housing for seniors on Denman Island. Surveys and focus groups identified seniors’ interest in smaller scale housing close to the Denman Island village.

2018 (January), Denman Island Design Charrette Presentation, Planning Students Vancouver Island University. In 2017 the Denman LTC collaborated with Vancouver Island University Masters of Community Planning Students in a four-day community planning and design process with Denman residents. The recommendations for housing included: affordable co-operative housing and introducing 10-12 housing units in the core of downtown.

2018 (July), Housing Needs Assessment, Northern Region of Islands Trust – Final, Dillon Consulting

The 2018 Housing Needs Assessment: Northern Region of Islands Trust concluded that: based on population projections, there could be a need for 165 new residential units in the next 25 year; based on household income only 10% of households could afford a home and existing market rates; Employees are in critical need for affordable secure rental accommodations; as of January 2018 there were no long-term homes to rent and there is a lack of housing options. The report recommendations included: OCP review, housing agreements, support for not-for profit organizations working to increase housing.

2022 Denman Island Farming Regulations Review: Engagement Summary, Upland Agricultural Consulting and Investment Agricultural Foundation– This report reviewed farm worker housing and agritourism accommodation through interviews, a questionnaire and community information meeting. Recommendations included allowing one secondary suite per ALR property and removing the need for temporary use permits for secondary dwelling units (aligning secondary dwelling allowances with ALC Act and regulations).

2022 (April) Draft Project Charter for the “Denman Island Housing and Short Term Rentals Review. The purpose of the project was, through the use of a consultant, engage the APC, community members and stakeholders to assist in identifying necessary updates to the OCP and LUB to increase the options for affordable and attainable housing while protecting the environment.

2023 (January) Basic Housing Information Denman Island, Peter Spur. This report by Denman resident Peter Spur who is a research contractor with a background in planning reviews population and housing data from Statistics Canada over four census periods and well as other sources. It draws similar conclusions related to Denman’s housing supply not addressing housing need particularly for low income households.

2023 (February), Adequate Housing on Denman, Denman Housing Action Group. Presentation to LTC. Provided some background on housing challenges and need. Provided recommendations: legalizing existing secondary housing, expanding secondary suite permissions, limiting combined floor area of new

builds, using housing agreements, encourage clustering, permitting in ALR what is permitted by the ALC, adjusting/revisit density bank, consider environmental impact of all housing.

2023 (March) Denman Island Housing Review Recommendations Report, Vancouver University's Mount Arrowsmith Biosphere Region Research Institute. This report resulted from a review of the Denman OCP and LUB. It involved limited engagement with residents, property owners, local organizations and other agencies to identify a suite of policy and regulatory amendments to increase housing options for affordable and attainable housing. The report identified that "overall, the lack of safe, affordable, and attainable rental housing is the most difficult housing problem on the island". Policy recommendations included

2023 (April) Two Decades of Denman Housing: Time for Action. This document reviews many of the reports identified above. It draws out some key findings and recommendations from each report. It provides an overview of some key statistics and observations and provides a number of recommendations which include: policy changes to permit new and legalize existing secondary housing; permitting tiny home clustering; ALR housing policy and regulation consistent with ALC policy; revisiting density bank.



Roles and Responsibilities





Denman Island Housing Profile

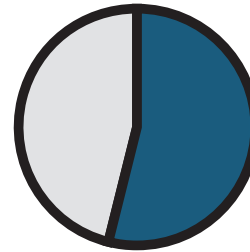
Population and Dwelling Characteristics	2021 Census
Total population	1,391
Population over 60	720
Population change 2016-2021	+ 19.4%
Total private dwellings	881
Change in dwellings 2016-2021	+ 5.5%
Private dwellings occupied by full-time residents	695
Private households	655
Household couples with children	90
One parent households	55
Median income of individuals**	\$31,400
Median income of households of 2+**	\$77,500
Households spending 30% or more of total income on housing *	100
Households in housing that is unsuitable or in need of repair*	105
Households in core housing need***	105

Renter Households	
Full-time households who rent*	85
Median monthly shelter costs*	\$670
% tenants in subsidized housing*	22.2%
% tenants spending 30% or more on shelter*	27.8%

Owner Households	
Full-time residents who own*	570
Median monthly shelter costs*	\$608
Median value of properties	\$645,000



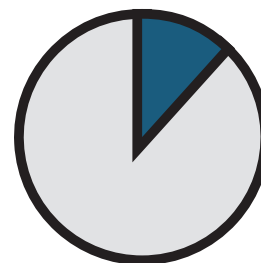
50%
Full-time Occupied Dwellings



52%
Population of age 60+



22%
Households spending 30% + on housing, or are in unsuitable housing or in need of repair, or are in core housing need.



13%
Residents who rent

87%
Residents who own

* Based on 25% sample data (Census)

** Before tax income (Census)

*** When a private household's housing falls below at least one of the indicator thresholds for housing adequacy, affordability or suitability, and spends 30% or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable (attains all three housing indicator thresholds)

Appendix 4 – OCP and LUB Policies and Regulations

OCP Housing Objectives and Policies

Housing Objectives	
Objective 1	To ensure that housing options are sensitive to ground water availability and sewage disposal capability, guard against contamination of ground water and preserve the rural nature of Denman Island.
Objective 2	To ensure housing options preserve human diversity in the community.
Objective 3	To set the maximum for the overall residential density of the Island as the residential density possible with the zoning regulations in place at the time of adoption of this Plan while providing flexibility for a range of dwelling types.
Objective 4	To support the establishment of affordable housing, rental opportunities and special needs housing and provide the opportunity for Island seniors to remain in the community, especially in their own or their families' homes.
Subdivision	
Policy 1	In the Residential designation, the size of new lots created by subdivision may not be less than 1.0 hectare. In areas where the subdivision potential of the existing parcel may have negative impacts on the natural environment, the Local Trust Committee should consider increasing the minimum parcel size in the zoning regulations.
Policy 2	In the Rural designation, the size of new lots created by subdivision may not be less than 2.0 hectares and the average lot size created by subdivision may not be less than 4.0 hectares. In areas where the existing parcel size may have negative impacts on the natural environment, the Local Trust Committee should consider increasing the minimum parcel size and the minimum for the average parcel size in the zoning regulations.
Policy 3	In the Sustainable Resource designation, the size of new lots for forestry uses that are created by subdivision may not be less than 64 hectares, and the size of new lots for agricultural and other uses that are created by subdivision may not be less than 15 hectares.
Policy 4	In the Sustainable Resource designation, the lot size averaging provision should not be used.
Policy 5	In the Sustainable Resource designation, parcel sizes should be regulated in such a way as to encourage and enhance the sustainable resource capability of the land.
Policy 6	When developing subdivision regulations for lots adjacent to or encompassing a watercourse, the Local Trust Committee should consider potential negative impact on the watercourse.
Policy 7	In the Residential designation, parcel consolidations are encouraged wherever possible.

Residential Designation	
Policy 8	In the Residential designation and the Rural designation, the principal use should be single family residential with the exception of the existing cabins on the R1(2) zoned parcel and the rental accommodation on the two R1(1) zoned parcels as permitted by the Denman Island Land Use Bylaw.
Policy 9	In the Residential designation, unless otherwise permitted by Policy 29, zoning regulations should permit one dwelling unit per 1.0 hectare of lot area to a maximum of five dwelling units, provided that the land owner provides the Local Trust Committee with proof that adequate water supply is available for each dwelling unit without endangering the water supply of adjacent land owners. One dwelling unit should be permitted on lots that are less than 1.0 hectare in area.
Rural Designation/Secondary Suites	
Policy 10	In the rural designation zoning regulations should generally permit one dwelling unit per lot, including a secondary suite, provided that the land owner provides the Local Trust Committee with proof of adequate water supply for each dwelling unit without endangering the water supply of adjacent land owners. A secondary dwelling unit may be permitted on a lot if approved by a Temporary Use Permit.
Density Bank	
Policy 11	The overall residential density on Denman Island should generally not increase beyond that permitted by existing zoning on the date this Plan was adopted except that an increase of approximately 5 percent may be permitted to accommodate zoning amendments for special needs and affordable housing, secondary dwelling units approved by the Denman Island Local Trust Committee under a Temporary Use Permit and site-specific zoning amendment applications under Policy 29 of this Section. Notwithstanding the foregoing, secondary suites contained within the footprint of conforming dwelling units are not deemed to contribute to density calculations for the purposes of this policy. *Guidelines for Density Banking are contained in Appendix D.
Building Code	
Policy 12	Landowners are encouraged to ensure that all dwelling units comply with the building safety and waste disposal regulations found in the B.C. Building Code and the applicable health standards.
Sustainable Resource Designation/Secondary Suite	
Policy 13	In the Sustainable Resource designation, zoning regulations should permit one dwelling including a secondary suite per parcel.

Sustainable Resource Designation	
Policy 14	In the Sustainable Resource designation, unless otherwise permitted by Policy 29, on land in the Agricultural Land Reserve: <ul style="list-style-type: none"> • one dwelling could be permitted per the minimum lot area permitted by Subdivision; and • additional dwellings could be permitted if they are required for full-time farm help.
Approval of Secondary Suites Through TUP	
Policy 15	The Local Trust Committee may approve secondary dwelling units on lands within the “Rural” and “Sustainable Resources” designations through a Temporary Use Permit in order to address housing objectives as defined in the Official Community Plan.
Clustering	
Policy 16	Landowners are encouraged to cluster houses and buildings accessory to a residential use to leave areas of undeveloped space.
Non-Profit Housing	
Policy 17	The Local Trust Committee should encourage the establishment and work of non-profit land trusts for affordable housing.
Policy 18	The Local Trust Committee should consider amendments to this Plan allowing the Committee to accept and hold for affordable housing purposes, in accordance with the guidelines in Appendix D, any unused residential densities that are relinquished by owners of lots with subdivision potential or available through land sold or given for conservation or park.
Policy 19	The Local Trust Committee should review the policies in this section once the final report is available for the Hornby and Denman Island Housing Needs Assessment, with a view to determining whether further opportunities for affordable housing are needed and what form any such opportunities should take.
Seniors Housing	
Policy 27	The Local Trust Committee should consider zoning amendment applications for seniors housing provided: <ul style="list-style-type: none"> - that the proposal is not located in a connectivity area identified on Schedule D; - that the proposal is small-scale; - that the siting and height of the proposal is sensitive to the surrounding land uses and does not impact negatively on adjacent properties; - that the proposal proves an adequate supply of potable water and an adequate sewage disposal system; - that the applicants enter into a housing agreement with the Local Trust Committee; - that any environmentally sensitive areas on the lot are identified and the applicant undertakes

- a conservation covenant to protect such areas;
- that the proposal is designated a development permit area to guide form and character; and
- that the proposed development will not place a strain on existing public services and infrastructure.

Affordable Housing Projects

Policy 28 The Local Trust Committee should consider zoning amendment applications for affordable housing projects provided:

- that the proposal is not located in a connectivity area identified on Schedule D;
- that the proposal does not impact negatively on adjacent properties;
- that the proposal is small-scale;
- that the proposal is clustered and the siting and height are sensitive to surrounding land uses;
- that the proposal proves an adequate supply of potable water and an adequate sewage disposal system;
- that any environmentally sensitive areas on the lot are identified and the applicant undertakes a conservation covenant to protect such areas;
- that the proposed development will not place a strain on existing public services and infrastructure.

Zoning for Non Conforming Dwellings

Policy 29 The Local Trust Committee should consider zoning amendment applications:

- to bring into conformity dwelling units that were in existence but did not comply with the policies in this Plan at the time of its adoption on May 15, 2009, provided that the applicant provides written evidence, to the satisfaction of the Denman Island Local Trust Committee, that the dwelling units were constructed prior to the date of adoption of this Plan in accordance with the land use bylaw in effect at the time of construction;
- to bring into conformity dwelling units that were constructed to replace existing dwelling units that did not comply with the policies in this Plan at BL 199 Denman Island Official Community Plan, 2008 55 the time of its adoption on May 15, 2009, provided that the applicant provides written evidence, to the satisfaction of the Denman Island Local Trust Committee, that the replaced dwelling units were constructed prior to the date of adoption of this Plan in accordance with the land use bylaw in effect at the time of construction; and
- to authorize up to 9 dwelling units on land legally described as The south east ¼ of section 26, Denman Island, Nanaimo District.

Land Use Bylaws - Definitions and General Regulations

Definitions
<p>"Dwelling unit" means one or more rooms in a building, containing a single set of cooking facilities, and used or intended to be used, as a residence by an individual or a group of individuals living together in common occupancy (Land Use Bylaw);</p> <p>"Dwelling Unit, Affordable Housing" means a deed restricted and/or rent controlled dwelling unit that is secured by a housing agreement, and is available to persons with a low income as defined by housing agreement for the dwelling unit (Land Use Bylaw).</p> <p>"Moveable housing unit" means a dwelling unit capable of being moved from location to location which does not require a permanent foundation (Land Use Bylaw);</p> <p>"Secondary Dwelling Unit" means a dwelling unit, which may be a moveable housing unit, that is accessory to a permitted principal dwelling unit and which is limited in floor area (Land Use Bylaw).</p> <p>"Secondary Suite" means an accessory, self-contained dwelling unit, located within a building that is a single real estate entity which otherwise contains a single family dwelling, and having a lesser floor area than the principal dwelling unit (Land Use Bylaw).</p>
Principal Dwelling Units (Section 2 – General Regulations, Section 2.1 Uses, Buildings, and Structures)
<p>3. On lots where a principal dwelling unit exists and a subsequent principal dwelling unit is to be created, the landowner must provide proof of an adequate supply of water for the second or subsequent dwelling unit using the rules for proving water for a subdivision in Section 2.8.</p>
Secondary Suites (Section 2 – General Regulations, Section 2.1 Uses, Buildings, and Structures)
<p>4. Secondary dwelling units may be permitted, subject to conditions, by Temporary Use Permit on lands zoned as "R2" (Rural Residential), "A" (Agriculture), "F" (Forestry) and "RE" (Resource). Secondary suites are generally permitted within these zoning designations without the need for a Temporary Use Permit.</p> <p>5 .A secondary suite is permitted within a dwelling unit provided that:</p> <ol style="list-style-type: none"> a) Either the dwelling unit or secondary suite is occupied by the owner of the dwelling unit; or the dwelling unit or the secondary suite is occupied by a person other than the owner who has responsibility for managing the property, including dealing with complaints of neighbours arising from the occupancy of the property; b) There is a maximum of one secondary suite permitted per lot; c) The secondary suite is contained within the walls of a permitted dwelling unit; d) The secondary suite shall have an external access only which is separate from that of the principal dwelling; e) The floor area permitted for a secondary suite is no more than 40% of the floor area of the dwelling unit to a maximum of 90 square metres; f) One off-street parking space is provided for the exclusive use of the secondary suit; and

g) The secondary suite is not subdivided from the principal dwelling unit under the Land Title Act or the Strata Property Act.
Secondary Dwelling Units (Section 2 – General Regulations, Section 2.1 Uses, Buildings, and Structures)
<p>4. Secondary dwelling units may be permitted, subject to conditions, by Temporary Use Permit on lands zoned as “R2” (Rural Residential), “A” (Agriculture), “F” (Forestry) and “RE” (Resource). Secondary suites are generally permitted within these zoning designations without the need for a Temporary Use Permit.</p> <p>6. Where permitted by a Temporary Use Permit a secondary dwelling unit shall:</p> <ul style="list-style-type: none"> a) Not have a floor area in excess of 140 square metres; b) Shall not be located more than 60 metres from the principal residence unless otherwise approved by the Local Trust Committee as a condition of the permit; and c) Be connected to an approved sewerage system. d) Include a rainwater catchment and storage system for a capacity of at least 1,000 gallons unless otherwise approved by the Local Trust Committee as a condition of the permit. <p>7. A written plan for the supply of water is to be provided that demonstrates an adequate supply of potable water prior to the issuance of any permits to allow the use.</p>
Secondary Suites and Secondary Dwellings and Water
<p>8. Where water is supplied to a secondary suite or a secondary dwelling unit by a community water system, the operator of the community water system must provide written confirmation that it has sufficient capacity prior to the issuance of any permits to allow the use.</p> <p>9. Where water is to be supplied from a surface water body, a water license, issued by the Province, must permit the withdrawal of the required amount of water prior to the issuance of any permits to allow a secondary suite or secondary dwelling unit.</p>
Accessory Buildings and Structures
10. Accessory buildings and structures are not to be used for overnight accommodation other than on an occasional basis, except as permitted elsewhere in this Bylaw
Travel Trailers
<p>11. Travel trailers may be stored on the lot and used for occasional non-commercial accommodation.</p> <p>12. A travel trailer, bus or similar vehicle may be used as a principal dwelling unit or as a secondary dwelling unit approved by a Temporary Use Permit on any lot where a single family dwelling is a permitted building provided that it:</p> <ul style="list-style-type: none"> ○ is on a lot larger than 1.0 ha or is screened from adjacent properties subject to Section 2.7; ○ is connected to an approved sewage disposal system; and ○ is considered a dwelling unit for the purpose of residential density calculations.