AGENDA

SALT SPRING ISLAND HOUSING ACTION PROGRAM TASK FORCE

Date: Thursday, November 4, 2021
Time: 10:00 AM
Location: Mahon Hall Annex, 114 Rainbow Road

1. AGENDA **10:00 - 10:05**

1.1. Approval of Agenda

2. MINUTES OF PREVIOUS MEETINGS **10:05 – 10:10**

2.1. Draft minutes of the October 20, 2021 – HAPTF Meeting – For adoption Page 2

3. ADMINISTRATIVE UPDATE **10:10 – 10:55**

3.1. Options to Amend LUB Section 3.17 Page 7

3.2. Tiny Homes Village Pilot Project Page 18

3.3. Review of OCP

4. PRESENTATION **10:55 – 11:25**

4.1. Mairi Welman – Public Engagement

5. OTHER BUSINESS **11:25 – 12:00**

5.1. Public Engagement – survey, webpage and activities

5.2. Housing Authority

6. ADJOURNMENT

ATTACHMENTS

1. **Myths and Facts About Affordable & High Density Housing**
   – California Planning Roundtable 2002 Page 21
2. **A Scan of Leading Practices in Affordable Housing**
   – BC Housing Oct 2017 Page 33
3. **Accessory Dwelling Units: Case Studies and Best Practices from BC Communities**
   – BC Housing 2021 Page 66

Salt Spring Island
Housing Action Program Task Force
Meeting Minutes

Date:	**Thursday, October 20, 2021**
Location:	**Baptist Church, Lower Hall** **520 Lower Ganges Road, Salt Spring Island**
Members Present:	**Rhonan Heitzmann, Chair** **Bryce Chapman** **Yvonne Saunders** **Stanley Shapiro** **Daniel Wood** **Jessica Terezakis** **Nejmah Guermoudi**
Regrets:	**Kerrie Proulx, Vice Chair** **Maïkan Bordeleau**
Resignation:	**Meror Krayenhoff**
Staff Present:	**Rob Pingle, Planning Team Assistant and Recorder**
Others Present:	**Laura Patrick, Local Trustee**

DRAFT

These minutes follow the order of the agenda although the sequence may have varied.

The meeting was called to order at 5:06pm Chair Heitzmann welcomed the Task Force members and acknowledged the meeting is being held in Coast Salish First Nations treaty and traditional territory. Chair Heitzmann proceeded with a roll call. It was noted Meror Krayenhoff has resigned from the Task Force.

1. CALL TO ORDER

1.1 Approval of Agenda

The following item was presented for inclusion in the agenda:
Meeting Place

By general consent, the agenda was adopted as amended.

2. MINUTES OF PREVIOUS MEETINGS

2.1 Approval of Draft Minutes for October 7, 2021

It was suggested the 4.2 housing density discussion should include the following point: "There was discussion about the possibility of a first come first served quota access to increased densities."

By general consent, the minutes of the October 7, 2021 Housing Action Program Task Force meeting were adopted.

3. BUSINESS ITEMS - None

4. OTHER BUSINESS

4.1 General Discussion

1. Meeting Place

Staff spoke to the need to ensure meeting places are accessible and fairly priced to meet budget constraints. Staff said further information could be provided but a clearer description of neutral would be required.

The Chair will share that information with all members for a decision at a later meeting.

Member Guermoudi arrived at the meeting at 5:17pm

2. Task for delegation to LTC in support of Aug 19th resolutions

The Chair spoke to the need to provide additional feedback to the LTC regarding the resolutions the Task Force made at or before the next LTC meeting on Nov 9th.

3. "Densities" in light of M. Leichter's presentation to LTC Oct 5th

The Chair spoke to the need to further discuss the rationale behind increasing densities not having a negative impact on the environment. It was suggested that using online forums to have the discussion could be helpful.

The parts of the OCP that were shared in the agenda packaged were referenced to support the increase of density for affordable housing.

It was discussed if densities even matter in the overall debate and that a change of language should be to buildings.

It was suggested that capping density would impact costs due to supply and demand become static. The information decided in 2008 are not the end of the conversation as new information is revealed with the passage of time.

It was discussed that the conservation myths on housing are fears that need to be addressed and balanced.

There was a question about if a study happened in 2008 to establish the carrying capacity of the island. It was suggested that the progress towards the currently established number is so slow that it's not necessary to research it but to find a way to get there faster.

It was suggested that the current regulations don't allow for current buildings to be lived in and they are becoming derelict due to lack of use.

It was suggested that the changing of work and advancement of technology are going to have an impact on the population especially if there isn't an allowance for growth to meet a minimum threshold of a health community.

The Housing Needs Assessment of 2016 was referenced for ways to create a target for the population on the island. It was suggested that densities could be further defined as primary, secondary and micro.

It was suggested that the eco-village model needs to be further investigated to ensure that vehicles don't increase and that community interaction increases.

There was discussion that moving away from the language of single-family-dwelling might be helpful to create more flexibility in housing options.

It was discussed that an increase to the ability to have secondary suites or full time rental cottages with proof of water and septic capacity was a first step to meeting the needs. That may allow the creation of hamlets around the island as high production wells are further identified. The current need is to make housing more accessible to the people already living here.

With proof of water and increase to density on current lots there would be less impact on the roads and trees and an increase to the tax roll to pay for the current infrastructure.

The discussion of water need brought up the current research released by SSIWPA. There was discussion about the NSSWW moratorium on increased dwellings. It was suggested that the densities could be used in Channel Ridge if water from another source could be injected into the water system. The current issues of the NSSWW was discussed.

There was discussion about the need for a housing authority to assist with the sourcing of grants to create more housing.

The ways to create new dwellings in current buildings was discussed. It was suggested that changes to allow four story dwellings would be helpful. Multi-family dwellings were discussed as something that the current people looking for housing would embrace.

It was suggested that there can be an appropriate level of building that won't impact the trees or water issues being discussed by others. It was suggested that accepting the theoretical build out is a good step to address the issues others are concerned about. The ability to meet demands in the future could be discussed when the build out is reached.

The housing survey was discussed as needing a question asking people if they would add suites or a cottage to their property to address the current housing issues.

It was discussed how a housing authority could do the promotion of the housing options available on the island and could include creating a trust fund investment group. It was suggested that Transition Salt Spring could expand to address some of these needs.

It was suggested that RPM Cermak be invited to a future meeting to share thoughts on the resolutions that the Task Force have passed. It was suggested that ideas on more collaboration with the community need to be explored so that this isn't a divisive idea.

Trustee Patrick spoke of a recent UBCM presentation that discussed housing that is being lost on top of housing that isn't being built. She spoke about the need to encourage current islanders to support current islanders that have inadequate housing.

Conversation returned to the issue that working within the theoretical build out and allowing more densities on established properties may result in undeveloped properties from being developed. This may result in those land owners being against the proposed changes.

There was discussion about the need to address the short term housing issues for places such as the hospital while also working towards the need to creating future sustainable housing issues.

There was a question about the vacancy tax on the island and Trustee Patrick spoke to the discussion herself, CRD Director Holman and MLA Olsen had with Minister Robinson about it. The ability to avoid the vacancy tax for property owners that have a caretaker suite was discussed.

4. Public Engagement Plan

There will be further discussion at the next meeting with Mairi Wellman being invited to speak about the current plan. It was felt that the plan needs to be slowed down and the survey needs to be discussed fully to allow for a real discussion. There was discussion about how to interact with the population that has insecure housing or are homeless.

5. STVRs.

The item was deferred to the next meeting due to a lack of time.

5. ADJOURNMENT

The meeting was adjourned at 7:12 pm

_____
Rhonan Heitzmann, Chair

CERTIFIED CORRECT:

_____
Rob Pingle, Recorder

DRAFT

Islands Trust

MEMORANDUM

File No.: 6500-20: Housing Action Program

DATE OF MEETING:	November 4, 2021
TO:	Salt Spring Island Housing Action Program Task Force
FROM:	Geordie Gordon, Planner 2, Salt Spring Island Team Kristine Mayes, Planner 1, Salt Spring Island Team
SUBJECT:	Options to Amend Section 3.17 of the Salt Spring Island Land Use Bylaw No. 355

PURPOSE

The Salt Spring Island Local Trust Committee (SS LTC) has referred a staff report for information to the Housing Action Program Task Force (HAPTF) regarding options to amend Section 3.17 of Salt Spring Island Land Use Bylaw No. 355 (LUB) to utilize subdivision potential for farmworker housing.

BACKGROUND

At the SS LTC meeting of October 5, 2021, the SS LTC passed the following resolution:

> **SS-2021-195**
> **It was MOVED and SECONDED,**
> That the Salt Spring Island Local Trust Committee refer the Staff Report dated October 5, 2021, regarding Options to Amend Section 3.17 of the Salt Spring Island Land Use Bylaw No. 355 to the Housing Action Task Force.
> **CARRIED**

Within the referenced report, staff have provided a possible draft bylaw amendment:

Current LUB	Possible Draft Bylaw Amendment
Despite other provisions of this bylaw, where a *lot* is 20 ha or more in *area* and is classified as a farm under the Assessment Act, a total of three *dwelling units* are permitted provided that two of the *dwelling units* are to accommodate people deriving their livelihood from the *farm business* on that *lot*.	Despite other provisions of this bylaw, where *agriculture* is a permitted *principal use* on a *lot* not in an Agricultural *zone,* and complies with Section 3.5 and the Subdivision and Servicing Requirements of Part 9 of this Bylaw, additional *farmworkers' dwelling units* not exceeding 186 square meters corresponding to the *subdivision* potential of a *lot* may be constructed and occupied where a lot is classified as a farm under the Assessment Act if the owner grants to the Salt Spring Island Local Trust Committee a covenant under the Land Title Act restricting *use* of the *farmworkers' dwelling units* and prohibiting further *subdivision* of the *lot*. *Information Note: Applications should be consistent with the guidelines in H.2.1.3 of the Salt Spring Island Official Community Plan.*

The report explores issues and opportunities of LUB 3.17 – Dwellings on Large Farms, BC Assessment Farm Land Classification, Salt Spring Island Area Farm Plan Renewal (2020), Subdivision Requirements, Subdivision Servicing Requirements: Potable Water, Floor Area Restrictions, Restriction of Use and No Further Subdivision Covenant, Clustered Development, and Seasonal Cottages.

NEXT STEPS

No action is requested or required by the Housing Action Task Force. The HAPTF may wish to make a resolution to acknowledge the report has been received.

Submitted By:	Geordie Gordon, Planner 2 & Kristine Mayes, Planner 1	October 27, 2021

ATTACHMENTS

1. Staff Report from the October 5, 2021 Meeting Agenda Package

ATTACHMENT 1

STAFF REPORT

File No.: 6500-20: Housing Action Program

DATE OF MEETING:	October 5, 2021
TO:	Salt Spring Island Local Trust Committee
FROM:	Geordie Gordon, Planner 2, Salt Spring Island Team Kristine Mayes, Planner 1, Salt Spring Island Team
COPY:	Louisa Garbo, Island Planner, Salt Spring Island Team (Housing Action Program Manager) Stefan Cermak, Regional Planning Manager, Salt Spring Island Team
SUBJECT:	Options to Amend Section 3.17 of the Salt Spring Island Land Use Bylaw No. 355

RECOMMENDATION

1. **That the Salt Spring Island Local Trust Committee refer the Staff Report dated October 5, 2021, regarding Options to Amend Section 3.17 of the Salt Spring Island Land Use Bylaw No. 355 to the Agricultural Advisory Planning Commission and Salt Spring Island Agricultural Alliance for consideration at the Salt Spring Island Local Trust Committee Special Business Meeting of November 18, 2021**

PURPOSE

This report provides options for the Salt Spring Island Local Trust Committee (SS LTC) to amend Section 3.17 of Salt Spring Island Land Use Bylaw No. 355 (LUB) to utilize subdivision potential for farmworker housing.

BACKGROUND

At their meeting of August 31, 2021, SS LTC passed the following resolution:

SS-2021-173
It was MOVED and SECONDED,
That the Salt Spring Island Local Trust Committee direct staff to prepare a report on options to amend Section 3.17 of Salt Spring Island Land Use Bylaw No. 355 to utilize subdivision potential for farmworker or long-term housing.
CARRIED

ANALYSIS

Policy/Regulatory

Islands Trust Policy Statement:

The Islands Trust Policy Statement (ITPS) contains principles and policies for the SS LTC to consider when amending the LUB. The following policies have been identified as being especially pertinent:

3.1.3 Local Trust Committees and Island Municipalities shall, in their official community plans and regulatory bylaws, address the identification and protection of the environmentally sensitive areas and significant natural sites, features and landforms in their planning area.

4.1.4 Local Trust Committees and Island Municipalities shall, in their official community plans and regulatory bylaws, address the identification and preservation of agricultural land for current and future use.

4.1.5 Local trust committees and island municipalities shall, in their official community plans and regulatory bylaws, address the preservation, protection and encouragement of farming, the sustainability of farming, and the relationship of farming to other land uses

4.1.8 Local trust committees and island municipalities shall, in their official community plans and regulatory bylaws, address land uses and activities that support the economic viability of farms without compromising the agriculture capability of agricultural land.

4.4.2 Local Trust Committees and Island Municipalities shall, in their official community plans and regulatory bylaws, address measures that ensure neither the density nor intensity of land use is increased in areas which are known to have a problem with the quality or quantity of the supply of freshwater, water quality is maintained, and existing, anticipated and seasonal demands for water are considered and allowed for.

4.4.3 Local Trust Committees and Island Municipalities shall, in their official community plans and regulatory bylaws, address measures that ensure water use is not to the detriment of in-stream uses

5.2.4 Local trust committees and island municipalities shall, in their official community plans and regulatory bylaws, address any potential growth rate and strategies for growth management that ensure that land use is compatible with preservation and protection of the environment, natural amenities, resources and community character.

5.2.5 Local trust committees and island municipalities shall, in their official community plans and regulatory bylaws, address means for achieving efficient use of the land base without exceeding any density limits defined in their official community plans.

If the SS LTC resolves to direct staff to draft a bylaw, staff will assess compliance with the ITPS Directives Checklist.

Official Community Plan:

See Appendix No. 1 for a full review of relevant Salt Spring Island Official Community Plan No. 434 (OCP) policies. The following OCP policy and Appendix are of particular note:

B.2.2.2.9 Where a lot has subdivision potential, the Local Trust Committee should consider rezoning applications that would allow the property owner to build (without subdividing) the same number of single family dwellings on the lot as could be built after subdivision. Such shared residential rezoning applications should be consistent with the guidelines in H.2.1 of Appendix 2.

H.2.1 Guidelines for Shared Residential Zoning Applications

Applications for Shared Residential Zoning should be consistent with the points listed below.

H.2.1.1 The total number of dwelling units that would be allowed following the zoning change must not exceed the number that could be constructed after subdivision of the land under the zoning in place at the time of application.

H.2.1.2 Applications should be consistent with the other policies in this Plan regarding rezoning.

H.2.1.3 Applications should be accompanied by a site development plan, that will be registered by covenant on the property prior to rezoning, that identifies all proposed *building* sites, and which addresses the following points:

a. *Building* sites should not to be subject to geological hazards.
b. *Building* sites should be clustered in about 20-30% of the parcel, with the remainder of the land left as open space. Open space should be designed to include *Environmentally Sensitive Areas* or good agricultural soils on the property.
c. *Building* sites should be screened by natural vegetation from public roads, neighbouring properties and farmland.
d. driveway access to *building* sites should be minimized with shared driveways, although each site must be accessible to emergency vehicles.
e. *building*s sites and driveways should be positioned and constructed to fit local topography and to minimize impacts on the environment.
f. where subdivision of the property could have resulted in the dedication of public parkland and public access to a water body, they should also be dedicated as part of a Shared Residential Zoning application.
g. *building*s should incorporate *sustainable building* criteria, including, but not necessarily limited to, energy efficiency and water *conservation* measures.

Land Use Bylaw:

This staff report considers the following LUB definitions and regulations:

"dwelling unit, farmworker's" means a *dwelling unit* that is *accessory* to a *commercial farm business* on a *lot* and is used for the *residential* accommodation of a farmworker permanently employed full-time in that *farm business.*

3.5.1 If a *lot* is located in two or more *zones*, for the purposes only of the regulations of Part 9 of this Bylaw regarding units per hectare, *lot* coverage and minimum site areas, the portions of the *lot* that have different zoning designations must be considered as if they were separate *lot*s, provided that no more than one *dwelling unit* is permitted on a *lot*, unless specifically allowed.

3.17.1 Despite other provisions of this bylaw, where a *lot* is 20 ha or more in *area* and is classified as a farm under the Assessment Act, a total of three *dwelling units* are permitted provided that two of the *dwelling units* are to accommodate people deriving their livelihood from the *farm business* on that *lot*.

Issues and Opportunities

LUB Section 3.17 – Dwellings on Large Farms

At the August 31, 2021 SS LTC Meeting, staff provided a possible amendment to LUB Section 3.17, which could permit the construction and occupancy of dwellings of a specific floor area corresponding to subdivision potential of a lot. Upon further analysis of relevant regulations and OCP policies and objective, and in consideration of the discussion at the September 16, 2021 meeting of the Agricultural Advisory Planning Commission (AAPC), staff have provided a possible draft bylaw amendment with language addressing the desire of the agricultural community to limit proposed changes to farmworker housing:

Current LUB	Possible Draft Bylaw Amendment
Despite other provisions of this bylaw, where a *lot* is 20 ha or more in *area* and is classified as a farm under the Assessment Act, a total of three *dwelling units* are permitted provided that two of the *dwelling units* are to accommodate people deriving their livelihood from the *farm business* on that *lot*.	Despite other provisions of this bylaw, where *agriculture* is a permitted *principal use* on a *lot* not in an Agricultural *zone,* and complies with Section 3.5 and the Subdivision and Servicing Requirements of Part 9 of this Bylaw, additional *farmworkers' dwelling unit*s not exceeding 186 square meters corresponding to the *subdivision* potential of a *lot* may be constructed and occupied where a lot is classified as a farm under the Assessment Act if the owner grants to the Salt Spring Island Local Trust Committee a covenant under the Land Title Act restricting *use* of the *farmworkers' dwelling unit*s and prohibiting further *subdivision* of the *lot*. *Information Note: Applications should be consistent with the guidelines in H.2.1.3 of the Salt Spring Island Official Community Plan.*

The SS LTC should note that projects list is presently fully allocated thus the possible draft bylaw amendment presented in this report is intended to be succinct and serve the specific purpose of increasing potential farmworker housing and hence partially address a select group of housing needs as per the principles and purpose of the Housing Action Program project and recommendations of the Salt Spring Island Area Farm Plan Renewal.

BC Assessment Farm Land Classification

Classification of farm land is a voluntary program through BC Assessment – property owners may apply to classify part of all of a lot as farm land for qualifying agricultural uses. The intent of this program is to encourage the farming of land and production of local food sources. BC Assessment requires a producing farm to meet a minimum gross income requirement specific to the size of a farm. $2,500 per annum for a farm operation between 0.8-ha to 4-ha; $2,500 + 5% per annum for an area exceeding 4-ha; or $10,000 per annum if the farm operation is less than 0.8-ha. Additionally, land 0.8-ha or greater may be leased to a farmer for a period up to seven years under Section 7 of the *Assessment Act* (B.C. Reg. 411/95). The BC Assessment website does not specify whether farm land classification associated with a property is specific to a farm operation or a lease. Staff recommend the additional dwelling units permitted on a lot be classified as "farmworkers' dwelling units" which the LUB defines as a "dwelling unit that is accessory to a commercial farm business on a lot and is used for the residential accommodation of a farmworker permanently employed full-time in that farm business". The intent of this provision is to ensure the use of these dwelling units is exclusive to the farm business (mirroring, in part, LUB Section 3.17). However, it should be noted that upon cessation of a commercial farm business on the subject property, these additional farmworkers' dwelling units could no longer be occupied.

Salt Spring Island Area Farm Plan Renewal (2020)

The SSIAA published the Salt Spring Island Area Farm Plan Renewal 2020-2030 (SSI AFPR) in March 2020. The SSI AFPR identifies there is an acute shortage of housing for farmers and farm workers and seeks to engage with the local government in relation to farmworker housing. The SSI AFPR makes recommendations for all farms, whether within the ALR or not. The SSI AFPR recommends:

Recommended Action	Planner Comments
Make standard provisions for farmworker housing within the OCP/LUB regardless of zoning; encourage ALC to review SSI provisions for farmworker housing in the ALR on SSI and provide their feedback.	The possible draft bylaw amendment does not specify zoning (with the exception of agricultural zoned properties), but agriculture as a permitted principal use.

Provide consistency in the OCP/LUB so that farmworker housing and farm business provisions apply to all zones where agriculture is a permitted use.	The possible draft bylaw amendment ties additional farmworker dwelling units lots classified as a farm under the *Assessment Act* where agriculture is a permitted principal use.
Require use of an annual Statutory Declaration and/or other mechanisms (Housing Agreement, Covenant) to ensure that both year-round and seasonal farmworker housing is used only for farmworkers.	The possible draft bylaw amendment would require a convent restricting use of the farmworkers' dwelling units and prohibiting further subdivision of the lot.

Subdivision Requirements

LUB Part 5 contains regulations guiding the subdivision of lands on Salt Spring Island. These regulations contain requirements for lot size and dimensions, highway access, potable water, sewage disposal, and storm water management, among others. Without requiring land owners to go through the subdivision process, the SS LTC would likely lose some ability to regulate some of these aspects of land development. The subdivision process can take upwards of 2-years, requiring multi-jurisdictional approvals – primarily the Ministry of Transportation and Infrastructure (MoTI) and Islands Trust. While most of MoTI's conditions are in service of the application (e.g. storm water management, geotechnical hazards), there are other conditions that serve the broader community, such as road dedication. If the SS LTC resolves to allow development of further densities without subdivision, the ability to secure these rights of way may be lost. Notwithstanding, future subdivision of a lot permitted to have farmworkers' dwellings in accordance with the possible draft bylaw amendment could occur at a future time should the SS LTC wish to the discharge the covenant.

Subdivision Servicing Requirements: Potable Water

A proposed bylaw amendment could contain requirements that some aspects covered by LUB Section 5 in a conventional subdivision be met before additional dwellings are approved – e.g. adequate potable water. Subdivision regulations currently specify an amount of water that must be demonstrated for the creation of a new lot – e.g. 1,600 litres per day for a single-family dwelling. If this regulation does not apply, the language in the bylaw in LUB Part 9 would specify only an "adequate supply" of potable water be demonstrated. What exactly constitutes an "adequate supply" is ambiguous and may set up the possibility of disagreement between staff, other agencies, and an applicant what is required to satisfy this regulation. If the SS LTC resolves to proceed with a draft bylaw amendment, staff recommend consideration of required water volumes and what the demonstration of "adequate supply" should be – e.g. minimum duration well pumping test in consideration of Policy 4.4.2. Staff note forthcoming amendments to the proof of water subdivision regulations under the Water Sustainability project may provide guidance. Staff also note there may be provincial requirements for servicing multiple dwellings from the same water supply.

Floor Area Restrictions

Section 3.17 of the LUB does not specify a floor area limit for additional dwellings unit. Staff recommend inclusion of floor area limits for additional dwellings corresponding with the forthcoming changes to the *Agricultural Land Reserve Use Regulation*, which will permit one additional dwelling up to 90 square metres (968 square feet) for properties less than 40-hectares or up to 186 square metres (2,002 square feet) for properties exceeding 40-hectares. Staff note in accordance with the *Agricultural Land Commission Act*, a principal residence (dwelling unit) in the ALR is limited to a floor area of 500 square metres. LUB Section 3.17 (and the LUB as a whole) does not specify a floor area limit on most dwelling units (with the exception of seasonal cottages, full-time rental cottage, secondary suites and select dwelling unit regulations under Part 9) – as such, the floor area of dwellings units is restricted primarily by lot coverage. Staff recommend inclusion of a floor area limit as the intent of these units are to function subordinate to a farm operation.

Restriction of Use and No Further Subdivision Covenant

Covenants are useful tools in restricting the use of land in an agreed upon manner. The SS LTC enters into covenants for routine matters such as water treatment covenants for subdivision or more complex matters such as affordable housing agreements. Covenants often require some level of monitoring to ensure that the terms of the covenant are being met. If the SS LTC resolves to move forward with the bylaw, staff recommend considering whether a covenant should be used for:

- No further subdivision of the subject property as the potential density would have already been used;
- Restricting any additional dwellings to farmworkers' dwelling units only.
- Restricting development to a certain percentage of the overall lot area (clustered development) and preserving of the non developed area of the property for agriculture and compatible uses;

Covenants would require legal costs to be borne by the applicant to develop and register a covenant on title. Covenants of the nature proposed here would likely be complex and require staff time and resources to develop and implement. Should the SS LTC resolve to advance to a draft bylaw, further research and analysis should be done on the staff resources that might be required to execute this type of covenant.

Clustered Development

The OCP contains policies that support the clustering of residential development in exchange for subdivision potential (see section on OCP policies above and Appendix No. 1). Some of these conditions may be achievable through the registration of a restrictive covenant as noted above.

The following OCP policies also support clustered development:

B.2.3.2.4 Subdivision applicants will be encouraged to cluster new lots onto that part of their land that has the best capacity for residential development, and the least value for agriculture, forestry or environmental protection, or protection of archaeological sites or other First Nations cultural sites. The Local Trust Committee will develop informational materials for subdivision applicants that illustrate how they could maintain their development potential while preserving open space

B.6.2.2.9 The minimum average size of lots that can be created by subdivision in the Agriculture and Watershed-Agriculture Designation will remain the same as permitted by existing zoning. The Local Trust Committee could consider amending the minimum size of individual lots, if such a change would benefit local farming or protect agricultural land by allowing clustered development.

Clustered development could help prevent the fragmentation of productive agricultural land by minimizing the need for additional infrastructure and development of a property.

Seasonal Cottages

Of the 55 properties identified within the Changes to Residential Permissions in the Agricultural Land Reserve staff report presented at the August 31, 2021 SS LTC meeting that could potential benefit presently from an amendment to LUB Section 3.17, 48 permit seasonal cottages as an accessory use subject to LUB Section 3.14. Subsection 3.14.3 states "a *seasonal cottage*… may not be constructed or occupied on any *lot* occupied by two or more other *dwelling units*." Without being addressed, a consequence of this bylaw is that a seasonal cottage could not be constructed or occupied should a farmworkers' dwelling unit be applied for and constructed. Notwithstanding, occupancy of seasonal cottages is, by definition, temporary (means, in relation to a period of occupancy or *use* by any particular individual: not exceeding 45 days in any calendar year, not more than 30 of which may be consecutive). Bedrooms and common areas may be used to accommodate guests as part of a bed and breakfast home-based (LUB Section 3.13), whereas the possible draft amendments would permit lawful full-time occupancy of larger farmworkers' dwelling units. Staff note a similar regulation (3.15.3) exists for full-time rental cottages; however, the approximate 400 properties rezoned to permit this use do not encompass subdivision potential. Should the SS LTC resolve to advance to a draft bylaw, further research and analysis should be done to determine the potential impact of the possible bylaw amendment on seasonal cottage permissions.

Rationale for Recommendation

Staff have presented a general overview on options to amend LUB Section 3.17 to utilize subdivision potential for farmworker housing. Staff recommend that the SS LTC engage with stakeholders, starting with the AAPC and Salt Spring Island Agricultural Alliance (SSI AA), prior to drafting a bylaw. As a general rule, the basic content of a bylaw should be determined at the political level before drafting commences.

The advantage of allowing development of farmworkers' dwellings without subdivision is expediency and recognition that keeping active farm land un-fragmented is preferable. The possible draft amendment to the LUB would not increase density, but instead utilize existing density by tying the number of permitted dwellings to the number of lots that could otherwise be created through subdivision. Amending LUB Section 3.17 would provide farmers with farm land classification on large lots outside the ALR opportunity to utilize available subdivision potential to provide dwellings for farmworkers. The proposal recognizes that farming can be a co-operative enterprise and the ability to house more than one family could help support farming activity.

ALTERNATIVES

The Salt Spring Island Local Trust Committee may consider the following alternatives to the staff recommendation:

1. **Receive for information**

   The SS LTC may receive this memorandum for information. Staff advise that the implication of this option is that the current "dwellings on large farm" regulations would remain in force.

2. **Direct staff to draft a bylaw to amend LUB Section 3.17**

   The SS LTC may direct staff to draft a bylaw to amend LUB Section 3.17 (Dwellings on Large Farms). Staff advise that the implication of this option is exploring a potential bylaw amendment to increase the ability for non-agricultural zoned lands with farm classification to utilize subdivision potential for farmworker housing. Recommended wording for resolution:

   That the Salt Spring Island Local Trust Committee direct staff to draft amendments to Section 3.17 of the Salt Spring Island Land Use Bylaw No. 355 to utilize subdivision potential for farmworker or long-term housing.

3. **Request further information**

   The SS LTC may request further information prior to making a decision. Staff advise that the implications of this option is a delay in implementing bylaw amendments. If selecting this alternative, the SS LTC should describe the specific information needed and the rationale for this request. Recommended wording for resolution:

   That the Salt Spring Island Local Trust Committee direct staff to report back on [item]…

NEXT STEPS

If the recommended resolution is adopted, this staff report will be forwarded the AAPC and SSI AA for consideration at the forthcoming SS LTC Special Business Meeting of November 18, 2021.

Submitted By:	Geordie Gordon, Planner 2 & Kristine Mayes, Planner 1	September 21, 2021
Concurrence:	Stefan Cermak, Regional Planning Manager	September 23, 2021

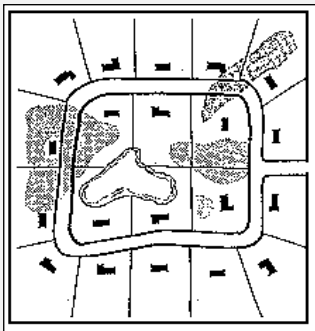
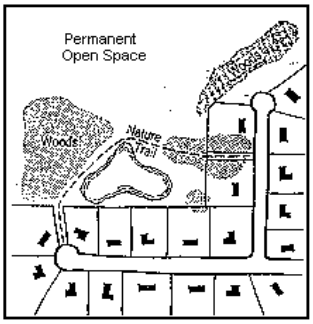
APPENDICES

1. OCP Policies

ATTACHMENT 1 – POLICIES

OFFICIAL COMMUNITY PLAN NO. 434

OCP Objective/Policy	Complies	Planner Comments
Policy A.5.1.8 To integrate the spirit and intent of federal and provincial environmental legislation and the *Agricultural Land Commission Act* and the *Farm Practices Protection ("Right to Farm") Act* into local environmental policies and bylaws.	yes	A draft bylaw could incorporating the intent of provincial legislation in the context of provision of farmworker dwellings outside the ALR.
Objective B.2.1.1.1 To support a mix of housing types in appropriate locations without compromising protection of the natural environment.	yes	A draft bylaw could propose dwellings limited by floor area – existing LUB regulations set out setbacks to features such as water bodies.
Objective B.2.1.1.3 To acknowledge that a framework that limits growth may restrict housing choices as supply is limited; to respond to the challenge of fostering socioeconomic diversity within such a framework.	yes	
Policy B.2.1.2.1 Zoning changes should be avoided if they would likely result in a larger island population than is expected under the development potential zoned in 2008. Exceptions to this policy are to be few and minor and only to achieve *affordable housing* and other objectives of this Plan.	yes	A draft bylaw could propose utilizing existing subdivision potential.
Policy B.2.2.2.6 When the Local Trust Committee is considering a rezoning application involving a significant increase in residential density the Local Trust Committee should require that the application include provision of *affordable housing*.	yes	A draft bylaw could propose utilizing existing subdivision potential, which would not increase residential density.
Policy B.2.2.2.9 Where a lot has subdivision potential, the Local Trust Committee should consider rezoning applications that would allow the property owner to build (without subdividing) the same number of single family dwellings on the lot as could be built after subdivision. Such shared residential rezoning applications should be consistent with the guidelines in H.2.1 of Appendix 2.	yes	
Objective B.2.3.1.1 To encourage future development to locate away from *environmentally sensitive area*s, agricultural and forestry lands, community water supply watersheds, lands with the potential for surface erosion or slope instability, public lands, tidal waterfront, areas with outstanding natural beauty and views, or archaeological and historic sites. To ensure buffers are retained on settlement lands where they adjoin *agricultural land*s.	maybe	A draft bylaw could achieve this objective by way of OCP Appendix 2 (Guidelines for Shared Residential Zoning Applications)
Objective B.2.3.1.2 To redirect the island's future pattern of settlement from one of "modest overall density" to one that includes clusters of development interspersed with large areas of open space, protected areas, and resource lands. To guide future development into clusters and towards existing or new villages and hamlets where *non-automotive* transportation alternatives and appropriate services are available and most efficiently and affordably provided.	yes	
Objective B.2.3.1.6 To promote efficient land use with zoning that accommodates mixed or shared uses where appropriate and by encouraging joint use of major community developments.	yes	

Policy B.2.3.2.4 Subdivision applicants will be encouraged to cluster new lots onto that part of their land that has the best capacity for residential development, and the least value for agriculture, forestry or environmental protection, or protection of archaeological sites or other First Nations cultural sites. The Local Trust Committee will develop informational materials for subdivision applicants that illustrate how they could maintain their development potential while preserving open space *(See example below)*.  **Figure A** 100 acre parcel 20 lots (5 acres each) No open space No pond access except from four lots  **Figure B** 100 acre parcel 20 lots (3 acres each) 40 acres of open space Pond access for all residents	maybe	The SS LTC could consider clustering development.
Policy B.2.3.2.6 The Local Trust Committee may consider changes to zoning regulations, such as lot coverage, in order to achieve overall settlement pattern objectives and other objectives of this Plan.		
Objective B.6.1.1 To recognize and retain traditional resource-based livelihoods such as agriculture, forestry and fishing. To maintain and protect their land bases, support *sustainable* management practices and to develop zoning that accommodates supportive land uses. To resist pressures to manage agriculture, forestry and fishing for reasons that are primarily aesthetic.	yes	A draft bylaw could provide more options for farmworker dwellings outside the ALR.
Objective B.6.2.1.1 To support farming as a social, cultural and economic priority, and an ecologically responsible land use on Salt Spring Island.	yes	A draft bylaw could provide more options for farmworker dwellings outside the ALR.
Objective B.6.2.1.2 To maintain and protect the long term potential for farming and agro-forestry on Salt Spring Island; to preserve *agricultural land* and necessary water supplies.	yes	A draft bylaw could provide more options for farmworker dwellings outside the ALR.
Objective B.6.2.1.3 To incorporate the spirit and intent of the provincial *Agricultural Land Commission Act, the Agricultural Land Reserve Use, Subdivision And Procedure Regulation*, and the *Farm Practices Protection ("Right to Farm") Act* into local land use policies and bylaws.	yes	A draft bylaw could incorporating the intent of provincial legislation in the context of provision of farmworker dwellings outside the ALR.
Objective B.6.2.1.4 To limit the non-farm use of *agricultural land*.	yes	A draft bylaw could propose dwellings limited by floor area.
Objective B.6.2.1.5 To accommodate a level and type of residential use on *agricultural land* that reflects the business needs of farm operations and is consistent with objectives for island population.	yes	A draft bylaw could provide more options for farmworker dwellings outside the ALR.
Objective B.6.2.1.6 To reduce the potential for conflicts between agricultural areas and those areas that have been identified for higher density settlement.	yes	Agricultural land is distributed across the island, potential conflict may be minimal. Some agricultural land is located in close proximity to areas designated for higher density (e.g. Ganges)
Objective B.6.2.1.8 To ensure that sufficient water supplies remain available for agricultural purposes.	maybe	A draft bylaw could require proof of water (ie. pumping tests) to confirm the required volume of water for residential uses is available. Large volumes of water for agricultural purposes may require a groundwater license.
Objective B.6.2.1.9 To recognize agriculture's contribution to the island's social, economic and environmental nature and appeal, and to retain and build on the island's agricultural base, especially organic.	yes	A draft bylaw could offer options to farmers to house workers and expand/more easily maintain agricultural capacity.

Policy B.6.2.2.1 The Local Trust Committee should maintain an Agricultural Advisory Committee to: a. provide community advice about bylaw changes, applications for rezoning or subdivision, and applications to the Agricultural Land Commission. b. help in developing and interpreting local policies about farming. c. identify other ways that the Local Trust Committee can encourage and support farming in the community.	yes	A draft bylaw could be referred to the AAPC.
Policy B.6.2.2.2 To The Local Trust Committee will work with the local farming community, the Ministry of Agriculture and Lands, and the Agricultural Land Commission to develop common policies to the benefit of farming on Salt Spring Island and to support implementation of the Area Farm Plan.	yes	A draft bylaw could propose to implement some recommendations from the Salt Spring Island Agricultural Alliance (SSI AA), Ministry of Agriculture, and proposes to implement some recommendations from the Salt Spring Island Area Farm Plan Renewal (SSI AFPR). Referral to agricultural bodies is recommended.
Policy B.6.2.2.3 The areas designated for Agriculture and Watershed-Agriculture are shown on Map 1. Map 27 shows land in the ALR and non-ALR land used for agriculture.	N/A	
Policy B.6.2.2.4 Zoning within the Agriculture and Watershed-Agriculture Designations will continue to allow the land uses, structures and densities allowed by existing zoning and subdivision bylaws. Where existing zoning allows *general employment* and commercial uses, these will remain as permitted uses unless the property owner applies for a zoning change.	yes	A draft bylaw could propose utilizing existing subdivision potential, which would not increase residential density.
Policy B.6.2.2.5 Farming activities and necessary structures should continue to be allowed by zoning in other Designations on all properties where they are currently allowed.	yes	
Policy B.6.2.2.8 On the advice of the Agricultural Advisory Committee, the Local Trust Committee should continue to support local farming by: a. addressing the need for additional housing on agricultural land. b. permitting appropriate farm uses as defined by the Agricultural Land Reserve Act and Regulations. c. recognizing the traditional uses of the property owned by the Salt Spring Island Farmer's Institute on Rainbow Road. d. allowing for the processing and warehousing of island farm products on the Institute's property. e. supporting zoning that would allow various forms of community farming activities. f. supporting the development of farmers' markets. g. considering changes to the Land Use Bylaw, based on the objectives of the Area Farm Plan and in consultation with the Agricultural Land Commission and the Ministry of Agriculture and Lands, to permit additional dwellings for farm workers. h. considering changes to the Land Use Bylaw to further support agri-tourism. i. supporting efforts to ensure a viable local livestock industry. j. updating agricultural information, monitoring changes in the agricultural sector and helping to identify unused or available farmland.	yes	a. A draft bylaw could provide more options for farmworker dwellings outside the ALR. b. N/A c. N/A d. N/A e. Additional housing options may increase community farming activities. f. N/A g. A draft bylaw could incorporating the intent of provincial legislation in the context of provision of farmworker dwellings outside the ALR. h. N/A i. N/A j. N/A
Policy B.6.2.2.22 The Local Trust Committee will consider impacts on local food security when making land use decisions.	yes	
B.6.2.2.23 The farming community of Salt Spring Island is recognized and encouraged in its ongoing efforts in support of local agriculture.	yes	
B.6.2.2.25 The B.C. Assessment Authority is urged to carefully consider its impact on local farming. It is encouraged to develop policies and procedures that recognize the unique challenges faced by the local farming community. The Local Trust Committee will develop and recommend specific policies in consultation with local farmers through the Agricultural Advisory Committee.	N/A	
B.6.2.2.29 The Local Trust Committee will encourage and support efforts by others to promote and sustain local food security.	yes	
B.6.2.2.32 The Local Trust Committee will support the implementation of the Area Farm Plan by the Salt Spring Island Agricultural Alliance.	yes	A draft bylaw could propose to implement some recommendations from the SSI AFPR. Further consultation with the SSI AA is recommended.

Objective C.3.2.1.5 To ensure that zoning changes within the boundaries of water systems do not result in such a level of demand on island water sources that agricultural activities cannot obtain water.	maybe	A draft bylaw could require proof of water (ie. pumping tests/confirmation from a community water system) to confirm the required volume of water for residential uses is available.
Objective C.3.2.2.11 When the Local Trust Committee receives applications for zoning changes within a water system's boundaries, and the zoning change would increase the demand for water, the Committee will consider the impacts on agriculture, as further outlined in Section B.6.2.	maybe	Consultation with community water system is recommended.

H.2 APPENDIX 2 - GUIDELINES FOR SHARED RESIDENTIAL ZONING APPLICATIONS

Background Note: *Many larger properties on Salt Spring Island have the potential, under existing local zoning, to be further subdivided. However, without subdivision, local zoning allows only one home on most of these parcels, despite their size. A policy in the Affordable Housing Section says that the Local Trust Committee should consider rezoning applications that would allow the property owner to build (without subdividing) the same number of single family dwellings on the lot as would result from subdivision of the lot. This new zoning has been called "Shared Residential" since it makes it easier for people to share ownership of a property.*

H.2.1 Guidelines for Shared Residential Zoning Applications

Applications for Shared Residential Zoning should be consistent with the points listed below.

H.2.1.1 The total number of dwelling units that would be allowed following the zoning change must not exceed the number that could be constructed after subdivision of the land under the zoning in place at the time of application.

H.2.1.2 Applications should be consistent with the other policies in this Plan regarding rezoning.

H.2.1.3 Applications should be accompanied by a site development plan, that will be registered by covenant on the property prior to rezoning, that identifies all proposed *building* sites, and which addresses the following points:

a. *Building* sites should not to be subject to geological hazards.
b. *Building* sites should be clustered in about 20-30% of the parcel, with the remainder of the land left as open space. Open space should be designed to include *Environmentally Sensitive Areas* or good agricultural soils on the property.
c. *Building* sites should be screened by natural vegetation from public roads, neighbouring properties and farmland.
d. driveway access to *building* sites should be minimized with shared driveways, although each site must be accessible to emergency vehicles.
e. *building*s sites and driveways should be positioned and constructed to fit local topography and to minimize impacts on the environment.
f. where subdivision of the property could have resulted in the dedication of public parkland and public access to a water body, they should also be dedicated as part of a Shared Residential Zoning application.
g. *building*s should incorporate *sustainable building* criteria, including, but not necessarily limited to, energy efficiency and water *conservation* measures.

Tiny-homes Village
Pilot Project Framework & Criteria

I. Pilot Project Framework

On January 19, 2021, the Salt Spring Island Local Trust Committee (SSI LTC) approved the Housing Action Program Project Charter to ensure the Islands Trust takes a holistic approach to address housing issues such as density, diverse housing options, sustainable building design and preservation of the sensitive ecosystem on the island. Most importantly, the Housing Action Program seeks to implement the objective of providing a mix of housing types in appropriate locations as set forth in the Salt Spring Island Official Community Plan. Proposed actions within the Housing Action Program Project Charter include exploring incentive programs to promote housing projects that are sustainable, innovative and affordable. This Pilot Project initiative under the Housing Action Program intends to test the viability of sustainable development and building designs that are affordable for Salt Spring Island residents.

II. Objectives

The Tiny-homes Village Pilot Project intends to:

- Prioritize affordable housing options through diverse housing forms and tenure types;
- Promote fee-simple affordable housing in a building-strata subdivision;
- Preserve, protect, restore, and connect environmentally sensitive areas;
- Achieve objectives and strategies within the Islands Trust Strategic Plan;
- Encourage and promote leading-edge sustainable building, landscaping, and land use designs; and
- Encourage a full-scale, replicable approach to address the pilot project objectives.

Preference will be given to projects that are on, or can be connected to, a community water system, provide reasonable access to active transportation networks, and/or housing that advance Islands Trust's Reconciliation Declaration.

III. Projects Sustainability Features

The proposed project must, at a minimum, demonstrate thoughtful implementation of conservation design practices that:

- Provide sustainable safe-drinking water supply;
- Protect water quality;

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- Reduce or not increase flooding and storm water runoff;
- Protect sensitive ecosystems and biodiversity;
- Protect and recharge aquifers;
- Protect surface water;
- Preserve or enhance capacity of local food systems;
- Minimize carbon outputs and greenhouse gas emissions;
- Provide common areas that enhance social well being for activities such as art production, local food production, passive recreation, or other similar community-based programs.

IV. Pilot Project Incentives

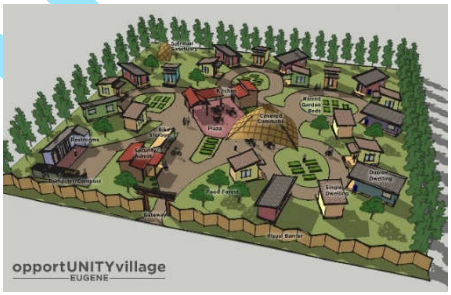
Incentives may include:

- Increased dwelling unit density;
- Amending land use regulations by staff to support the project;
- Dedicated planning staff time to expedite a rezoning process;
- Provide necessary water rebate, and/or technical expertise;
- ~~Possible help with~~ Assistance on searching for relevant grant funding ~~for green building and site designs~~.

V. Eligibility Criteria

The following criteria must be met in order for a proposal to be considered:

- The applicant must have experience with residential housing development, or include project partners with relevant expertise;
- Project must be supported by a viable pro- forma or demonstrate adequate funding that the project can be developed. ;
- The project must include the following:
  - A minimum of 10 dwelling units;
  - Each dwelling unit must be less than 500 square feet and constructed on a permeant foundation;
  - Energy efficient technologies, green building methods and sustainable features as identified in Section III.
  - Each dwelling unit must be a fully functional housing unit that includes basic amenities such as kitchen and bathroom; and
  - The design of each dwelling Unit must receive or be capable of receiving an occupancy permit.



*Applications within the Agricultural Land Reserve and watershed designated areas are not supported at this time. A standard subdivision project will not be expedited since it is not within LPS jurisdiction.

VI. Submission Requirements

- A proposal that describes the proponent's organization and experience;
- All relevant development information including, but not limited to, project site location, lot size, proposed density/dwelling units, building layout, a conceptual site plan or building-strata subdivision, landscape plan and architectural elevation design;
- A proposal outlining concept feasibility and timeline; and
- A report that identifies how the project meets objectives in Section II, the sustainability features proposed in Section III, and how it complies with the Pilot Project's criteria outlined in Section V.
- Successful submissions may still require further design and report work.

VII. Review Process

- Local Planning Services staff will review all submissions and make a recommendation to SSI LTC on which project should be selected in consideration of the above criteria.
- The SSI LTC will make a decision on which proposal will become a Pilot Project. Deadline for each submission is n March of each year. A new pilot project will be chosen annually as long as the SSI LTC has dedicated resources. Once approved as a Pilot Project, prior to the proposal moving forward to the rezoning, building-strata subdivision, development and/or building permit review process.
- Incentives will be granted by resolution of the SSI LTC. The proponent may be required to enter into binding agreement with the SSI LTC.

VIII. Example of Timeline

Applications to be received by:	March 2022
First Pilot Project to be awarded by:	April 2022
First Pilot Project to complete legislative stage by:	April 2023
First Pilot Project to be built out by:	April 2025
Second Pilot Project to be received by:	March 2023
Second Pilot Project to be awarded by:	April 2023
Second Pilot Project to complete legislative stage by:	April 2024
Second Pilot Project to be built out by:	April 2026

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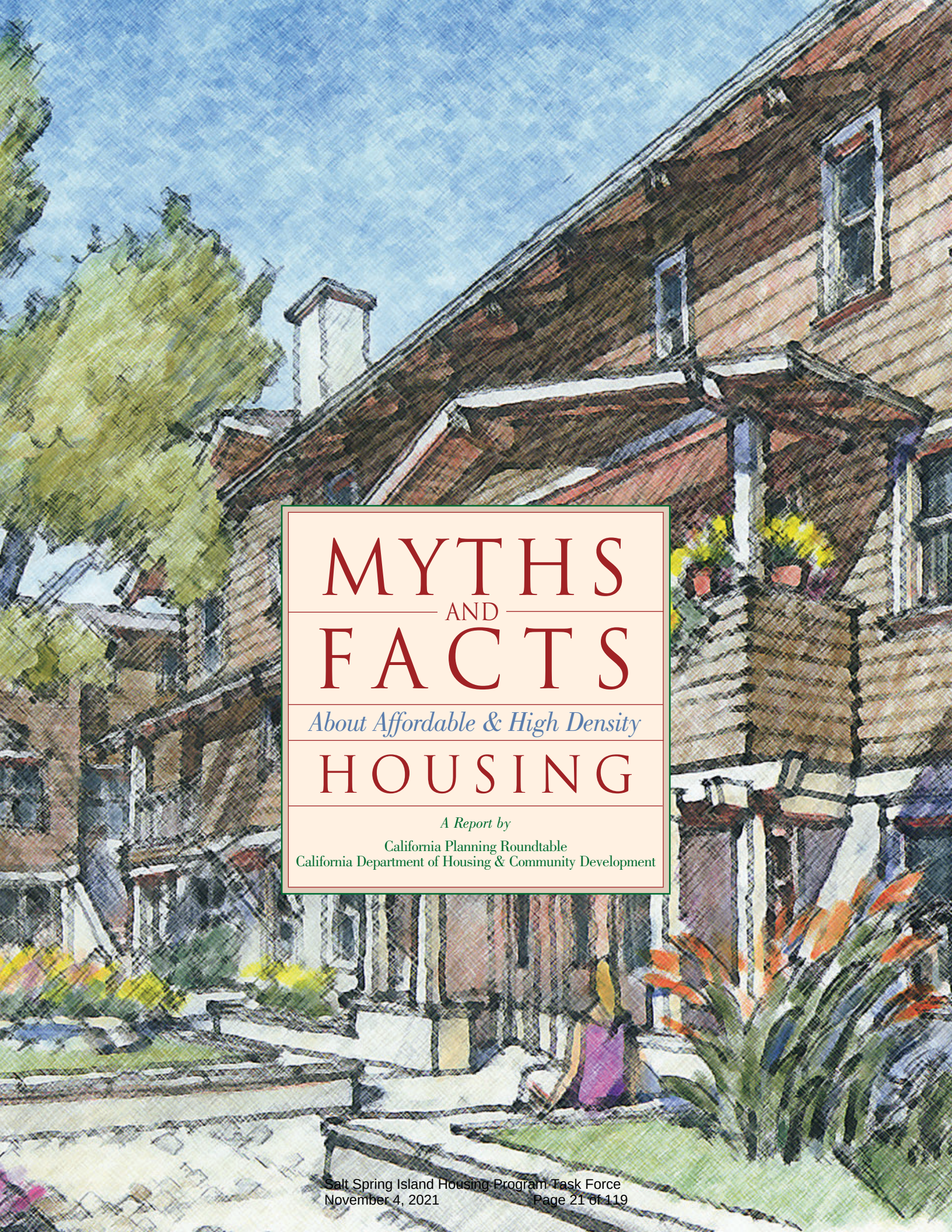


MYTHS AND FACTS

About Affordable & High Density

HOUSING

A Report by

California Planning Roundtable
California Department of Housing & Community Development

IN THE PAST 30 YEARS, CALIFORNIA'S HOUSING PRICES HAVE STEADILY OUTPACED ITS RESIDENTS' INCOMES. Housing production hasn't kept up with job and household growth within the State.[1] The location and type of new housing does not meet the needs of many new California households. As a result, only one in five households can afford a typical home, overcrowding doubled in the 1990's, and more than three million California households pay more than they can afford for their housing.[2]

Meanwhile, the federal government has dramatically cut back programs that used to help local governments accommodate new growth. Voter-imposed property tax and spending freezes have further constrained local governments from responding effectively to new growth. And affordable housing development, while still funded in part by the federal government, requires a larger local commitment than ever before.

Against this backdrop, it should surprise no one that many communities no longer accept population growth with open arms. When anyone proposes the development of affordable or multifamily housing, ambivalence about growth often shifts to hostility. Hostility feeds and strengthens certain myths, and deep emotional perceptions of how the world works. *Myths—important sources of meaning in all societies—provide shared rationales for community members to behave in common ways, having a strong moral component, with clear lines between right and wrong.* Although myths are sometimes positive, they can also serve as shields for deeper and uglier motivations: racism, fear of outsiders, and/or greed. When people argue against new high-density and affordable housing, often myths are used to convince decision-makers that the new development and its residents don't belong there. Traffic will be too heavy; schools will become overcrowded; buildings will clash with existing neighborhoods; people won't fit in; and maybe even a criminal element.

Opponents often believe these myths. But it's essential to counter these myths with facts. California desperately needs new affordable housing to reverse recent increases in overcrowding and overpayment. We also need new high-density housing to support economic stability and prosperity. We need housing to accommodate new workers and their families and to economize on infrastructure costs, while preserving open space and reducing the distance between homes and jobs.

Fortunately, the facts of California's recent experiences with high-density and affordable housing often contradict the myths. We can now begin to rely on this recent experience to reassure concerned residents that the myths don't have to come true.

Myth #1

High-density housing is affordable housing; affordable housing is high-density housing.

Fact #1

Not all high density housing is affordable to low-income families.

This myth expresses an essential truth: more units per acre mean lower land costs per unit, especially if local governments allow builders meaningful density bonuses; smaller units cost less to build than larger ones. To encourage housing affordability, California cities do need to promote higher densities.

But we also know from experience and observation that not all high-density housing is affordable to low-income families. San Francisco's Nob and Telegraph Hills, Los Angeles' Wilshire Corridor, and high-rises in downtown San Diego are all examples of upper-income areas where housing densities are quite high. Similarly, most Californians know that low-density neighborhoods often accommodate people of modest means. The residents of these neighborhoods often moved in shortly after the homes were built (several decades ago) —and before the huge escalation in California's home values that began in the early 1970's. With assistance, many families with limited incomes will continue to buy homes in these neighborhoods. Many other low-income households will continue to rent single-family homes because they offer more space in low-density neighborhoods.

For the most part, of course, low-density neighborhoods offer more expensive housing than high-density areas. Detached homes cost much more than most apartments and condominiums. Among new units, the difference is even more striking; new high-density units are much more likely to be affordable than new single-family units.

Density is not always enough, however. To ensure affordability, local governments must intervene with programs and additional concessions if the new high-density units are also to be affordable. For a list of resources on affordable housing techniques, see Resources: *Making Housing More Affordable,* at the end of this report.

Myth #2

High-density and affordable housing will cause too much traffic.

Fact #2

People who live in affordable housing own fewer cars and drive less.

In many high-density neighborhoods, and in most neighborhoods with a mix of housing types, traffic isn't a big problem.

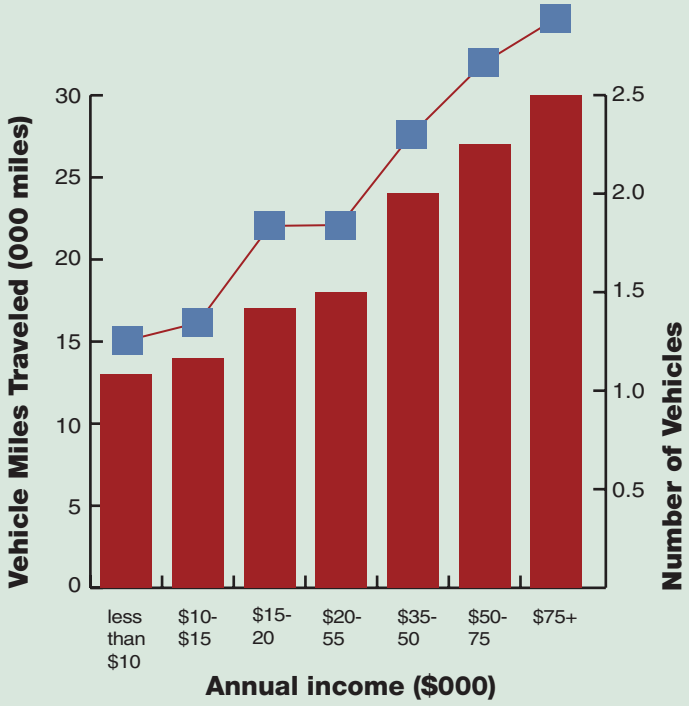
In California's six largest metropolitan areas, two-thirds of renters and over three-fourths of the households living below the poverty line own no vehicles or only one car, compared to 54 percent of all households and 44 percent of homeowner households.[3] With lower car ownership rates come fewer trips, and fewer single occupant auto commutes. According to the National Personal Transportation Survey in 1995, low-income households make 40 percent fewer trips per household than other households. Recent traffic growth owes much to existing development.

In many high-density neighborhoods, and in most neighborhoods with a mix of housing types, traffic isn't a big problem. Fewer auto trips occur in higher-density areas. In a neighborhood of 15 homes to the acre, one-third fewer auto trips occur, compared to a standard suburban tract.[4] A 1990 survey by the Sierra Club's Transportation Committee found that for every doubling of neighborhood density, vehicle miles traveled are reduced by 20 to 30 percent.

Car ownership rates are less in higher density areas. According to recent American Housing Survey data, multifamily developments have lower car ownership rates than single-family home tracts.

To encourage housing affordability, California cities need to promote higher densities.

Low-income households own fewer cars, drive less



Source: U.S. Energy Information Administration, Residential Transportation Energy Comsumption Survey, Household Vehicles Energy Consumption, 1994

High-density housing can encourage nearby retail development, along with ease of walking and transit use. Mixing housing with commercial development is ever more crucial for traffic control, since non-work trips constitute the largest number of trips.

Over three-fourths of trips in Southern California are non-work trips. With high-density housing, stores serving neighborhood residents move in, allowing residents to walk to buy groceries or to the dry cleaner instead of driving.

Transit connections also become more common when neighborhood density increases, as transit is only cost-effective at densities above eight or 10 units per acre.[5]

Myth #3

High-density development strains public services and infrastructure.

Fact #3

Compact development offers greater efficiency in use of public services and infrastructure.

Librarians, sheriffs' deputies, nurses, fire fighters, and many other vital members of our communities all need affordable housing.

Higher-density residential development requires less extensive infrastructure networks than does sprawl. California developers must usually pay for sufficient infrastructure capacity to serve their own projects. When communities cannot take advantage economies of scale in providing infrastructure, extension costs rise. High-density housing helps provide economies of scale both in trunk lines and in treatment plants. The cost savings can be passed on to new residents, and the smaller debt load can help ensure fiscal stability throughout the community.

Infill development can sometimes take advantage of unused capacity in public services and infrastructure. Communities can save taxpayers and new residents money when housing construction is allowed in areas where infrastructure and service capacity has already been paid for and is underutilized. Infill development can also make use of a transit and provide better access to services, while improving economic viability.

Higher-density infill residential development can translate to higher retail sales. By approving new high-density development in infill locations, communities can revitalize stagnant commercial districts and increase taxable sales—the primary source of revenue in most California jurisdictions.

According to the American Housing Survey, the development of single-family homes is much more likely to cause strain on local schools than high-density development. In most cases, a single-family home can have two to three times the numbers of school aged children per household.[6]

Myth #4

People who live in high-density and affordable housing won't fit into my neighborhood.

Fact #4

People who need affordable housing already live and work in your community.

According to government definitions of affordable housing, families should devote no more than 30% of their income to rent or mortgage payments and utilities. Affordable housing often means housing whose residents don't pay too large a share of their incomes on rent or a mortgage.

Households earning lower incomes can have a variety of occupational and educational backgrounds. Families earning less than four-fifths (80%) of the area's median income are officially lower-income households; families earning less than half of the median are known as very low-income households. For example, a starting elementary or high-school teacher in Mountain View (Santa Clara County), with a gross monthly income of around $3,200, can afford to pay $960 a month in rent, which qualifies as low-income if the teacher lives alone; if the salary must support a spouse and a child, the family would be a very low-income household. A starting air-traffic controller in San Diego County, with income barely higher than $31,000 a year, would also qualify for affordable housing. Librarians, sheriffs' deputies, nurses, fire fighters, and many other vital members of our communities all need affordable housing.

People motivated by these concerns may just need to "meet" the residents of high-density and affordable housing. Residents often have been long time members of the community, and will continue to make contributions to their neighborhoods. For a list of resources that can introduce people to those who live in high-density and affordable housing, see Resources: *Meeting the Residents of Affordable Housing*, at the end of this report.

Myth #5

Affordable housing reduces property values.

Fact #5

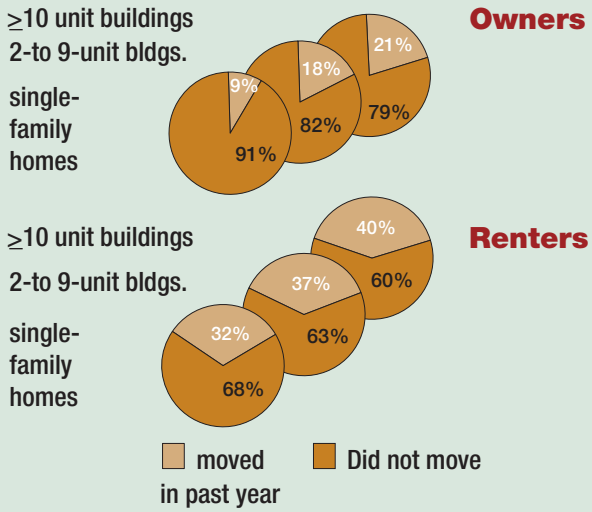
No study in California has ever shown that affordable housing developments reduce property values.[7]

Architectural standards and adequate maintenance also strongly influence property values

Many studies have been done. The truth is the single most significant factor affecting property values is the pre-existing value of the land in a given community or area. This is turn is based on supply and demand, proximity to major urban centers, nearby attractions (beachfront property, panoramic views), any negative factors such as environmental contaminants, and availability of adequate infrastructure and services.

Architectural standards and adequate maintenance also strongly influence property values, particularly as they apply to affordable rental properties. Properly maintained affordable housing developments, designed and built with sensitivity to the architectural and aesthetic standards desired by the community, may even increase property values.[8]

Tenure much more important than density in recent moves



The majority of both renters and homeowners in California metropolitan areas move less than once a year. Homeowners move less often than renters, but even renters move seldom enough to form long-term ties to neighbors.

* Source: U.S. Dept. of HUD, American Housing Surveys for San Francisco-Oakland, San Jose, Los Angeles-Long Beach, San Diego, Riverside-San Bernardino, and Anaheim-Santa Ana.

Myth #6

Residents of affordable housing move too often to be stable community members.

Fact #6

When rents are guaranteed to remain stable, tenants move less often.

Affordable housing tenants invest in a neighborhood and community just as much as any other resident

According to San Francisco's BRIDGE Housing, annual turnover in their affordable housing projects is less than 10 percent annually. This turnover rate is approximately the same as most single-family homeowners, around 10 percent, and much less than market-rate renters.

Affordable housing tenants invest in a neighborhood and community just as much as any other resident. Affordable housing tenants include families with school age children, where the mother and father attend PTA meetings, and spend their spare time enjoying parks and other community facilities. These families and other affordable housing tenants are concerned for the public's health and safety just like other residents of the community.

Myth #7

High-density and affordable housing undermine community character.

Fact #7

New affordable and high-density housing can always be designed to fit into existing communities.

Density, as measured in units per acre, can be a deceiving measurement, but new housing at between 20 and 50 units per acre can be designed to fit in most California communities. The best way to convince people of this is to show them how well new housing can fit into their neighborhoods. see Resources: *Increasing housing densities*, at the end of this part, for a list of slide shows and videos.

Communities can also achieve higher densities by filling in the existing urban fabric with second units, duplexes, and conversion of outmoded or abandoned commercial buildings. Local governments most often encourage infill by reducing regulations and restrictions.

New affordable housing differs little or not at all from any other development. When BRIDGE Housing opened its affordable *Pickleweed* housing development in upscale Mill Valley, potential buyers for neighboring condominiums mistook *Pickleweed* for the market-rate project. And when Habitat for Humanity built its self-help project in Rancho Santa Margarita, local developers and subcontractors contributed materials identical to those used in nearby market-rate homes. Thanks to sensitive work by experienced architects, the new townhomes fit in perfectly (see case study). These developments are proof that affordable housing doesn't mean high-rise slums.

High-density doesn't mean high-rise. When most people hear high-density housing, they imagine high-rise housing. But in most California cities, the market won't even support high-rise housing. More often than not, high-density development now means two- and three-story wood frame garden apartments that frequently are similar in scale to large home luxury housing.

Myth #8

High-density and affordable housing increase crime.

Fact #8

The design and use of public spaces has a far more significant affect on crime than density or income levels.

Density does not cause crime. For many years social scientists have asked whether high-density housing causes crime. Not one study has shown any relationship between population or housing density and violent crime rates; once residents' incomes are taken into account, the effect of density on non-violent crime decreases to non-significance.

After studying housing and neighborhoods throughout the country, Oscar Newman concluded that the design and use of public spaces, and particularly the sense of ownership and control that residents have over these areas, has far more significant affect on crime than density or income levels.

In neighborhoods suffering from disinvestment, particularly those areas lacking jobs and community services, crime can be higher.

Local governments can help address legitimate concerns about crime by working with existing residents and law enforcement to develop community-based strategies to reduce crime.

Management & Design are Key. Local governments can also help protect the entire community, including new affordable housing residents themselves, by attending to details at the project level. Most important is effective professional onsite management, with strong tenant-screening and good security systems. Design, too, can play an important role in protecting residents and neighbors of high-density or affordable housing, especially by ensuring visibility. New developments should also contain a mix of unit types to accommodate different kinds of households. When residents have different occupations and family types, someone will probably be home in the development almost all the time.

In Conclusion

In this decade, California's persistent affordable housing shortage has become so commonplace that it seems natural. Planners and elected officials must stop believing another pervasive myth: *that they can do nothing to create affordable housing*. This report shows that many California communities now believe they have the creativity, resources, and will to house all those who need shelter. As a result, they have established that, in fact, California communities can become more open, more accepting, and better places for old-timers, new immigrants, or their children.

Case Studies

Renaissance

High-Density and Affordable Housing Help Balance Silicon Valley

High-technology firms create thousands of jobs in Silicon Valley, but housing construction does not keep pace. New workers have to commute long distances to reach their jobs. As a result, Silicon Valley suffers from some of the worst traffic in California and from the State's highest housing prices. In the late 1980s, San Jose set out to clear traffic and ease the housing shortfall by changing its land-use policies. The Renaissance project, on a 56-acre site in north San Jose, was originally designated for research and development. It had enough infrastructure -- including a wide road and convenient access to planned light rail to handle a large number of new jobs.

In 1991, Renaissance Associates, a partnership between General Atlantic Development and Forest City Development, proposed with the landowners that San Jose rezone the site for over 1,500 moderate -- and high-density rental apartments and for-sale town homes, neighborhood retail, and a day-care center. San Jose readily agreed.

The project developers started work early with neighbors living in an existing single-family development on the site's northern boundary to provide appropriate transitions into Renaissance, while making best use of the large existing road. In response to neighbors' concerns, the developers located the lowest-density town home component adjacent to the existing residences, and provided ample setbacks between the new attached homes & the 1950s-vintage single-family homes.

The developers responded to concerns about traffic by canceling initial plans for a through street that would connect the existing neighborhood with Renaissance Village.

This high-density development shows that often repeated myths about the effects of high-density housing on public services and transportation aren't always true. San Jose's ambitious plans for employment development in the area led the City to require the construction of more infrastructure than was eventually necessary both on the site itself and in neighboring areas of the City. Later, the City determined that it could alleviate traffic throughout its road network by shifting the location of new residences and workplaces.

The composition of the project itself, with over 250 affordable apartments, market-rate apartments, and attached ownership units, further assures balance between the housing and Silicon Valley's new jobs. The site design, which features pedestrian-friendly walkways and easy connections to the Tasman Light Rail, will allow Renaissance Village residents to leave their cars—in their garages altogether.

The development also shows that, with advance planning and sensitivity to neighbors' concerns, NIMBY sentiments can be prevented. The neighbors and the developers displayed an attitude of openness that ensured both a smooth approval process and a better project.

San Paulo

Good Design Beats NIMBYism in Irvine

The City of Irvine, one of California's largest planned communities, added tens of thousands of new jobs as the information economy boomed. But the City's housing supply—especially housing for families with modest incomes—could not keep up with its job creation. In late 1990s, the City and The Irvine Company, which owns all the undeveloped land in the City, identified a 15-acre multifamily site as appropriate for new affordable housing.

To ensure that such a large and prominent new development would fit into West Park Village, the Irvine neighborhood that surrounds it, The Irvine Company contacted the Costa Mesa-based architecture firm of McLarand Vasquez & Partners (MV&P). MV&P, which had also designed the dense and highly popular Corte Bella town homes across the street from the project site,

designed San Paulo's 382 units in 27 separate buildings, with flats and town homes of various sizes. San Paulo's overall density reaches about 25 units per acre, with room left over for two swimming pools, generous landscaping, a tot lot, and numerous features to smooth the transition from San Paulo's surroundings into its highest-density areas.

To show the City's residents that affordable housing and its residents belong in Irvine, The Irvine Company also met early with West Park Village residents. The neighbors were won over by the open process and the high-quality design. The Irvine Company and the City emphasized that San Paulo's residents would be members of the Irvine community. Teachers, firefighters, and other essential contributors to the City's life previously forced out of the City by its high housing prices would find an affordable place to live if San Paulo were approved.

Also key to the project's success was the participation of its non-profit partner, San Francisco's BRIDGE Housing. BRIDGE provided vital advice on affordable housing to the other members of the development team, assisted in the City's approval process, and coordinated the project's financing, which came from City & county sources and State-authorized bonds and tax credits, with credit enhancement by Sumitomo Bank, Ltd. Forty percent of the units are affordable to families earning less than half of Orange County's median income of $56,500; another 50 units are also designated as affordable to low- and moderate-income families.

In Irvine, the developer, architect, non-profit partner, and City staff needed to overcome one key obstacle: unfamiliarity. Residents' preconceptions fit the myths—and not the reality—of today's mixed-income, non-profit sponsored affordable housing. By being sensitive to both the design of surrounding developments and neighboring residents' desires to feel included in decisions, the development team has created a successful model for emulation throughout southern California.

Midtown Sacramento

Residents Play a Role in Creating Affordable Family Housing in Neighborhood

Midtown Sacramento boasts a diverse mix of housing and small businesses. Midtown streets are lined with early 1900 Victorian houses, some of which are occupied by high-income families, others have been converted into multiple rental units and more still are occupied by office-type businesses, primarily law firms.

Building family housing in an established downtown isn't easy, but Mercy Housing California demonstrates that when the lines of communication are opened, a dense multifamily project can gain public support.

Saint Francis of Assisi Elementary School and Church is located in a midtown neighborhood, a block from historic Sutter's Fort and nearby a number of boutiques interspersed in a largely residential neighborhood. The School and Church occupied over half of a city block and the Church had rights to the entire block. The bishop was interested in developing housing on the underutilized area of the block. One of the famous Victorian houses succumbed to a fire by transients. The Church had the remains removed and was left with an eyesore and potentially hazardous attraction next to the School playground. Although there are high-rises housing elderly residents in the midtown neighborhood, community members and Saint Francis parishioners didn't perceive an affordable multifamily housing project fitting in to the existing residential neighborhood. There was significant opposition to building such a project.

Mercy Housing California enlisted the assistance of Michael Friedman, an experienced in fill development architect with Tong and Bottomly, to conduct a series of workshops to listen to community and parishioner concerns. To build the desired number of family units composed of one-, two-, and three-bedroom units, the architectural firm designed the building from the inside out. Conscientious of local resident concerns, the project saved the School playground while preserving the privacy of the new 46 affordable family housing units. Additionally, local input resulted in new public space for the community to enjoy. The project has been built and occupied for several years and has become an integral part of the midtown neighborhood. Residents and parishioners, who at first feared the project, now point with pride to the community asset they had a hand in creating.

San Diego

Small Scale, Mixed-Income Housing is good fit for Little Italy Neighborhood Development

The sloping landscape at the northern downtown edge of San Diego Bay was once home to the many Italian families who derived a living from the highly successful tuna fishing industry. Although large-scale commercial fishing is now a memory, the district's southern European character remains. Always a neighborhood first and then a commercial and light industrial center, Little Italy's spirit is perhaps best typified by the rebuilt Washington Elementary School and development of the adjacent Amici Park, which serves both as a playground for the school and a park including a bocce ball court for the community. Its lovely vistas now offer an urban neighborhood with single-family homes, condominiums, lofts and apartments. The India Street commercial strip is alive with Italian restaurants, small cafes, art and graphic studios/galleries, specialty shops and low-rise offices.

Little Italy Neighborhood Development (LIND), one of the region's most innovative residential ideas, was one of six new successful affordable housing projects that has received the State Housing Director's Award for Housing Development Excellence in 2000. The Little Italy development consists of 16 row homes, 12 affordable rental lofts and 37 low- and moderate-income apartments. This successful development demonstrates that smaller scale, mixed-income housing can be infilled in an urban setting.

Continuing infill for-sale and rental residential projects is further reinforcing little Italy's distinctive character. Property has been acquired recently by the Redevelopment Agency for future housing developments.

What Does Density Look Like?

Providing a broad range of housing densities is key to ensuring housing opportunities for all residents. Density is calculated by determining the number of dwelling units per acre (du/ac). But, what do different housing densities look like?

Coggins Square Pleasant Hill, Walnut Creek, CA
42 Units/Acre

Chesnut Place, Orange, CA
100 Unit/Acre

Woodpark Apartments, Aliso Viejo, CA
24 Units/Acre

Casa San Juan, Oxnard, CA
64 Units/Acre of Family Housing

San Marcos Apartments, Irvine, CA
64 Units/Acre

Fullerton City Lights, Fullerton, CA
83 Units/Acre

Russell Manor, Sacramento, CA
66 Unites/Acre of Elderly Housing

Arroyo Vista Apartments, Mission Viejo, CA
14 Units/Acre

San Paulo Apartments, Irvine, CA
25 Unit/Acre

Resources

Some communities will need to see more specific examples of good high-density and affordable housing before being convinced that they can live with it. In other cases, residents may need to meet people who live in affordable housing. Almost universally, local governments and planners need advice and information about how best to ensure the design of quality affordable and high-density housing in their communities. Luckily, more and more resources--books, pamphlets, handbooks, slide shows, and videos--are becoming available. This list includes only a few resources; those interested are encouraged to contact the California Department of Housing and Community Development (916/445-4728) for ordering information on most of these publications and for additional suggestions.

Making Housing More Affordable

Blue Print 2001: Housing Element Ideas and Solutions for a Sustainable and Affordable Future, Bay Area Housing, 2001. Blue Print 2001 includes a large directory of housing programs and strategies with a wealth of case studies, including adaptive reuse, air rights development, infill development, second units and density bonus developments.

There Goes the Neighborhood? The Impact of Subsidized Multi-Family Housing on Urban Neighborhoods, by Edward Goetz, Hin Kin Lam and Anne Heitlinger. Center for Urban and Regional Affairs and Neighborhood Planning for Community Revitalization, Minneapolis, Minnesota, 1996

Affordable Housing Slide Show. This 1989 slide show, also from LHEAP, focuses on the San Francisco Bay Area, on techniques for achieving housing affordability; available on loan from HCD for the cost of mailing plus a deposit. For more information, call HCD at 916/445-4728.

Affordable Housing Handbook. A 1991 publication of the California Coalition for Rural Housing. This handbook offers an exhaustive list of programs and policies that local governments can use to ensure the construction, rehabilitation, and preservation of affordable housing. $5.00 To order, call CCRH at 916/443-4448.

Creating a Local Advisory Commission on Regulatory Barriers to Affordable Housing. This 1992 publication by the US Department of Housing and Urban Development guides local governments that want to establish committees to identify and reform ordinances and policies that reduce the supply of housing and increase its costs. $4. To order, call HUD User at 800/245-2691.

Affordable Housing: Proactive & Reactive Planning Strategies. This recent publication discusses both "affirmative" measures such as, inclusionary zoning, linkage, affordable housing finance, affordable housing preservation, and infill-and reactive measures, including zoning and subdivision reform, growth management, impact fees, environmental legislation, and administrative reform. $29 includes shipping and handling. To order, call the Planners' Bookstore at 312/955-9100.

Affordable Housing: Restoring the Dream. 15-minute video (1989) by the Urban Land Institute promotes cost savings in single-family housing through flexible development standards and expedited processing. $34.95 for non-ULI members. Order number A-17. To order, call 800/321-5011.

The Effects of Subsidized and Affordable Housing on Property Values: A Survey of Research. Out of 15 published papers on subsidized housing, group homes for the handicapped, and manufactured housing, 14 concluded that this housing had no significant negative effects on the values of neighboring properties. Some reported positive property value effects. Free. To order, call HCD at 916/445-4728.

Second Units. This paper, updated to reflect 1990 amendments to State law increasing the permissible size of second units, describes the advantages of and statutory requirements for the development of second units. Free. To order, call HCD at 916/445-4728.

Meeting the Residents of Affordable Housing

California Homeless and Housing Coalition: A 42-minute video, Neighbors in Need, documents the experiences of three organizations in establishing facilities for the homeless. The 1991 video features interviews with residents and clients, as well as with one-skeptical neighbor who now advocate for other similar facilities, in Hayward, San Mateo County, and Los Angeles. $15. To order, call 916/447-0390.

Realize the Dream. The City of Fremont Housing Department produced a five-minute video, now available through HCD introducing decision-makers and citizens to the residents of three of the City's bond-financed mixed-income apartment projects. Features interviews with residents of both subsidized and unsubsidized units. For information on how to obtain, call HCD at 916/445-4728.

We Call It Home: A Tour of Affordable Housing. 16-minutes. Recent video produced by Marin County's Ecumenical Association for Housing (EAH) introduces several of EAH's projects and the people who live there, in Marin and Contra Costa counties. $15 to purchase, postage costs to borrow. Call Betty Pagett at 415/258-1800.

NIMBY fears, community perceptions: Analysis of Affordable and Market Rate Housing Developments in Oakland, California, by Cathy Cha. Dept. of City and Regional Planning, University of California at Berkeley, 1996

HCD offers a website with a section titled: NIMBY Resources at **www.hcd.ca.gov/hpd/nimby**. The page includes resources and tools for addressing NIMBY concerns about housing and especially affordable housing and/or high-density housing.

Increasing Housing Densities in New and Existing Development

Good Neighbors: Affordable Family Housing (Design for Living) by Tom Jones, William Pettus (Contributor), Michael Pyatok, and R. Thomas Jones. 1996. McGraw-Hill Professional Publishing. Based on the acclaimed AIA Design for Housing initiative and supported by and NEA grant. This is an authoritative guide to modern affordable housing design. This landmark book provides architects, landscape architects, planners, developers, advocates, government officials, and policy makers with workable answers for the design of affordable, anesthetically pleasing housing.

Density by Design: New Directions in Residential Development by Steven D. Fader, Vincent Scully. 137 pages 2nd edition, March 15, 2000, Urban Land Institute (ULI). This document provides innovative solutions to the challenge of developing higher density housing that will be successful in the marketplace. Case studies of 14 projects show how others have implemented the best new ideas in residential development and design. Projects covered range in density from single-family subdivisions to downtown high-rise apartments and illustrate many up-to-the minute concepts: new urbanism, transit-oriented development, mixed-income and mixed-housing types, urban infill, and adaptive use. They also reveal trends and standards for developing projects that provide a sense of place, use land efficiently without compromising livability, and that can pass the twin tests of governmental approval and marketability.

Compact Development Presentation. This presentation with 39 slides from the Local Government Commission highlights some of the needs, myths and misconceptions about compact housing and its role in helping to create more livable communities. Slide shows may be purchased or rented. $50.00 for complete set, $2.50 for individual slides, or rent for $15.00 plus $50.00 deposit.

Multifamily Residential Design Principles. The City of Sacramento published this excellent guidebook November 19, 1999 to provide multifamily design guidelines for the City Planning Commission.

Big Blue Book of Affordable Housing Case Studies, Alexander and Edwards Publishing, 2000 Compact and Balanced Development: Designs for California Living. This 15-minute video by the American Institute of Architects California Council provides tangible examples of infill and higher-density developments that enjoy community support, and highlights the role of local governments in their approval and construction. AIA members: $25; non-members: $40. To order, call 916/448-9082. In late 1993, the AIACC will release a follow-up urban design video demonstrating how to respond to community concerns, increase density, encourage mixed-use transit-oriented development, and obtain innovative financing.

Room Enough. This publication, by San Francisco's Greenbelt Alliance, discusses five strategies using vacant land more effectively, building more housing along major streets, bringing homes and people downtown, adding second units on existing home sites, and recycling lands no longer needed for industry that communities can use to accommodate more housing while meeting concerns about community character and open space. $9. To order, call Greenbelt Alliance at 415/543-4291.

Transit-Oriented, Mixed-Use and Infill Development

Building Livable Communities: A Policymaker's Guide to Infill Development. The January 2001 publication from the Local Government Commission helps to answer two of a policymaker's most frequently asked questions: "Why build in town?" and "What can local government do to encourage infill development?" This guidebook suggests a number of ways to create infill development in your community. These include: planning proactively; assuring public participation; using public facilities and development to attract investment; assisting with project financing; zoning for mixed-use and higher-density development; encouraging rehabilitation; providing in-kind assistance; streamlining the permit process; providing public services; and addressing toxic contamination.

Building Livable Communities: A Policymaker's Guide to Transit-Oriented Development. This is a companion guidebook on transit-oriented development from the Local Government Commission. More and more, community leaders are recognizing that building residences, stores and work places near transit stops can play a major role in creating places where we enjoy living, working and playing. The guidebook addresses the questions of "why build near transit?" and "why should elected officials, land-use agencies and developers pay more attention to development near transit than to any other kind of development?" The guidebook has helpful advice, model examples, and resources to help create livable, transit-oriented communities in your region.

Notes

[1]Statewide Housing Plan: Raising the Roof, California Housing Development Projections and Constraints 1997-2020, California Department of Housing and Community Development, May 2000

[2]Still Locked Out: New Data Confirm that California's Housing Affordability Crisis Continues, California Budget Project, March 2001

[3]American Housing Survey

[4]John Holtzclaw, 1997m Metropolitan Transportation Commission, 1990 Household Travel Survey

[5]Cambridge Systematics and Parsons Brinckerhoff Quade & Douglas. Making the Land Use Transportation Air Quality Connection: Analysis of Alternatives. Vol. 5 Friends of Oregon

[6]American Housing Survey, 1999; National Multi Housing Council, Research Notes, August 24, 2000

[7]Paul Cummings and John Landis, "Relationships between Affordable Housing Developments and Neighboring Property Values" (Berkeley: University of California Institute of Urban & Regional Development, 1993)

[8]California Department of Housing and Community Development, "The Effects of Subsidized and Affordable Housing on Property Values: A Survey of Research" (Sacramento: DHCD, 1988), 2

Published by the California Planning Roundtable

The California Planning Roundtable is an organization of experienced planning professionals who are members of the American Planning Association. Membership is balanced between the public and private sectors, and between Northern and Southern California. The mission of the Roundtable is to promote creativity and excellence in planning by providing leadership in addressing important, unresolved planning issues in California.

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Building Knowledge & Capacity for Affordable Housing in B.C. Small Communities

A Scan of Leading Practices in Affordable Housing

October 2017

BC HOUSING
RESEARCH CENTRE

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INTRODUCTION

Affordable housing remains a challenge for communities large and small throughout BC. Many small communities (under 20,000) have policies in their Official Community Plans (OCPs) supporting the development of affordable housing, yet implementation of these policies remains a challenge.

This scan of leading practices report is part of a larger project that seeks an understanding of the challenges and capacity needs for small communities to deliver affordable housing, as well as the current practices that result in successfully increasing affordable housing supply.

The first part of this project included a primary research scan of opinions held by people working across British Columbia to implement affordable housing in small communities. Using an online survey and targeted interviews, we captured the thoughts of non-profit housing organizations, housing consultants, developers and builders, financers, local government and crown corporations.

The results of this outreach confirmed that there is a need for affordable low-moderate income (workforce) housing in smaller communities. Progress on the issue to date has been "fair" to "poor", primarily due to the slow implementation of initiatives despite having housing plans in place.

The most significant affordable housing challenges centre on:

- The cost of development
- The little profit associated with those costs
- The challenge of funding or financing projects

The cost of development and a lack of land for affordable housing are two of the more prominent challenges in recent years.

In order to resolve these challenges, survey participants and interviewees had several proposed solutions:

1. Work on more and different incentives to lower development costs for both developers and non-profit organizations to build affordable housing
2. Increase access to funding (general funding, government security for financing, etc.)
3. Add flexibility to how funding is used, especially for pre-development funding
4. Create a better understanding of development economics
5. Create new models of funding not yet used
6. Address the critical need to seek a values alignment for all stakeholders engaged in affordable housing projects and collaborations

Other major themes cited throughout the survey responses and interviews included:

- Co-ordination/more partnerships to bring actors together to plan and develop projects
- Building capacity of non-profits to more effectively build housing
- Helping developers better understand the market and opportunities for workforce affordable housing

This scan highlights proven approaches to affordable housing in small communities along with some new approaches to housing that seek to address the identified challenges and opportunities for affordable housing. While there are certainly partnership and funding roles to play in senior government policy for housing, the approaches highlighted here target what is possible to implement and access at the local level.

KEYS TO SUCCESS

There is a significant amount of literature describing affordable housing approaches and examples of their use (CMHC, Smart Growth BC), though as the recent Metro Vancouver "What Works" report on housing points out, there is very little evidence demonstrating the effectiveness of various municipal affordable housing measures, let alone small community measures. Two sources cited in the Metro Vancouver report attempt to classify the effectiveness and cost benefit of various approaches for various types of communities. These tables are included below for reference.

As the work in our report is focused on smaller communities the approaches that have 'rural' benefits are certainly the most interesting to consider, although the approaches with 'urban/growing urban/suburban' benefits are also interesting, as there are some rural communities that are growing quickly due to the proximity to major metropolitan areas (e.g Pitt Meadows, Squamish), amenity migration/vacation home pressures (e.g. Whistler, Tofino) , or resource boom cycles (e.g Dawson Creek, Fort St, John).

Table 2 - Municipal Costs/Benefit of Selected Practices

Practices	Direct Cost			Benefit		
	Low	Medium	High	Rural	Urban	Growing Urban
Housing First Policy		X		MED	MED	MED
Second Suites	X			LOW	MED	MED-HIGH
Housing Levy			X	MED	HIGH	HIGH
Inclusionary Zoning	X			LOW	HIGH	HIGH
Density Bonusing	X			LOW	HIGH	HIGH
Demolition Control	X			LOW	MED	LOW
Extraction Programs	X			LOW	HIGH	HIGH
Infill	X			LOW	HIGH	MED
Alternative Development Standards	X			LOW	MED	HIGH
Streamlining Approval Process		X		LOW	MED	HIGH
Performance Based Planning	X			LOW	MED	MED
Exemption of DC & Other Fees		X		LOW	MED	HIGH
Tax Credits		X		LOW	HIGH	HIGH
Grants & Loans			X	MED	HIGH	HIGH
Trust Funds		X		MED	MED	MED
Advocacy	X			MED	MED	MED
Direct Provision			X	HIGH	HIGH	HIGH
Public/Private Partnership		X		HIGH	HIGH	HIGH

SOURCE: THE MUNICIPAL ROLE IN MEETING ONTARIO'S AFFORDABLE HOUSING NEEDS. OPPI. 2001.

Table 3 - Potential Positive Impacts of Measures on Housing Affordability

Type of Measure	Development Context		
Regulatory Measure	**Urban**	**Suburban**	**Rural**
Adopt alternative planning standards	Low	High	Low
Adopt alternative engineering standards	Low	Medium	High
Reduce parking standards	High	Medium	Low
Reduce restrictions on manufactured / mobile homes	Low	High	Medium
Facilitate lot splitting / subdivision	Low	Medium	High
Financial Measure			
Employ density bonusing	High	Low	Low
Establish a housing reserve fund and levy program	High	High	High
Financial incentives / assistance	High	High	High
Planning Policy Measures			
Introduce inclusionary planning	High	High	Low
Adopt strategies to encourage brownfield redevlopment	High	Medium	Low
Adopt policies to facilitate greyfield redevelopment	Medium	High	Low
Planning Policy Measures			
Streamline municipal approval process	High	High	Low
Address local resistance to affordable housing projects through public education and mediation	High	High	Medium
Appoint a municipal housing facilitator	High	High	High

SOURCE: HALIFAX REGIONAL MUNICIPALITY LAND USE POLICY AND HOUSING AFFORDABILITY, RAY TOMALITY AND ROSS CANTWELL, 2004.

We identified the 'keys to success,' described below, by taking into consideration what we heard during the first phase of our research with housing organizations, municipalities and our advisory committee as well as the research described in numerous affordable housing guide reports such as The Smart Growth BC Affordable Housing Toolkit and Canadian Housing and Mortgage Corporation Housing Ideas. Some of the important qualities of leading affordable housing approaches that we considered included: costs to municipalities, applicability to small communities, effectiveness and speed of implementation.

Keys to Success

Municipal Tools	• Inclusionary zoning and density bonus • Intensification and tenure through rezoning • Reducing costs by streamlining approvals and other incentives • Short-term rentals regulations • Covenant tools
Partnering for Land, Financing	• Land: Municipal land and land trusts; NPO land • Financing: Housing fund - employee works and service charges or levy; Alternative Capital; Design and Operations savings
Capacity Building for Organizations and the Community	• Housing organization and growing capacity • Housing strategy • Communication and education

MUNICIPAL TOOLS

Inclusionary Zoning and Density Bonus Policy

Both these tools seek to add affordable housing through new development. Inclusionary zoning means zoning regulations that require an applicant to contribute to below market cost housing units (directly through building or through funding) triggered as part of a rezoning for a development. Density bonus policy is an incentive that allows increased development potential as long as affordable housing is included. The number of affordable units created is often based as a percentage of market units (e.g. 10-20%) built, space created, or in some cases, the amount of new employment driven by the development.

Actors
Local government and developers

Partners
Often a housing organization

Ease of Implementing

SIMPLE

Speed of delivering housing

Dependent on development demand

Fitzsimmons Walk Employee Integrated Housing

Benefits

- Integrates affordable housing across the community
- Secures commitment early on

Considerations

- Requires new development and a market that can absorb possible minor additional costs

Implementation Process

- Policy change
- Negotiate and approve development
- Administer housing

Making it Happen

- Ensure community buy-in for affordable housing
- Develop staff and council's capacity to put forward a strong policy

Synergies

Housing organization, housing fund, engagement and communication, covenants

Langford Affordable Home

Examples

Langford, BC: Affordable Housing Program

- Housing prices in Langford are relatively affordable compared to the rest of the region, which has made it an attractive location for new development
- Concerned about rising costs, the City introduced Langford's Affordable Housing Program requiring new subdivisions to build one affordable unit for every 10 single-family lots
- Qualified purchasers must be at least two people with a household income under $60,000 and been employed in the city for ½ a year and or lived in Langford for two years
- Home has a price cap for 5 years that increases slightly after 5 years
- The City also has $500 housing fund contribution policy for every new dwelling
- The City manages the sale and buying process
- The number of units in the program: 30

MUNICIPAL TOOLS

Intensification through rezoning

Rezoning properties for density or flexible housing uses is one of the fastest ways to access land and financing for new housing. Secondary suites (attached or detached), zoning for rental buildings, smaller lots, lot subdivisions, stratification or residential atop commercial all increase the supply of housing, often on a fixed footprint of land.

Actors
Local Government/ Homeowners/Developers

Partners
Builders and sometimes a housing organization

Ease of Implementing

MODERATELY COMPLEX

Speed of delivering housing

Fast to moderate

Canmore Garage Suite

Benefits

- Often uses existing land, mostly privately funded
- Integrates affordable housing throughout community
- Maintains neighbourhood character
- Uses existing infrastructure and services
- Little cost/resources from local government

Considerations

- Focus properties close to community core to reduce transportation and servicing needs
- Some forms may be attractive as short-term nightly rentals or weekender rentals, and therefore policies for long-term rentals need to be in place
- There may be neighbourhood perception concerns about rentals
- Cost of building may result in a unit that is more than what is affordable; careful analysis is needed
- Influence from outside buyers could increase home sales prices without restrictions.

Implementation Process

- Consultation
- Policy change (OCP/Zoning)
- Incentives as needed
- Negotiate and approve additional dwellings

Making it Happen

- Dispel myths about the neighbourhood impact of density
- Consider incentives linked to encourage secondary suites for homeowners, affordable rental rates, local use

Synergies:

Streamlining approvals and other incentives, engagement and communication, covenants

Detached Suite, Canmore

City of Langley

Examples

Canmore, Secondary Suites

- In an attempt to speed up the provision of affordable market rental. Canmore made allowances for secondary suites in most single family neighbourhoods
- Further ensuring the uptake of this opportunity and to ensure some level of housing and affordability the community is also incenting renovations to suites
- Homeowners are eligible for reimbursement of up to 50% of expenses to the maximum of $10,000
- Homeowners must commit to rent the suite to a Canmore resident at 10% below market rental rate for 5 years
- The program was informed by an extensive report by the community housing corporation

  Source: www.canmore.ca

City of Langley, Willoughby

- Langley is one of four high growth municipalities in the Lower Mainland, with increasing demand for residential development
- A growth strategy calls for implementing smart growth principles in the form of compact, mixed use and walkable communities
- In opening up new land for development in Willoughby, the area is poised for an increase in residential density
- Apartment units are new to Willoughby and new developments such as Bedford Landing require a mix of housing types such as single family, townhouses and row houses

  Source: Township of Langley, BC, an overview of development trends 2010

MUNICIPAL TOOLS

Reducing costs by streamlining approvals and other incentives

As planning and approval processes can add to the cost of developing housing, it makes sense that streamlining these processes for affordable housing projects will reduce costs to those who are developing housing. Other incentives to encourage development may include funding support for secondary suite development or other types of land intensification. Some techniques used for lower approval costs include: 'one stop shopping' for builders and residents, or priority placement in permitting queues.

Actors
Local Government

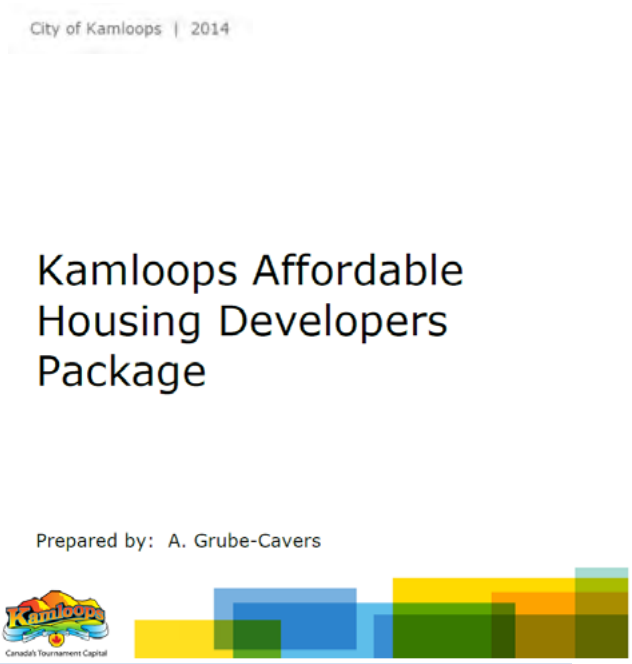
Partners
Developers, Builders

Ease of Implementing

SIMPLE

Speed of delivering housing

Moderate



Kamloops Affordable Housing Developers Package

Benefits

- Expediting approvals means construction can start sooner, which can lower financing costs and risks
- Providing minor funding or relaxation on charges for creating new units such as secondary suites, lot splits or rental can catalyze housing that might not otherwise occur

Considerations

- Expediting approvals may require staff training
- Need to ensure permitting remains at a high standard
- Builder education may also be required to help speed up the process

Implementation Process

- Consultation
- Policy and procedure changes
- Communication of tools

Making it Happen

- Ensure appropriate training for staff and builders about the process and importance of affordable housing
- Use other tools such as covenants to ensure housing stays affordable and occupied
- Ensure there is a local government commitment and culture prioritizing the construction of affordable housing

Synergies

Housing funds, engagement and communication

Examples

Kamloops: Affordable Housing Developers Package, Grants and DCC exemptions

- Goal is to speed up affordable housing projects
- Affordable housing reserve fund offers up to $5,000 per unit, up to $150,000 total
- DCC exemptions vary but up to 100% eligible for rental
- Downtown revitalization tax exemptions for a downtown multi-family rental project, up to 100% for 10 years
- Other requirements: must be affordable, along with a housing agreement with the City guaranteeing affordability

Source: Tyee and City of Kamloops

Saskatoon: Priority review of housing applications

- Process proposals as soon as they are received, staying at the front of the line as they circulate through various departments.
- Quality is maintained, but the proposals jump the queue.
- Impact: A total of 500 new units since 2008 and this process was one of several that led to this success
- Other policy tie in: Must be a project approved under the municipality's affordable housing programs (City owned land for affordable housing, non-profit rental housing property tax abatement, capital funding support for affordable housing) to ensure long-term affordable housing.

Source: Tyee and CMHC

MUNICIPAL TOOLS

Short-term nightly rental regulations

Short-term nightly rentals are part of a broader trend of sharing assets; in this case residential property owners earn revenue from using their homes as nightly rentals (fewer than 30 days). While short-term rentals benefit a homeowner by providing an additional source of income, they can reduce the availability of affordable rental units (apartments, suites, rental homes). Regulating short-term rentals through zoning and other tools as well as through enforcement is one way to reduce the impact on the existing stock of long-term rentals. Leading practices to protect affordable housing supply includes full bans on short-term rentals, or limiting them to primary residence single detached dwelling units. Both approaches require enforcement through municipal ticketing.

Actors
Local Government

Partners Online rental platforms, home-owners, BC Hotel Association, Tourism Boards

Ease of Implementing

SIMPLE

Speed of delivering housing

Fast, if enforcement is included

Village of Pemberton Short-term Rental Engagement

Benefits

- Allowing some short term rentals in primary residences maintains income benefits to homeowners while reducing the loss of long-term rental properties
- Banning short-term rentals maintains more opportunities for rentals in shared and detached units
- Addressing short-term rentals may help to manage other neighbourhood concerns such as noise or lack of parking

Considerations

- Demand for short-term nightly rentals in a community requires some level of enforcement in order to protect affordable housing
- Nightly rental income may play an economic development role through tourism, including in resort-based or resource/transitional towns

Implementation Process

- Policy changes
- Enforcement

Making it Happen

- Understand the extent of the issue
- Consult the community
- Support enforcement budgets initially

Synergies

Zoning

Examples

Nelson: Permitting some short-term rentals across the community and enforcing

- After extensive consultation, they City now allows up to 100 permitted short-term rentals, but no more
- Protects many long-term rentals by limiting short-term rental permits to primary residences
- Enforcement is key

Source: www.nelson.ca/615/Short-Term-Vacation-Rentals

Pemberton: Permitting some short-term rentals in designated zones and enforcing

- Had up to 100 units in the area being advertised on Airbnb, with about 30 within Pemberton boundaries
- After consultation, the Village is considering allowing up to 30 short-term rentals in detached single family residences only
- Protects long-term rentals by limiting permits mainly to primary residences
- Considering changes to ticketing system to allow for fines for marketing non-permitted units
- Enforcement will be funded through business license fees

Source: From files, www.pemberton.ca/

MUNICIPAL TOOLS

Covenant tools

The BC Community Charter allows for the use of covenants that are registered on the land title of properties. These covenants (essentially contracts) can restrict what an owner can do on the lands, and/or allow or restrict an activity to the effect of benefiting the local or provincial government. In an affordable housing situation covenants may be used in a housing agreement to restrict who can live on a property and how much the property can be sold or rented for, thereby keeping a home perpetually affordable for future owners. The covenant can also include a listing of fines and other tools to ensure compliance and long term affordable housing. Development agreement covenants are used to ensure the benefit of affordable housing is provided as part of a rezoning process.

Actors
Local Government

Partners
Developers, property owners, housing organizations?

Ease of Implementing

COMPLEX, THOUGH GOOD EXAMPLES EXIST

Speed of delivering housing

Extra restrictions may slow down the initial development/uptake of affordable housing, but it will preserve affordability in the end.

The Whistler Housing Authority

Benefits

- Ensure housing agreements around property use, resale and prices, and are critical to ensuring that affordable housing remains as intended over the long term
- Create development agreements to ensure a developer provides the affordable housing benefits they agreed to

Considerations

- Covenants require legal expertise to ensure that they are clear and resilient to challenges
- The restrictions in the agreements may not be appealing to those looking for affordable housing

Implementation Process

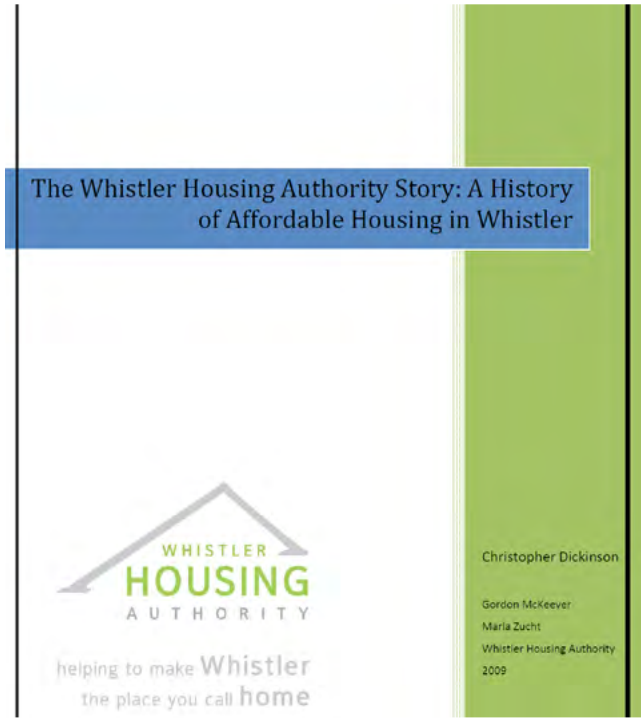
- A development agreement generally requires a rezoning process in which an agreement for benefits relating to the development can be negotiated
- A housing agreement needs to be applied, which generally needs to be considered in the rezoning and again at the times of sale for the property owner to agree to the terms

Making it Happen

- Development agreements tend to require a demand for development and rezoning in the community
- Education is often required for property purchasers and agents about covenant details and penalties
- Providing an opportunity in the agreement for a housing organization or municipality to purchase units upon sale allows preserves the opportunity to adjust the covenant as required in the future

Synergies

Inclusionary zoning/Density bonusing, Housing Organization



The Whistler Housing Authority Story: A History of Affordable Housing in Whistler

Examples

Whistler: Housing Covenants

- Whistler has had a long history with housing agreement covenants on title starting in 1982 and continuing to today
- Covenants evolved over this time to ensure the appropriate benefits were delivered to the community; other tools to control the use of property included land leases
- The majority of the 2,000 dwellings of Whistler managed affordable housing has covenants on title
- Whistler also used development agreements to ensure inclusion of affordable housing by developers
- Critical to the program's success is a housing organization, the Whistler Housing Authority, which manages the buying process, waitlists and development, and access to low-cost land through acquisitions and inclusionary zoning

Key ingredients to include in housing agreement covenants for ownership housing:

- Resale and rental price restrictions - set and primarily limited to the CORE inflation index
- Description of the resale process that requires sales to the municipality or people on the housing waitlist managed by a housing organization
- Occupancy restrictions on who can live in the unit – targeted at employees (20hrs/week), retirees and dependents
- First right of refusal for the municipality to purchase ownership housing when it is sold – to ensure control over the longer term as well as the ability to adjust covenants as required
- Breach of covenant penalties up to $500/day

Other considerations to include:

- Rental duration limits on ownership units
- Provisions for capital improvements

Source: WHA History and Evolution of the Resident Housing Covenants

PARTNERSHIPS - LAND & FINANCING

Municipal land and land trusts

Access to low-cost land for affordable housing, whether private infill or larger parcels of brownfield or underutilized land, is critical. This approach considers land that is acquired by a municipality or a non-profit organization (e.g. a land trust) at a low cost to hold for the benefit of affordable housing. Property for affordable housing is typically acquired through donations or grants of land from sources such as the provincial government. Beyond land donations, the servicing of land can be an impediment to affordable housing, so land donations with servicing or land that can be accessed easily for servicing are especially valuable. In addition to municipally held land developed by the municipality or other partners, land trusts are one arrangement of land ownership that is underpinned by an organization with a built-in desire to create permanently affordable housing. Land trusts often maintain ownership of the land while making it available for housing through land lease or housing rental agreements to ensure long-term control of the land. Though effective, community land trusts are not as popular yet in Canada as in other international jurisdictions.

Actors Local Government, Community Land Trust, Land Owners

Partners Financiers/Senior Governments, Housing Organizations, Co-op Housing Groups, Developers

Ease of Implementing

MODERATELY COMPLEX

Speed of delivering housing

Moderate to slow

Lopez Island housing

Benefits

- As land is donated, this approach requires fewer resources and energy to undertake than other strategies
- Suitable in smaller communities with more and somewhat less valuable land than urban areas
- Potential for lower cost housing due to low cost of land and lower infrastructure requirements

Considerations

- Leased land can be more complicated to administer and to attract buyers than a model where the land is sold but controlled by another mechanism such as a covenant
- Requires the support of a strong organization and partners for administration of the land, sales, development, resales etc.

Implementation Process

- Land trust organization development in the case of a using a Land Trust
- Donation or acquisition of land under conditions to be used for affordable housing
- Release of land through a lease or arrangement to a third party to develop the land for affordable housing

Making it Happen

- Regularly discuss with the community and senior governments about the desire for land; proactively seek land for potential acquisition
- Ensure capacity building for strong housing organizations and/or land trust groups
- Reduce the need for servicing costs

Synergies

Alternative financing; Covenants

Fraserview Housing

Champlain Housing Trust, Vermont

- Activities have created 1,500 affordable apartments (managed by the Trust) and 1,000 affordable single-family homes and condos (down payment grants/ shared equity financing) in 25 years
- Many ownership properties were built by the Trust but most were once market units selected by homeowners who partnered with the Trust to cover the land value costs
- Collaboration with citizen groups, municipalities in the northwest region of Vermont
- Low interest loans help homeowners make repairs and install environmentally sound energy systems
- They have a significant grassroots member base who provide funds and energy to run and promote the organization
- The model started small and scales very well

  Source: www.getahome.org

Examples

Lopez Community Land Trust, Lopez Island, WA, USA

- Incorporated in 1989 to meet the challenge of the rise in the cost of housing on Lopez Island
- Non-profit with a mission to build diverse sustainable Lopez Island community through affordable housing
- Own five parcels of land covering 13 acres; there are 5 housing organizations leasing parcels on the land base
- There are 32 homes and 2 rental units; 45% of owners are business owners or self-employed and most of the rest work in the community
- Houses are paid for through a combination of sweat equity and cash down payments; investments are capped to appreciate by 2-5% per year

  Source: http://fieldguide.capitalinstitute.org/lopez-story.html

Fraserview Housing Co-op, Vancouver

- Land is owned by the City who provides 99-year leases on four sites to the Vancouver Community Land Trust Organization
- The foundation is working with co-op and non-profit housing providers to develop the housing which includes 278 units for moderate to low income families and singles
- Targeting 76% of market rents across the four properties
- Housing organizations are investing $5 million of their own equity to make it more affordable, BC Housing is investing $4 million of equity and more than $90 million in construction financing
- The Land Trust is also making use of private equity from New Market Funds, a social impact investment firm targeting housing
- Revenue generated via the projects will return to operate housing organizations and maintenance

  Source: May 25th , 2016 Media Release Co-op Housing Federation of BC; www.cltrust.ca

PARTNERSHIPS - LAND & FINANCING

Non-profit owned land

Some land in communities is owned by non-profit organizations or faith-based groups. These organizations may be able to make land available for housing through low cost long-term leases, donating land or providing the land at below market value. In each case, the housing is made more affordable by separating the cost of the buildings from the cost of the land, and subsequently reducing or eliminating the latter. Similarly, the non-profit may be able to develop their land, if they have the capacity to do so; partnerships in this case can be very useful.

Actors Non-profit groups, community organizations with land assets

Partners
Developers, Builders, Housing Organizations

Ease of Implementing

MODERATELY COMPLEX

Speed of delivering housing

Moderate to slow, due to multiple levels of decision making

St. Andrews Church in Port Moody, Catalyst Development Society

Benefits

- As land is donated, this approach requires fewer resources and energy to undertake than other strategies
- Potential for lower cost housing due to low cost of land
- Providing land can give private developers an incentive to build affordable housing

Considerations

- If the land is leased it will need to be done in a manner that supports any financing required for building
- NPOs are not usually attuned to property development
- Land in smaller communities may not be at a premium and therefore it may be difficult to leverage the property for development; however, serviced land would be easier to start with

Implementation Process

- A church or NPO considers its mission and needs, and then determines if housing is a fit or a route to other goals, including revenue generation
- NPO approaches a developer and potentially a housing organization to determine models
- Apply to government for rezoning
- Build and deliver housing using many of the common affordability approaches

Making it Happen

- The pressure to sell prime real estate is strong so innovation is needed to meet the financial needs of the organization and meet community affordable housing goals
- Many effective partnerships are required in order to fill the skill gaps
- Where land is not as valuable/costly consider subdividing for a development lot while maintaining original structures

Synergies

Housing Organizations, Intensification through rezoning

Oakridge Lutheran

Examples

Oakridge Lutheran Church, Vancouver

- Redeveloping the property in to a six story mixed-use building with retail at grade, the Church and community space on the second floor and four levels of affordable housing above
- Includes a partnership with a non-profit real estate developer who partners specifically with community organizations to develop real estate, much of which includes affordable housing
- The property is along a busy transportation route to reduce transportation needs and also includes car share opportunities and ample bike parking
- The Church is moving temporarily to a nearby Church while the development is taking place
- City affordable housing incentives: requirements for parking are relaxed, development costs are waived somewhat, a density bonus is allowed, approval processes are streamlined
- Other tools: Housing agreement requirements to initiate starting rents
  Sources: http://rezoning.vancouver.ca/ and http://catalystcommdev.org/

PARTNERSHIPS - LAND & FINANCING

Housing Funds

There are a number of mechanisms for municipalities to raise funds for affordable housing and it is important that those funds are aggregated into a Housing Fund set up by a municipality, regional government or housing organization. Funding can come from property taxes, works and service charges for new development, or from cash-in-lieu contributions from developers using a density bonus or rezoning agreement.

Actors
Local Government

Partners
Housing organizations, developers or property owners

Ease of Implementing

SIMPLE

Speed of delivering housing

Depends on capacity of organizations to spend it on housing.

CRD, CHRD Carrey rd. developments

Benefits

- Provides secure equity assistance, leverage or funds to be applied to any affordable housing project
- Can aggregate smaller contributions for greater impact
- Easy to set up

Considerations

- May not be enough to fund land and development costs
- Cash in lieu leading to 100% affordable housing units may result in a segregation of market and affordable units throughout the community
- Contributions may not be enough to get financing for projects
- Need to have a plan to continually build up and utilize the fund
- Needs someone to apply for the funding

Implementation Process

- Identify possible sources of funding
- Set up a housing fund at the municipality
- Establish a process for administering the fund to housing projects

Making it Happen

- Requires an organization/person to manage and invest the funds in affordable housing developments
- Requires a strong communication program to taxpayers if funding is to come from general revenues or levies

Synergies

Housing organizations, Streamlined processes and other incentives, Municipal or Non-profit land, Designed for affordability

Whistler rental, Chiyakmesh Apartments

Whistler, BC: Housing Fund

- Whistler developed a unique trust fund approach to providing financing for the construction of affordable housing in 1990
- The fund is contributed to through levies (Employee Works and Service Charge) placed on developments that increase the number of employees in the community
- Funds are provided to the Whistler Housing Authority organization to help deliver affordable housing
- Amount of the Charge is $5,908/employee, but as it is significantly lower than what is needed to develop housing, the Resort Municipality of Whistler is seeking to increase it
- The fund was critical to leveraging more in bank loans and launching the first housing rental projects in Whistler
- Other critical tools included land donations, occupancy restrictions on who can rent units, as well as rent controls
- Whistler now has over 2,000 dwellings of ownership and rental affordable housing

Source: CMHC and Whistler.ca

Examples

Capital Regional District (CRD) Housing Trust Fund

- Capital Regional Housing Corporation formed in 1982 to "build and manage housing for low and moderate income families, seniors and persons with special needs"
- Through this effort they've developed 43 buildings (2007), 1,200 rental units as of 2016
- 10 of the 16 CRD municipalities participate in the Housing Trust Fund through contributions collected from property taxes
- Funding of about $12,000-$15,000 per unit is provided to non-profit developers, which represents less than 10% of the costs
- Subsidized housing is provided to those with lower incomes, and market housing (slightly less than private market rentals) is also available
- Latest project is a 73-unit development on eight acres of land that were purchased and assembled by the Capital Regional District Housing Corporation from 2002-2007
- Development included an extensive consultation process with the community and stakeholder groups
- Other developments on the site utilized modular housing units repurposed from the Whistler Athletes' Village

www.crd.bc.ca and www.crd.bc.ca/crhc

PARTNERSHIPS - LAND & FINANCING

Partnership funding and alternative capital

Seed and ongoing capital to invest in affordable housing is critical, especially for projects not funded through private development. Almost every case described in this scan includes some level of partner or homeowner funding and/or low interest loan support. Both the Canadian Mortgage and Housing Corporation and BC Housing provide support, with the former also offering up pre-development funding as well as low interest loans. While we may in be in a period in which there is increased interest from senior levels of government to provide funding for housing, this interest can fluctuate meaning that organizations must be self-sufficient. Housing organizations funding their housing reinvestment activities with income from rentals or from shared-equity appreciation models have been around for some time now, which is proving to be effective for managing the housing organization's activities. A less popular, but newer, approach to funding housing is called a community investment fund. These funds are locally sourced pools of capital from investors in a specific community, and can be directed at initiatives such as affordable housing in the community. Since most projects in this scan report use more traditional forms of financing affordable housing the implementation and cases below focus on alternative capital approaches.

Actors
Housing organizations, Investors

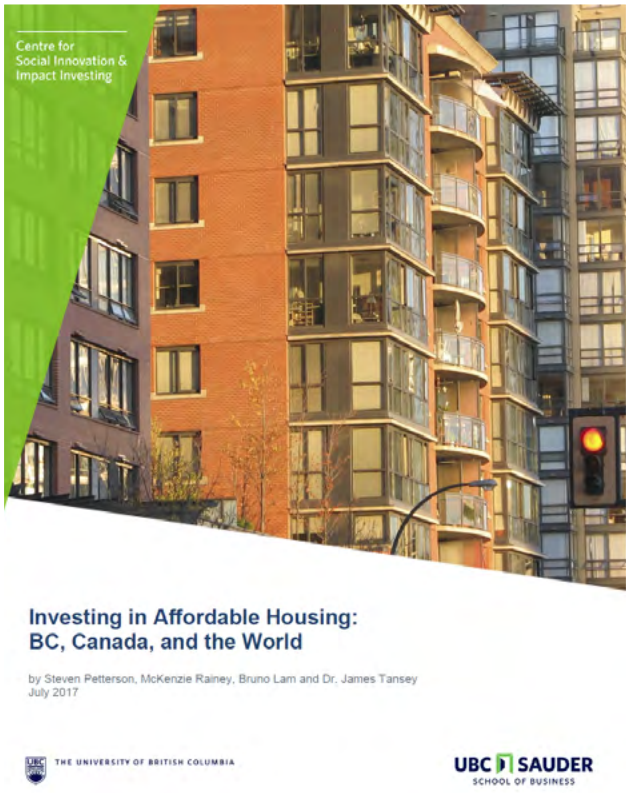
Partners Developers, Builders, Credit Unions or Banks, Investment firms

Ease of Implementing

SOMEWHAT COMPLEX

Speed of delivering housing

Moderate to slow, as it is a new model



Benefits

- Agency funding is often linked to capacity building for the housing organization
- Home ownership funding models provide access to significant funds through traditional lenders
- Established records of success for housing organizations and community investment funds
- Reduces the reliance on senior government funding programs and creates more resilient housing organizations
- May be more efficient than other forms of raising capital

Considerations

- Funding from rentals may not be enough to cover all ongoing costs
- Appreciation reliant approaches that provide funding back to the housing organization may not secure affordable housing over the long-term
- The BC legal environment may not be ripe for community investment funds

Implementation Process

- Assess needs for housing and assemble a team and a buzz about the investment fund
- Find good financially viable projects and housing organizations; seek feedback from supporters
- Set up investment fund structure
- Sell the opportunity to attract investors and supply funds to partner organizations

Making it Happen

- Housing organizations need to retain ownership of rental housing so they can benefit from rental income
- Investment funds require strong relationships and structure to be able to attract investors. Trust is built through relationships and good information about investments

Synergies

Housing organizations, Housing funds, Municipal land

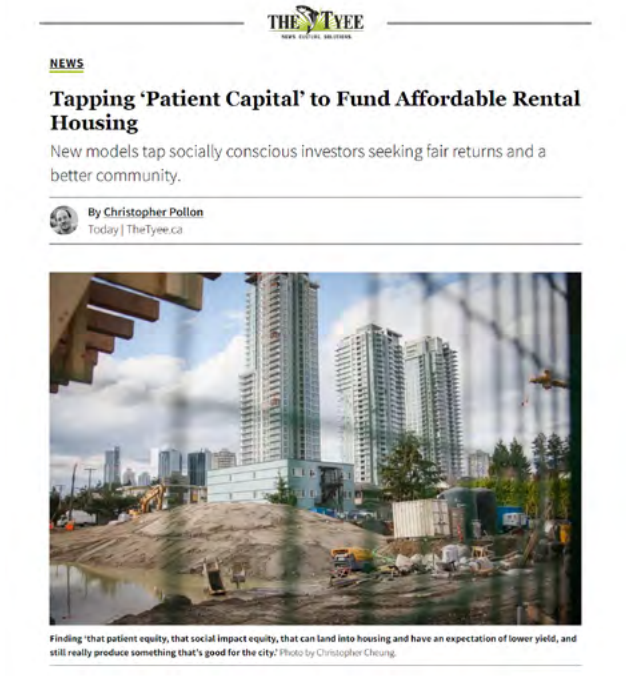
Examples

New Dawn Enterprises in Nova Scotia

- Initiated in 1976 to revitalize Cape Breton's regional economy that collapse with the closure of coal mines
- New Dawn Rentals is one enterprise and has funded the development of 193 rental units, 4 commercial buildings and 28 supported housing units as well as a host of other enterprises

Source: Community Investment Funds How-to Guide, Sarah Amyot et al. 2014

New Dawn Enterprises in Nova Scotia



THE TYEE

NEWS

Tapping 'Patient Capital' to Fund Affordable Rental Housing

New models tap socially conscious investors seeking fair returns and a better community.

By Christopher Pollon
Today | TheTyee.ca

Finding 'that patient equity, that social impact equity, that can land into housing and have an expectation of lower yield, and still really produce something that's good for the city.' Photo by Christopher Cheung.

New Market Funds, BC

New Market Funds Social Enterprise, BC

- New Market Funds (NMF) is a specialized fund manager that takes an integrated approach to deliver market competitive investment performance with long-term community benefit
- They have a Housing Fund that invests in purpose-built, stabilized multi-family affordable rental housing in partnership with strong existing non-profit operators such as the Vancouver Community Land Trust Foundation
- The first four investment commitments in Vancouver totaled 358 rental units of family, workforce, elderly and special needs housing aimed at those making 70% of the median income
- Investments totaled $11 million, or 9% of the project costs
- Most investors are foundations at 50% with institutions and others making up the other 50%

Source: Tyee, newmarketfunds.ca

PARTNERSHIPS - LAND & FINANCING

Design and operational savings

The design of housing as well as the construction approach and commitment to energy efficiency can reduce the investment required for housing as well as the operational costs on an ongoing basis. Lot sizes, dwelling size/density, the use of common spaces and smart design all impact costs. Construction techniques such as modular housing or prefab housing that has been constructed in a warm dry environment offsite keeps costs down by reducing higher cost onsite labour and weather dependent building conditions. Once design and construction approaches are applied, energy efficient building qualities will reduce the operating costs over the life of the building.

Actors
Local Government, Architects, Housing Organizations

Partners
Developers, Builders, Financers, Utility Companies

Ease of Implementing

MODERATE DUE TO NEW INNOVATIVE APPROACHES

Speed of delivering housing

Minimal disruption if considered at the project's outset

Passive Home Apartments, Whistler

Benefits

- More affordable construction and operation costs for housing organizations, renters and homeowners
- Prefab and modular homes can often be built faster than onsite construction homes
- Healthier and more comfortable homes
- Potential local economic development opportunity for local builders

Considerations

- Small unit sizes may require some adjustment by purchasers/tenants as well as zoning requirements
- Prefab/modular transportation costs may make them less affordable for rural areas
- Possible higher construction costs for energy efficiency along with a need for builder training

Implementation Process

- Size and design is often a function of zoning & architecture so the importance of these qualities need to be emphasized to partners to ensure proper application
- Design considerations include: combining rooms, multipurpose rooms, built-in furniture, higher ceilings and compact appliances
- Energy efficiency needs to be considered in the design and site layout phase and in the architecture drawings

Making it Happen

- Good design and use of pilot projects and open houses can get people used to smaller sized units
- Combining multiple orders for modular units may reduce transportation costs
- Provincial utilities and some municipalities financially support energy modelling and efficient building approaches to reduce costs and the new BC Step Code makes it easier to apply efficiency standards
- Consider at the outset of the project to get the best impact

Synergies

Intensification of zoning, Streamlined permitting and other incentives

Baker Gardens, Cranbrook

Whistler single family passive house

Examples

Baker Gardens, Cranbrook

- Largest modular housing development to be built in the province with 36 one story, one-bedroom rental homes
- While it is targeted at seniors with disabilities, the model is applicable to other tenants
- Partnership with BC Housing, who purchased the modular housing; it is managed by the Canadian Mental Health Association, Kootenays; other partners included Columbia Basin Trust (grants) and the City of Cranbrook (land and waived development fees)
- Homes achieve a relatively high energy rating, which were above the standard at the time
- The project is one of 20 developments across BC using modular homes

Source: CMHC

Whistler Housing Authority (WHA), Passive House

- A passive house seeks to dramatically reduce the energy use of a dwelling by employing air tightness, increased insulation and better openings and heat exchange ventilation
- Energy costs are reduced by close to 2/3 compared to a traditional home, and building costs are estimated at 5% above traditional homes
- There are currently three Whistler homes with affordable housing covenants that utilized a prefabricated passive house approach to speed up construction, reduce operating costs, and improve building comfort
- The passive homes are also relatively efficiently designed and built on small lots, with two of the homes in a duplex configuration and the single family home also housing a suite
- The WHA is currently building a 25 unit passive house rental apartment building on municipally owned land that will be occupied in 2018 and will be passing on operating cost savings to tenants

Source: Pique News Magazine

CAPACITY BUILDING - ORGANIZATIONS & THE COMMUNITY

Housing organization and building capacity

A housing organization is a non-profit entity dedicated to providing and managing non-market housing stock that is for rent or purchase by qualified individuals and families. In addition to being a repository for affordable housing units, a housing organization can house expert advisors on affordable housing, ongoing champions for affordable housing, and in some cases leverage expert skills and know-how to support other needs such as property management. Housing organizations can also serve specific projects, a municipality or a greater region.

Actors
Non-profit organizations or Local government

Partners
Local government

Ease of Implementing

MODERATE

Impact on developing housing

Critical to help manage funds, and/or development

CANADA MORTGAGE AND HOUSING CORPORATION

BUILDING YOUR TEAM

A new affordable housing development is the result of the vision and hard work of many people: staff, municipal employees, community partners, funders, volunteers and development professionals. Building partnerships and developing a strong team with diverse skills and experience, will enable you to accomplish more than you might on your own.

Housing partnerships have become increasingly common over the past decade as one way to enhance limited resources and achieve the strategic objective of developing housing that is affordable and accessible.

This fact sheet outlines the steps required in building a successful partnership for those interested in developing housing for affordable rental or homeownership.

Considerations

Before you begin the process of building a housing partnership, you need to be very clear about your housing objectives: what are the housing gaps in your community, who is your target group, and how to best address the need; are the gaps due to a lack of housing supply; affordability; or condition of existing housing? Is your target group families; seniors; people with disabilities; or a combination of groups? Are support services needed to ensure successful tenancies? Is the lack affordable rental, affordable homeownership, or both? To determine the answers to these questions, you may need to complete a housing needs assessment. Refer to the CMHC fact sheet, *Assessing Housing Need and Demand*, for information on conducting an assessment.

Once you have determined your housing objectives, it is time to begin exploring partnerships.

Step 1: The Internal Planning Process

Partnerships are defined as relationships between two or more parties that work together on common or complementary goals. Characteristics of a partnership include joint investment of resources; shared liability; shared benefit; and shared authority and responsibility.[1]

Through your internal planning process, you will identify your organizational strengths–those resources, skills and experience that you can bring to a partnership. You will also identify your gaps–those needed resources, skills and experience that suitable partners can supply. For example, a proposal to develop supportive housing for people with mental illnesses might require:

- A non-profit housing society with experience in developing and managing affordable housing;
- A community agency experienced in providing services to people with mental illness; and
- A private sector developer who is experienced in land development and construction.

[1] The Development Exchange (February 4, 2004). City of Toronto and ONPHA. www.onpha.on.ca

Canada

CMHC SCHL

HOME TO CANADIANS

CMHC Building Your Team

Synergies

Inclusionary zoning, Density bonusing, Housing fund, Covenants, Alternative capital & funding, Housing strategy

Benefits

- Affordable housing is more likely to be produced and effectively managed when a high functioning organization is dedicated to that goal
- Acts as a community resource for housing
- Can monitor the process of rentals and resales to ensure qualified individuals and families
- Can hold housing funds and act as project managers for new developments

Considerations

- Needs funding to get started
- Small communities may not be able to support an organization; however, a regional housing organization serving several communities in a region may be feasible
- Requires a self-funding business plan to limit additional requests for funding

Implementation Process

- Establish the organization with the right members
- Secure seed funding
- Create the business plan
- Acquire units and manage projects and activities
- Continue to manage the activities of the organization including ongoing professional development for staff and Board members

Making it Happen

- Work with the local government to receive seed funding and quickly develop projects to help fund the organization from rental income and sales
- Consider a regional organization in order to generate enough capital from multiple communities
- Create the organization while the local government is establishing housing units and funding mechanisms

Trail Affordable Rental Units

Banff Housing Units

Examples

Lower Columbia Affordable Housing Society (Society), Trail Project

- The Society was born in 2013 out of an Attainable Housing Committee of the Lower Columbia Community Development Team Society
- The Society was challenged to find the right fit for rentals by purchasing existing homes so they worked to develop their own housing
- The Society purchased a lot near a walking route that will host a home with two single-bedroom and two two-bedroom apartments
- When complete, a total of nine dwellings for rentals will be available
- Funding was accessed primarily through a Columbia Basin Trust and BC Housing partnership and the Federal Government, along with some funding from the Kootenay Savings Credit Union and Teck Metals

Source: Various News Sources

Whistler Housing Authority (WHA)

- Created in 1997 to oversee and assist development of resident restricted housing
- Is a wholly owned subsidiary of the Resort Municipality of Whistler; governed by a board of directors
- Oversees the development, administration and management of resident restricted housing in Whistler
- Initially used $6M collected by the municipality in development levies through its Employee Housing Service Charge bylaw, plus $13M in bank loans to purchase and develop close to $22 million worth of real estate
- Currently WHA owns or oversees 1900 units of affordable rental (46%) and ownership (54%) housing, with another 69 units (179 beds), including a new 25 unit passive house rental apartment building, to be built in the next two years
- Rental fees cover mortgage debt, fund the property management and capital replacement reserves, and cover WHA operations
- Covenants on property titles restrict WHA housing to people working at least 20 hours/week, retirees and dependents, and on resale, rental, and rental prices

Banff Housing Corporation (BHC)

- The BHC is an arm's length non-profit organization of the Town of Banff and is involved with 182 ownership units and 45 suites in those units
- Board experience required in the areas of non-profit housing, real estate, property development, property management, building and development, staff accommodation/housing asset management/non-profit housing, accounting/finance
- Board is supported with training throughout the year

CAPACITY BUILDING - ORGANIZATIONS & THE COMMUNITY

Housing Strategy

An affordable housing strategy is a document, usually commissioned by local government, which recognizes and quantifies an affordable housing shortage (housing needs assessment) in a given jurisdiction and then recommends a series of approaches to reduce the shortage. Communities that have undertaken such strategies have generally been more proactive in addressing the shortage. Other than providing a good sense of the problems and solutions, developing a housing strategy with a range of stakeholders and community members helps to develop the relationships, roles, partnerships and trust that will ultimately help in the delivery of affordable housing.

Actors
Local Government, Housing Organization

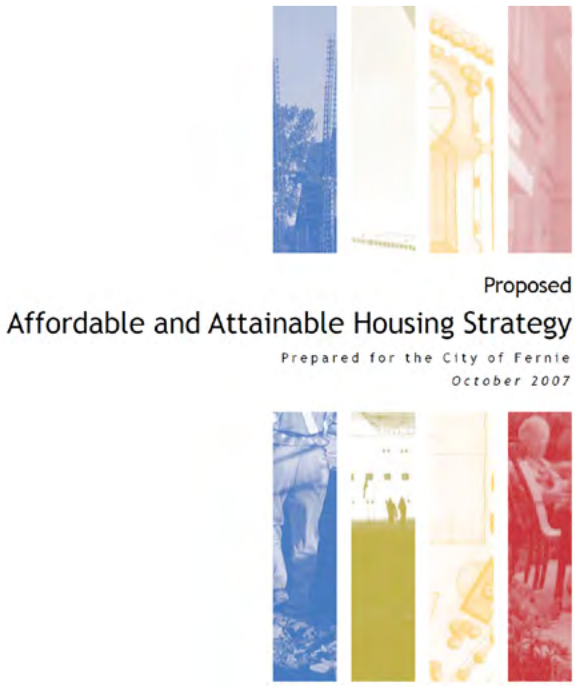
Partners Developers, Builders, Non-profit organizations, Real Estate Agents, Housing Consultants

Ease of Implementing

MODERATE

Speed of delivering housing

Important to provide a road map



Fernie Housing Strategy

Benefits

- Provides a clear representation of the problems and opportunities
- Engages critical partners to focus on affordable housing
- Provides a good foundation for communication efforts and engagement around affordable housing
- Highlights the most effective approaches to advance affordable housing in the community

Considerations

- Without a strategy in place the community development partners and local champions are less likely to be engaged and less will be built
- It can be difficult to develop the urgency needed to create a strategy
- Focusing on actions without discussing the governance and roles in implementation will result in a shelved plan

Implementation Process

- Identify partners and stakeholders to engage
- Assess the need for housing
- Inventory resources and assets and policies, as well as sites and locations for development
- Prioritize strategies
- Assign responsibilities/roles and ongoing resourcing for the strategy implementation
- Annual review

Making it Happen

- Consider a needs assessment before developing a strategy to assess the urgency
- Ensure equal amount of time and resources is spent to identify how to fund and implement the strategy

Synergies

Housing organization, Engagement and communication, Housing funds

Veneto Place, Fernie

Smithers 2nd St homes

Examples

Fernie, BC

- Fernie created its first housing strategy in 2007 after the completion of two earlier reports to describe the housing challenges and needs in Fernie
- The strategy identified 'low income individuals and families' as the top priority for housing
- Opening in 2012, Veneto Place was BC Housing's first public-private partnership offering 45 units with market, below market rental, rent to own and attainable ownership options
- Partners included: CMHC, Parastone Developments (private developer), Columbia Basin Trust, BC Housing, City of Fernie and Fernie Family Housing Society
- Seed funding from CMHC helped to carry out market research, financial feasibility and preliminary design with site work
- Fernie is now updating their housing strategy
- Energy efficiency techniques were embedded in the building

Source: Various News Sources

Smithers, BC

- In 2010 a Smithers Housing Report was completed by a local housing task force
- The report focused on a snapshot of local housing needs and opportunities while outlining roles of various groups in providing housing
- The Smithers Community Services Association bought a four-lot property in walking distance of downtown/amenties to place six houses on
- The main affordability feature of the houses was its size, at about 540 sq ft, to keep utility costs low
- Partners included: CMHC for seed funding
- The properties opened as rentals in 2015 and the rents cover the servicing on the mortgage with extra for incidentals to cover the Association's cost of managing and providing housing

Source: CMHC Profile

CAPACITY BUILDING - ORGANIZATIONS & THE COMMUNITY

Engagement and Communication

Generating support for affordable housing planning, development and operation activities is critical to successful delivery. Engagement and communication to generate support starts with creating a core group of individuals and organizations and developing a housing needs assessment, and then to the continuous communication required to foster more affordable housing units. Good engagement and communication brings important stakeholders along for the affordable housing planning and development journey and helps to make them promoters of affordable housing, but it can be easier said than done. Activities might include: community consultation – providing and receiving feedback; communication – informing and building momentum for your projects; education – bringing resources and expertise to the project from the community and from outside as needed; commitment – securing ongoing commitment to building and maintaining affordable housing.

Actors
Local Government, Housing Organizations, Developers

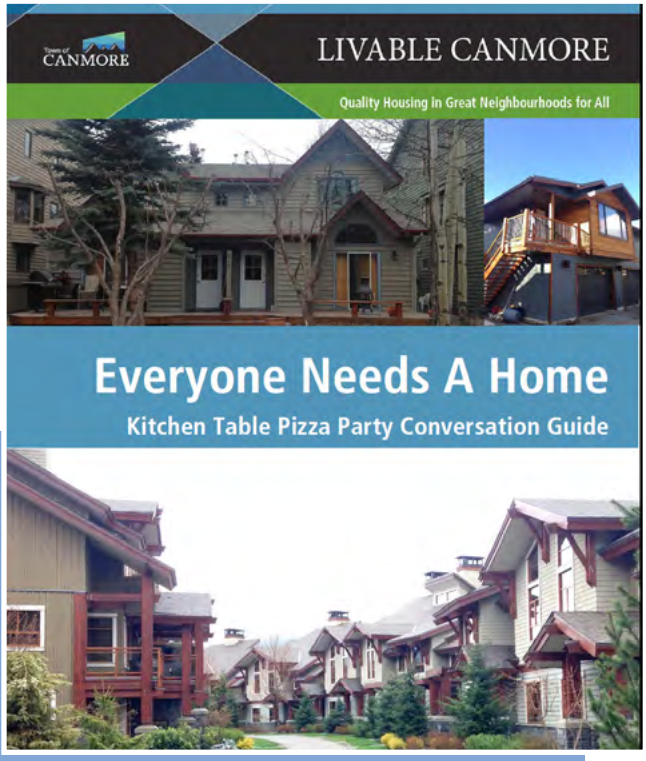
Partners Chambers of commerce, tourism organizations, housing consultants, engagement and communication consultants, affordable housing residents

Ease of Implementing

SIMPLE

Impact on development of housing

Critical to get support for housing



Canmore conversation guide

Benefits

- A community that shares housing objectives makes the provision of affordable housing much easier
- The support of key local organizations and actors is crucial in developing affordable housing

Considerations

- Engagement and communication that begins too late will likely result in costly delays
- One way communication may lead to a feeling of disrespect and create barriers to developments
- Engagement and communication is often overlooked and under resourced

Implementation Process

- Hold a session to identify allies for affordable housing
- Develop a communications and engagement plan
- Execute the plan alongside other activities that build support for housing such as needs assessments
- Carry engagement activities right through to the end of a development process and beyond

Making it Happen

- Set aside funding for engagement and communication
- Focus on shared community goals and values
- Nurture your current affordable home residents to be ambassadors
- Start as early as possible and map out key timing and methods for engagement and communication such as forums, surveys, etc.

Synergies

Housing strategy, Housing organization

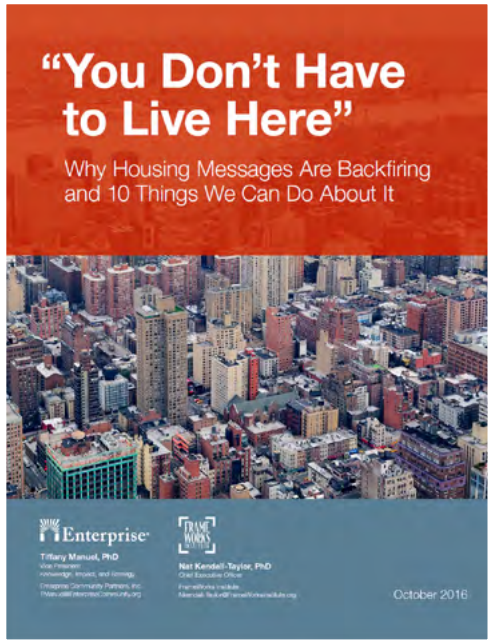
Canmore development

Examples

Canmore, AB: Livable Canmore, Quality Housing in Great Neighbourhoods for All

- The Town of Canmore, supported by most of the community, prioritized the development of affordable housing during the most recent term of government
- Two projects in particular were creating some neighbourhood angst due to the development locations, amount of development and style of dwellings
- To ensure the silent majority was being heard in the process, the Town initiated an engagement and communication exercise to invite the community to talk about the different types of affordable housing and possible locations for it in the community
- Engagement activities included: one survey; five community 'Idea Walls/Talk to us' posters around the community, 10 citizen-led conversations about housing, two neighbourhood interactive events and two workshops involving housing experts and facilitated conversations, three background briefs to inform conversations and six housing situation stories to help people to understand the need for housing
- When completed, one site will have 49 units of perpetually affordable housing made up of a mix of townhouse, stacked townhouses and duplexes
- The project will be managed by the Canmore Community Housing Corporation

Source: Town of Canmore



Enterprise Community Partners: Non-profit housing developer messaging recommendations

- Research was conducted for nonprofit affordable housing developer, Enterprise Community Partners, on messages for affordable housing
- Some of the tips and approaches included:
  - Linking success stories of housing to the policies and actors that made it happen
  - Expanding the notion of who plays a role in the solutions; not just government but other organizations, individuals and champions
  - Focus on building homes vs. housing/affordable housing
  - Use simple explanations of cause and effect for why there is an affordable housing shortage and what can be done to encourage more homes
  - Link the importance of a home to other issues like economic development and health

Source: www.enterprisecommunity.org/

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Accessory Dwelling Units:
Case Studies and Best Practices from BC Communities

BC HOUSING
RESEARCH CENTRE

ACKNOWLEDGEMENTS

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Introduction

In many communities across BC, there continues to be a lack of rental housing and housing diversity. Recent housing needs assessments conducted in a number of small- to medium-sized communities indicate a predominance of single-family homes, with few purpose-built rental housing options, a small percentage of accessory dwelling units, and a significant housing cost-to-income ratio for renters in many of these communities.

While many BC communities now have policies and zoning in place to allow for accessory dwelling units (ADUs), there has been slow uptake of these opportunities. Moreover, some small communities do not yet allow ADUs.

This ADU guide was developed to address the current, timely needs and interests of small- and medium-sized communities wishing to scale up the provision of ADUs by providing demonstrated, effective leading practices in policies, bylaws, engagement, and other initiatives to more successfully implement ADUs. These leading practices were identified in planning literature and confirmed through an online survey conducted with local government staff, interviews with planning and building officials from 17 BC municipalities, and ground-truthed with two focus groups.

The main part of the guide is organized into "Best Practices," descriptions of specific policies, bylaws or initiatives that support/promote the development of ADUs. Each Practice provides a purpose, an overview of the mechanism, its complexity and potential for increasing ADU implementation, some implementation options, conditions that are favourable to the use of the Practice, and advantages and disadvantages. Each Practice also includes one or two "vignettes", a mini case-study of a community using that Practice.

This guide is intended to support local governments and municipal officials to better understand the tools available to facilitate the implementation of ADUs in their community. While this guide is primarily focused on local government jurisdiction, collaboration with other agencies responsible for policies such as the BC Building Code, the Energy Step Code, the Tenancy Act, etc., is essential.

This guide is one of a series of reports produced by WCS Engagement + Planning in partnership with BC Housing's initiative: Building Knowledge & Capacity for Affordable Housing in B.C. Small Communities.

Small- and medium-sized communities (SMC): For the purpose of this research a small- or medium-size community is a settlement of up to 22,000 population. The primary focus of the research is on communities of between 1,000 and 22,000 in population rather than larger suburban communities within a larger urban region. This filter resulted in 105 communities.

METHODOLOGY

- Literature review of barriers and best practices
- Research on the patterns of use in BC
- Survey on existing practices encouraging ADUs
- Interviews to capture specific information on the leading practices
- Review of supporting documents such as OCPs, zoning bylaws, housing needs assessment studies, municipal ADU information sheets and guides, and general information websites
- Focus groups to gather additional insights

Salt Spring Island Housing Program Task Force
November 4, 2021
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Background Information

ACCESSORY DWELLING UNITS

The term Accessory Dwelling Units (ADUs) refers to all forms of additional units on residential (or even commercial/industrial) properties, and may be either attached (internal) to the primary residence or detached (external) from the primary residence. ADUs include secondary suites, on-lot tiny homes, garden suites, duplex or town house lock-off suites, laneway/garage units and any other dwelling unit type that can be placed in or adjacent to an existing or new dwelling unit on the same lot. The ADU is an independent living space, self-contained with its own kitchen, bathroom, and sleeping area.

CONSIDERATIONS FOR ADU DESIGN

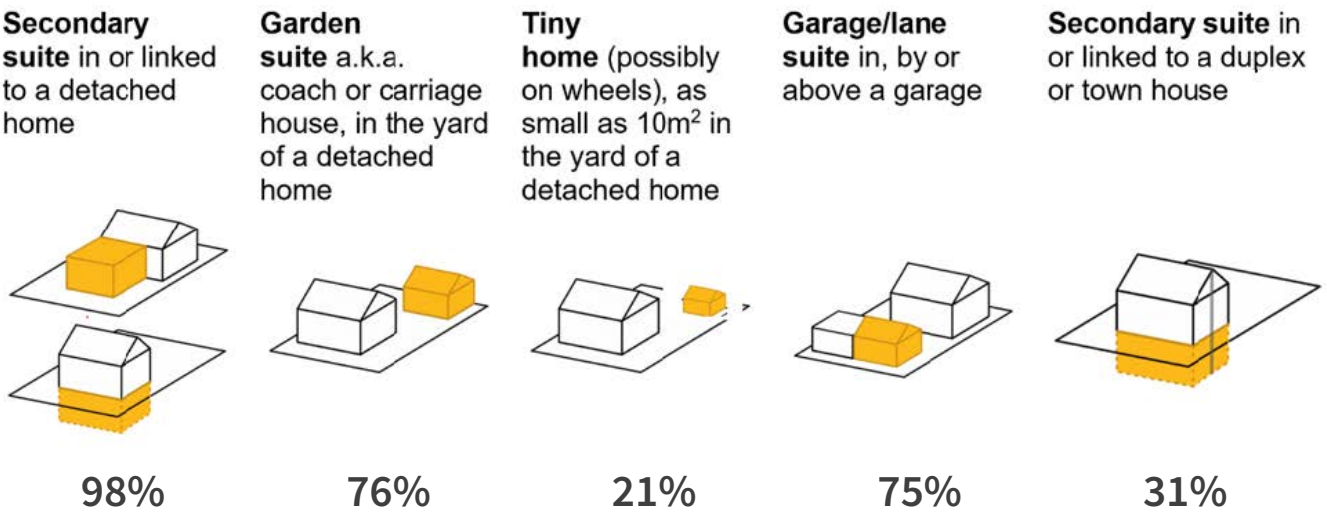
Integrating with the existing built and natural environment

- Secondary, smaller in size than the main dwelling
- Smooth integration with the built environment colours, material and forms
- Privacy from the main dwelling and neighbours
- Environmental considerations of trees, riparian areas and building efficiencies

Siting on the lot based on the location

- Urban – blend into the neighbourhood characteristics with or without laneways
- Rural – considerations with respect to accessing septic fields
- Suburban – generally newer homes, detached dwelling ADUs encouraged

Table 1: ADU types and the percent of communities surveyed permitting them



These various ways of adding accessory living space to residential units are sometimes referred to as examples of "invisible density" - initiatives that add density and generate affordable housing units without changing community character. As preservation of community character is paramount in many small- and medium-sized communities, these options have great potential to add affordable units.

ADU BENEFITS AND RISKS

As with any change to housing policies, there are always benefits and risks or challenges to consider. The following lists capture both common benefits to policies that encourage ADUs and common risks and challenges.

BENEFITS

- Since the land where the ADU was built already belongs to the homeowner, the expense for the second dwelling is only for the structure and servicing; essentially this is "free" land.
- ADUs can provide rental income to homeowners and offer an affordable way for renters to live in a residential neighbourhood.
- ADUs can provide housing to family members or caregivers on the same property, and help older residents "age in place".
- An ADU is a way to provide housing for additional residents without dramatically changing the form and character of a neighbourhood.
- Diverse housing options can attract residents to neighbourhoods that might be experiencing a decline in population due to aging. This ensures existing amenities continue to be used.
- ADUs can help fulfill the goals of a sustainability plan or growth management strategy.
- ADUs can help optimize the use of municipal infrastructure and services.
- ADUs often have one and two bedrooms, adding housing for today's smaller households and single dwellers.
- ADUs require fewer resources to build than a single family home, and if they are attached to the main dwelling they tend to have lower operating and energy costs.

RISKS/CHALLENGES

- ADUs can stress municipal infrastructure (parking, water, sewage, roads) if usage levels are close to maximum capacity.
- Short-term rentals in tourism-based communities has created a demand to use ADUs for commercial purposes, removing these units from long-term rental stock.
- The return on investment for building an ADU may be unreliable in communities with high building costs, a small pool of renters and low rental rates.
- Residents in neighbourhoods lacking experience with ADUs, may have concerns about increasing population and adding renters to the neighbourhood.
- Municipalities need time and new knowledge to develop policies that support the construction of ADUs.
- Lack of community leadership and policy champions make it more challenging to implement ADUs.
- Homeowners are often new to the development process, and lack sufficient knowledge about bylaws, design and construction.
- Financing may not be available for some homeowners to develop ADUs.

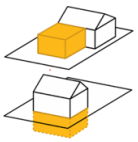
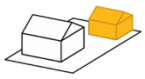
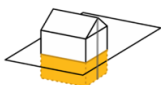
COMMUNITY ENGAGEMENT, DENSITY AND LEARNING

Engaging the community in a conversation about housing is a necessary step to encouraging support for ADUs. Building support may require demonstrating successful working examples. One way to do this is through phasing in best practices with additional oversight. For example:

- **Form and Character:** Rezone and require development permits for the first 50 units, then introduce a less restrictive development permit process. Move toward planning delegation and then eventually only require a building permit.
- **Number of ADUs:** First allow attached secondary suites, then allow detached carriage/laneway suites, and eventually work toward allowing multiple ADUs.
- **Neighbourhoods:** Pilot ADUs in a specific neighbourhood area or on larger lot sizes, then broaden that use to additional neighbourhoods or smaller lot types.

Each unique ADU type has associated benefits and risks/challenges (some are indicated in relation to other ADU types). These are captured below in Table 2.

Table 2 Benefits and risks of specific ADU types

ADU TYPE	BENEFITS	RISKS/CHALLENGES
Secondary Suite 	• Efficiencies of building and operating one dwelling • Convert flex space in the main dwelling • Affordable to build • Suitable for smaller lots • Easier community acceptance as it is contained within one building	• More difficult to renovate and add a unit, either attached or in basement • More constrained design options • Often require side or rear entry • Design for privacy required • Limited natural light if ADU is below grade
Garden Suite 	• Easier to add on as an afterthought • Privacy between dwellings; doesn't impact the principal dwelling	• Requires frost free servicing • Highest cost and requires the most materials to build • Higher revenue potential than other designs • May change neighbourhood form and character • Hard to reclaim space for the main dwelling if needed • May require removal of trees or other vegetation
Tiny Homes	• Easier to add as an afterthought and remove when no longer needed • Customizable in size and design • Allows for privacy between dwellings • Lower cost • Suitable for smaller lots • Increases diversity of housing options	• Requires frost free servicing • Lower revenue potential due to size • Attraction is difficult to understand/support for some decision makers • Challenging to meet building code requirements due to size • Requires unique building code and may cause liability concerns for municipalities
Garage/Lane Suite	• Easier to add on as an afterthought • Above ground; removes flood plain risk • Provides additional parking • Possible to convert an existing structure	• Requires frost free servicing • Highest cost and requires the most materials to build of (all ADU types) • Hard to reclaim space for the main dwelling if needed • May require removal of trees or other vegetation
Secondary Suite - Flex/Lock-Off Unit 	• Re-purposing flex space in the main dwelling • Shares efficiencies of one dwelling structure • Suitable for smaller lots • Contained within one structure; shared entrance making the unit visible	• Less privacy, shared entryways • Parking may be limited • Might not comply with Strata restrictions • Limited options for side or rear entry due to shared walls • Complicated building code requirements for smaller units

CONDITIONS SUPPORTING ADUs

The following list highlights the conditions that help encourage the development of new ADUs and support existing structures:

HOUSING VALUES AND COSTS

- Higher assessed values for homes or rapidly rising values
- Homeowners are spending a large proportion of their income on housing and the ratio of household income to home prices is low
- Rental rates will offset the cost of construction

SYNERGISTIC POLICIES

- Other policies supporting increased density such as climate change mitigation and active/mass transportation
- Where a housing needs report highlights a gap in current or future housing demands

CAPACITY

- Knowledgeable builders and architects

LOCATION CONSIDERATIONS[1]

- Available space in yards makes for easier additions
- Infrastructure capacity
  - Water, sewer, roads, parking capacity
  - Public facilities (schools, parks, hospitals , commercial areas)
- Close to public transit and active transportation routes

WHO HAS MORE?

Small and medium sized communities in British Columbia with the following attributes tend to have a higher percentage of homes with an ADU.

- Greater proportion of households are paying more than 30% of their income on shelter, somewhat more correlated to homeowner rather than renters
- Higher median single family home assessed values
- Where the median assessed value of a home is significantly higher than the median household income
- Larger small to medium sized communities (for example White Rock, Nelson, Esquimalt, Squamish), or those with valued amenities such as waterfront or tourism economy (for example Sun Peaks, Tofino)

Homeowners Protection Act Requirements:

Under the Homeowner Protection Act, all new homes in B.C. must be built by a Licensed Residential Builder and covered by a policy of home warranty insurance or have an application exemption, such as an Owner Builder Authorization. Accessory Dwelling Units (ADUs) meet the definition of a “new home” under the Act. Before issuing building permits, municipalities, regional districts and treaty first nations are required to obtain proof of home warranty insurance or proof of an applicable exemption. The proof of home warranty insurance or exemption is a valid New Home Registration Form, obtained from the Licensing and Consumer Services branch of BC Housing. In jurisdictions where no building permit is required, construction of a new home may not commence before a New Home Registration Form is obtained. Further information on both home warranty insurance and builder licensing is available on the BC Housing website.

[1] *https://www.larpent.ca/wp-content/uploads/2019/04/AccessoryDwellingUnitsPrinciplesAndBestPractices.pdf*

CURRENT SUPPLY OF ACCESSORY DWELLING UNITS

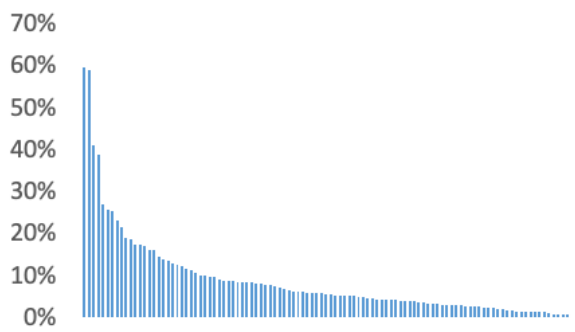
BC Assessment data on housing, and specifically the Actual Use Codes, was used to analyse the presence of ADUs across the 105 small- and medium-sized communities in British Columbia. There are 19,400 ADUs across the communities studied, and every community has at least one ADU. However, reviewing the data showed that the preponderance of ADUs across small- and medium-sized communities in British Columbia varies quite dramatically, even when accounting for the number of dwellings in the community.

Table 3 outlines the range of ADU use across the small- and medium-sized communities.

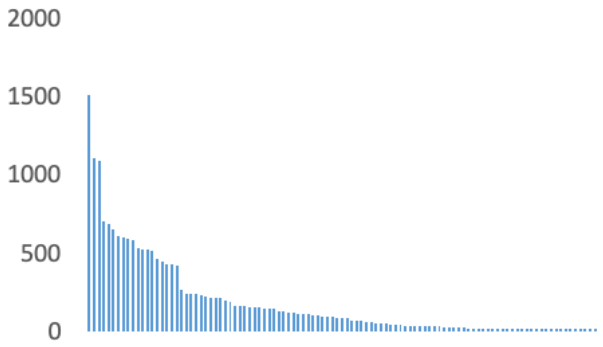
Table 3 BC Assessment Data Fun Facts on ADUs

HIGHEST & LOWEST % OF ADUs AMONG ALL RESIDENTIAL PROPERTIES 2020	HIGHEST AND LOWEST % OF ADUs AMONG DETACHED DWELLINGS	HIGHEST AND LOWEST NUMBER OF ADUs
↑ Pemberton **23%** ↓ Elkford/Chetwynd **<1%**	↑ Sun Peaks and Pemberton **60%** ↓ Elkford **<1%**	↑ White Rock **1,514** ↓ Wells **1**

DISTRIBUTION BY A % OF DETACHED DWELLINGS



DISTRIBUTION OF THE # OF ADUs



GREATEST GROWTH IN ADUs 2019-2020

% Growth

Tumbler Ridge **+1100%**
(from 1 to 12 units)

Growth

Fort St. John/Dawson Creek **+105**

89% Percentage of communities with at least ten ADUs

7% Percentage of communities with at least 25% of detached homes with ADUs

TOP TEN BY NUMBER OF ADUs

1. White Rock 1,514
2. Whistler 1,112
3. Colwood 1,092
4. Sooke 710
5. Central Saanich 693
6. Squamish 656
7. Esquimalt 610
8. Prince Rupert 607
9. Salmon Arm 599
10. Lake Country 587

NEW ADU DEVELOPMENT IS OFTEN FOUND IN COMMUNITIES WITH GREATER THAN 10,000 RESIDENTS

Half of the growth in new ADU development occurred in the 18 communities with more than 12,000-22,000 residents; one quarter occurred in communities with 10,000-12,000 residents; and one quarter occurred in communities with fewer than 10,000 residents (half of those 4,000 and under).

DETACHED HOMES WITH ADUs ACCOUNT FOR LESS THAN 10% OF THE HOMES IN MOST COMMUNITIES

For communities with fewer than 5,000 residents, the percentage of detached homes with ADUs is around 7%.

COMMON BARRIERS

Even when all the right conditions are present to build ADUs, they aren't always pursued, leading to the variation in numbers across the province. The following is a list of common barriers to allowing and building ADUs in communities. The placement order of each barrier reflects the frequency to which the issue was indicated as a "major barrier" in the survey of small- and medium-sized communities.

Table 4: "Which of the following local government-related issues pose barriers to creating ADUs in your community?"

GOVERNMENT/REGULATORY BARRIER	MAJOR	MINOR	NOT AT ALL
Lack of parking	18	31	11
Lack of local government resources to develop ADU policies	16	15	27
Absence of a policy champion	12	21	24
Hight cost for local government to negotiate with opposition and educate the public	8	27	20
Lack of servicing availability (water, sewer, septic)	6	18	35
Lack of understanding of benefits by municipal decision makers	6	10	40
Lack of community acceptance	6	27	23
High local government cost of permitting, inspections, by-law enforcement	5	24	26
Lack of community demand for ADU rental units	5	7	44
Lack of transport options (transit, biking, walking facilities)	4	26	29
Concerns about costs of local government liability and lawsuits	3	12	41

Table 5: "Which of the following issues pose barriers to developers/builders/homeowners wishing to create ADUs in your community?"

BUILDER BARRIER	MAJOR	MINOR	NOT AT ALL
Cost of construction (converting or building new ADU)	29	20	4
Limitations on the types of ADUs permitted in duplexes or townhouses	21	14	15
Parking requirements	18	34	7
Zoning doesn't permit ADUs as a right with little need for consultation	14	15	27
Limitations on number of ADUs per lot	13	26	12
Limitations on permitted ADU size (minimum or maximum floor space)	11	33	12
Minimum lot size requirements	11	30	16
Concern about meeting green building requirements	9	12	30
Concern about meeting health and safety requirements	9	25	20
Resistance by immediate neighbours	9	29	18
Concerns related to tenant behaviour	9	28	15
Environmental restrictions such as flood plains	8	25	26
Lack of 'how-to' knowledge	8	34	12
Difficult/lengthy rezoning process	8	21	29
Lack of access to knowledgeable builders	7	23	24

Additional barriers noted by survey participants included: flood plain challenges for secondary suites; ADUs preferred as commercial for short-term rentals instead of for the more necessary long-term resident rentals; outdated municipal policies; and older housing stock making retrofits challenging.

ADU STRATEGIES AND PRACTICES

A literature review on ADUs revealed numerous "practices" that help encourage the appropriate development of this important form of housing, including planning policies, bylaws, permitting procedures, fiscal arrangements, and other measures. These practices are organized under eight parent strategies in Table 6 below. The third and fourth columns indicate the frequency with which these practices have been implemented or are being considered for implementation among the small- and medium-sized communities represented in the survey. From the strategies and practices in the table below, the list of "best practices," described in detail in the next section of the guide, was created.

Table 6 ADU Strategies, practices and implementation proliferation by the number of communities

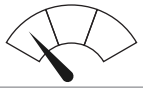
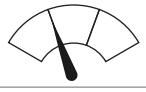
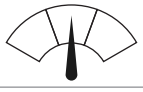
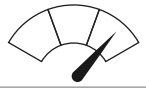
STRATEGY	PRACTICE	ALREADY IMPLEMENTED	BEING CONSIDERED
Strategy 1: Supportive land use policies	Update OCP with policies to encourage ADUs	34	3
	Expand residential zones in which ADUs are permitted	27	5
	Incorporate ADUs into a housing strategy	9	9
	Require a minimum number of ADUs in new developments	1	4
Strategy 2: Allow flexible zoning rules	Require a minimum number of ADUs in new developments	0	0
	Permit more than one ADU per lot	7	4
	Allow micro units or remove size restrictions	19	7
	Allow larger sized ADUs	9	6
Strategy 3: Reduce servicing or parking requirements for ADUs	Require fewer or no extra off-street parking spaces	9	5
	Eliminate covered parking requirements	27	1
	Permit less stringent water use, sewage, septic or other utility requirements	7	0
Strategy 4: Permit flexible occupancy rules	Do not require the principal dwelling be occupied by the homeowner	34	2
	Do not mandate ADU to be occupied by a relative of the homeowner	42	2
	Allow a limited number of short- term/tourism rentals	19	4
Strategy 5: Simplify design requirements	Simplify design compatibility	18	5
	Reduce/eliminate minimum lot size requirements	9	7
	Allow alternatives to the BC Building Code life safety standards	0	0
	Provide pre-approved designs and plans to homeowners	1	2
Strategy 6: Offer financial incentives	Offer grants, tax credits/breaks to owners or developers	1	3
	Offer density bonus on the principal residence	4	3
	Waive development cost charges or service fees	13	1
Strategy 7: Engage and educate the community	Implement a public education/awareness campaign on ADUs	11	5
	Incorporate an engagement process on ADUs during OCP, housing strategy, or by-law preparation	21	4
	Offer mediation services between homeowner and neighbours	0	0
	Engage community on policy and reduce consultation requirements for individual applications	16	1
Strategy 8: Simplify the permitting and development process	Create quick/easy evaluation and permitting process	31	4
	Require low or no cost ADU registration	25	0
	Produce guidebook on creating ADUs or "suite-ready" homes for homeowners and developers	9	2

Best Practices

A combination of a survey, literature review and interviews and interviews helped to focus in on ten best practices for encouraging ADUs across small- and medium-sized communities. The criteria used for selecting these practices included:

- It had to have been implemented in one or more small- or medium-sized communities in BC rather than merely being considered for implementation
- The practice had to have significant potential to impact the development of new ADUs
- A practice that had been experimented with but was not considered successful was excluded
- A practice that is already almost universally used across the province was excluded

Table 7 below lists the best practices along with the associated purpose, complexity of implementing the policy and the potential for creating ADUs. These ratings are relative to each other. The complexity rating refers to the administrative complexity of implementing the practice. Political, geographical, or other local conditions can make a given practice more complex. The potential for creating an ADU rating assumes that the conditions are present to make the practice feasible. In some locales, conditions may prevent a practice from being implemented.

PRACTICES	PURPOSE	RELATIVE POLICY IMPLEMENTATION COMPLEXITY	RELATIVE POTENTIAL FOR CREATING ADUs
1. Expand conditions under which attached ADUs are permitted	Permit attached ADUs in more residential zones and relax standards to take advantage of housing conditions and implement on more lots		
2. Expand conditions under which detached ADUs are permitted	Permit detached ADUs in various residential zones and relax standards to allow implementation on more lots		
3. Allow attached and detached ADUs on one lot	Further intensify suitable areas by allowing multiple ADUs on a single lot		
4. Allow lock-off suites in multi-family housing	Encourage the creation of small ADUs in higher-density housing that can be reassigned to the main dwelling unit when needed		
5. Allow tiny homes as detached ADUs	Permit very small detached ADUs in backyards		
6. Relax parking standards	Encourage the development of ADUs by reducing off-street parking requirements		
7. Offer pre-reviewed designs	Facilitate the use of high-quality designs for detached ADUs at an affordable cost to property owners		
8. Discount development-related fees	Provide developers and property owners an incentive to add ADUs to new or existing properties		
9. Discount utility fees	Provide developers and property owners an incentive to add ADUs to new or existing properties		
10. Streamline the ADU permitting process	Reduce application processing times and simplifying the permitting process		

Detailed Best Practices

Bluegrass Meadows Micro Village, Regional District of Kitimat-Stikine, B.C. Image credit: Bluegrass Meadows Micro Village

This section provides detailed descriptions of the highlighted ten best practices . Each best practice description provides a purpose, an overview of the mechanism, including its complexity and potential for increasing ADU implementation. Each description also offers some implementation options, agencies/departments responsible for implementation, conditions that are favourable to the use of the practice, and advantages and disadvantages. Each practice also includes one or two "vignettes," - a mini study of a community using that practice.

Practice 1: Expand the conditions under which attached ADUs are permitted

Implemented in or being considered by: 49 communities

Purpose: To permit attached ADUs in more residential zones and relax standards to take advantage of a variety of lot s and housing structures.

Type of ADUs: Attached ADUs

Implementation complexity: Medium

Potential for creating new ADUs: High

Overview:

- Attached ADUs – also known as secondary suites – are self-contained dwelling units that are separated from the principal unit but attached to it, whether below, above or adjoined to the principal residence on the side.
- Most municipalities in BC permit attached ADUs but the default provision has been, until recently, to restrict them to single-family residences.
- In 2019, the BC Building Code was amended to expand options for secondary suites in multi-family buildings. This gave local governments the choice to allow secondary suites in side-by-side buildings such as semi-detached dwellings, duplexes, townhouses and row housing.
- Maximum size restrictions (90 m^2 or 40% of the size of the main dwelling, whichever is less) for secondary suites were also removed from the provincial building code. Allowing local governments to set their own size restrictions for secondary suites in their zoning bylaws.
- Many municipalities in BC have taken advantage of these changes to extend the zones where attached ADUs are permitted and to relax size and other requirements to create more opportunities for builders and property owners to install the suites.
- Zoning bylaws typically identify residential (and sometimes commercial or mixed use) zones where attached ADUs are permitted along with conditions, including minimum lot sizes, suite size restrictions, parking requirements, and a stipulation that secondary suites may not be stratified.
- One additional off-street parking space is usually required to serve the suite.
- In some cases, a development permit is required for suites in higher density housing forms.
- Municipalities often collect additional utility fees on the secondary suite for water, sewer and garbage collection.
- In some municipalities, development cost charges apply to the creation of attached ADUs.

Implementation options:

- Allow attached ADUs in either detached dwellings, semi-detached units, duplexes, townhouses, row housing or a combination of those dwelling types.
- Permit attached ADUs in rural areas, under appropriate conditions.
- Increase the allowable maximum size relative to the principal residence.
- Reduce or eliminate minimum size requirements.
- Where applicable, eliminate need for a development permit, or delegate permit authority to staff.
- Allow an attached ADU and a detached ADU on the same parcel.
- Reduce parking requirement if conditions are appropriate.
- Waive or discount utility fees.
- Waive development cost charges, for example on suites below a certain size or construction value.

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Municipal departments: Planning/Development Services

Development and administration:

- Public consultation to ensure the new regulations will gain public acceptance.
- Make amendments to the zoning bylaw to allow attached ADUs in more zones and relax planning standards .
- Develop information resources and communicate new regulations to developers and property owners.

Favourable conditions:

- Variety of housing types present in the community
- Adequate municipal servicing or septic carrying capacity to support additional units
- Tight rental supply
- High cost of ground-oriented housing
- Public acceptance to increase density
- OCP policies favourable to infill housing via ADUs

Advantages:

- Allows owners of a wide range of housing types to benefit from a mortgage helper.
- Provides owners a range of options when determining what is financially and technically feasible given the characteristics of their property
- Allows densification of a wider selection of residential zones and helps achieve growth management targets.
- Reduces requests for rezoning and variance applications, which are often processed at a loss (cost recovery through application fees is typically less than 100%).

Disadvantages:

- Larger attached suites with front entrances may blur the difference between a secondary suite in a principal home and a duplex, potentially changing the housing form.
- Very small attached ADUs may have trouble meeting BC Building Code requirements.
- Satisfying on-site parking requirements on higher density lots may be problematic.

Alignment with other best practices:

- Allow lock-off suites
- Waive development-related fees
- Discount utility fees
- Relax parking requirements
- Allow multiple ADUs on the same lot

Vignette

Municipality: Town of Smithers

Population: 5,401 (2016, Census)

Image credit: http://greatplacesincanada.ca/gpic_places/main-street-smithers/

Description: The municipality has allowed secondary suites in single detached dwellings in most residential zones (urban and rural) since 2011. The recently adopted zoning bylaw amendments extend that opportunity by permitting suites in semi-detached dwellings in the R-2 zone and rezoning an entire block in close proximity to the downtown area from R-1 to R-2. At the same time, the municipality removed size restrictions (formerly 90 m^2 or 40% of the principal residence floor area) on secondary suites. This means that suites can take up any proportion of the principal dwelling unit.

Semi-detached duplexes may contain secondary suites only when a subject parcel has rear lane access. Additionally, these developments must also meet the minimum landscaping requirements established in the zoning . One off-street parking space is also required to serve a secondary suite. The R-2 zone also permits a carriage house behind a semi-detached dwelling, but no lot can have both an attached and a detached ADU.

The minimum lot size for a semi-detached residence is 284 m^2 (compared to 460 m^2 for a detached residence) and the minimum lot width is 7.5 m. Currently, a single-family dwelling or a semi-detached dwelling with a secondary suite or carriage house cannot be used for short-term rental.

Introduced: June 2020

Context: The affordability, availability, and adequacy of rental accommodation is a major concern for residents of the municipality, including among the home-owning seniors population interested in downsizing, amenity migrants, and a growing number of newly arrived families. Census figures from 2016 indicate that 37% of renting households are spending more than 30% of their income on housing. In 2016, close to 66% of the households in the town consisted of either one or two-person households, indicating the increasing relevance of secondary suites to suit smaller households.

As a relatively remote community, construction costs for purpose-built rental accommodation are very high, limiting its supply and leaving a zero-vacancy rate. The increasing gap in the demand and supply of purpose-built rental accommodation is a major factor that drives the rental rates in Smithers to a level comparable to large urban centres in the lower mainland. Dwellings with ADUs can be a mortgage helper, and there is an increasing interest among property owners to invest in secondary suites – especially in newly built single-family dwellings.

Development: The zoning amendment to permit secondary suites in semi-detached dwellings in the R-2 zone was triggered by a private developer after the provincial building code pertaining to secondary suites was revised in late 2019. While Council acknowledged the need for compact and sustainable forms of housing, they also wanted to ensure that new units could be added while remaining respectful of the low-density residential character of the R-2 zone. Consequently, landscaping-related regulations were included as part of the amendment.

Administration: Secondary suites in a single-family dwelling do not require a development permit; however, secondary suites in a semi-detached development require a Council-approved development permit.

Impact/uptake: Too early to say.

Challenges: The landscaping and parking requirement is likely to pose challenges to realizing the new form of housing on standard-sized R-2 parcels; if each semi-detached residence has an internal suite, six parking spaces would be needed.

Practice 2: Expand opportunities to build detached ADUs

Implemented in or being considered by: 49 communities

Purpose: To permit detached ADUs in various residential zones and relax standards to take advantage of more lot conditions.

Type of ADUs: Detached ADUs

Complexity rating: Medium

Potential impact rating: High

Overview:

- Yards behind principal residences may provide opportunities to create ADUs in detached accessory buildings.
- Detached ADUs may take the form of a suite within an accessory structure that also accommodates other auxiliary uses such as a workshop or garage ("carriage house"), or in a stand-alone structure in the back yard ("garden suite") or on a lane ("laneway house").
- Detached ADUs are subordinate to the principal dwelling on the property in terms of scale and siting.
- Detached ADUs require services extended from the principal home, and a separate foundation, and must meet BC Building Code requirements.
- Zoning bylaws typically lay out the height and size limits of the suite, site coverage limits, setbacks to ensure units don't compromise privacy or vistas of adjacent homes, and parking requirements (usually one additional space), and stipulate that the units cannot be stratified.
- Usually only one detached ADU is permitted per parcel.
- Form and character" requirements (outlines privacy, shading, siting, landscape elements, siting considerations, windows, rooftops, usable outdoor space, heritage, parking/driveways, and access) may be set out in development permit guidelines.
- Detached ADUs may be installed when the lot is first developed/redeveloped or retrofitted onto the lot after the principal residence is built.
- Municipalities usually charge separate utility fees for a detached ADU, often the same as for the principal dwelling, municipalities with development cost charges may apply the charge on a detached ADU.

Implementation options:

- Expand the range of zones and property types where detached ADUs are allowed, for example detached, semi-detached, duplex, and/or townhouse.
- Permit attached ADUs in rural areas, under appropriate conditions.
- Raise accessory building height maximum to accommodate a suite over a standard height garage.
- Raise maximum site coverage limit to incentivize single-storey ADUs that have minimal neighbourhood impact and to make ADUs feasible on smaller lots.
- Lower minimum parcel size on which detached ADUs are permitted.
- Lower or eliminate minimum footprint of the detached ADU (effectively allowing "tiny homes").
- Eliminate the extra parking requirement under appropriate conditions.
- Allow a detached ADU and an in-house secondary suite on the same parcel.
- Where detached ADUs are controversial, introduce them using a form and character development permit process to ensure accessory buildings are compatible with the surrounding area.
- Where detached ADUs are less controversial, eliminate the need for a development permit or delegate to planning staff where Council is making approval decisions.
- Waive or discount utility fees.
- Waive development cost charges, for example on suites below a certain size or construction value.

Municipal departments: Planning/Development Services

Development and administration:

- Offer public consultation to ensure regulations will gain public acceptance.
- Make bylaw changes to establish which residential zones will allow detached ADUs and set planning standards.
- If a development permit is required, change development permit areas in the OCP and provide guidelines for the form and character of the detached unit.
- Deliver public education/communication plan outlining the new regulations, and make informational resources available to developers and property owners.
- If development permit required, staff need to review project against planning standards and design guidelines.

Favourable conditions:

- Availability of adequately-sized residential lots
- Laneway access to the unit or lots wide enough for dedicated street access to the back yard
- Developers or property owners interested in detached accessory units
- Public acceptance of increased density
- Density-supportive OCP policies

Advantages:

- Makes use of often underused land resources, backyards for example.
- Creates ADUs without impacting the amount of living space within the principal residence.
- Offers a 'missing middle' housing choice and boosts housing diversity in the community.
- Can deliver rental housing that is more affordable than mid-rise multi-family construction and is usually more acceptable to neighbours.
- Offers enhanced privacy to occupants compared to a secondary suite within the principal home.
- Often seen as suitable for accommodating family members such as adult children or grandparents.
- Can serve as an aging-in-place solution for the property owners.
- Reduces requests for rezoning and variance applications.
- Conversion of an existing structure (for example garage) to a detached ADU can be done at a relatively low cost.

Disadvantages:

- Construction costs for detached ADUs in new structures can be high compared to a secondary suite (requires extension of services from the principal home and separate foundation).
- Extra permitting steps may be required (for example development permit) to address potential impact on privacy and vistas of neighbours.
- Increases land coverage and can require removal of trees or other vegetation.
- Very small detached ADUs may have trouble meeting BC Building Code requirements.
- Design quality can be modest and may not reflect the character of the main dwelling.
- More difficult to reabsorb a detached ADU than an attached one into the principal residence, as it requires demolition of the accessory building.
- Access can be less convenient if there is no lane.

Alignment with other best practices:

- Waive/discount development cost charges/connection charges
- Discount annual utility rates on ADUs
- Reduce parking requirements
- Allow tiny homes
- Allow more than one ADU per lot
- Provide pre-approved designs

Vignette

Municipality: City of Terrace

Population: 11,643 (2016, Census)

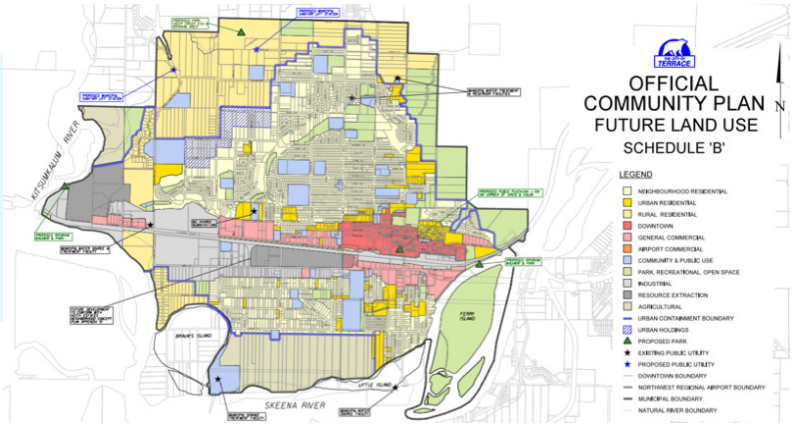


Image credit: https://www.terrace.ca/city-hall/departments/development-services/planning

Description: The amended zoning bylaw permits an ADU in an accessory building on a parcel with a single detached dwelling in the AR1, AR2, RS1, R1 and R2 zones on parcels that are 1,000 m^2 or greater in size, and on corner lots that are 800 m^2 or greater in size. A height restriction of 9 m applies to an accessory building that contains a suite. This means the accessory building can accommodate a two-storey residential unit or a suite over a garage or workshop.

The accessory building can have a footprint of 55 m^2 and a gross floor area of up to 90 m^2 or 40% of the principal residence, whichever is less. An extra parking spot must be provided. The building must be set back from the rear parcel line by 1.5 metres. The bylaw allows either a secondary suite in the principal residence or an ADU in an accessory building, but not both. The ADU pays the same utility rates as the principal residence.

Introduced: 2016

Context: The municipality is seeing rising demand for carriage homes as a mortgage helper as housing becomes more expensive. According to the 2016 Census, 59% of homeowners have a mortgage and the assessed value of single-family homes increased between 2011 and 2017 by 55%. Vacancy rates are only 1% in the rental market and rents are high due to a large LNG project nearby.

Development: A 2014 housing needs assessment recommended that laneway housing be permitted where appropriate in order to diversify the housing stock. In 2016 the zoning bylaw was amended to permit this type of ADU in specific zones.

Administration: The application process is relatively quick and easy. The building inspector reviews the application for code compliance while staff reviews for planning standards. A development permit is not required.

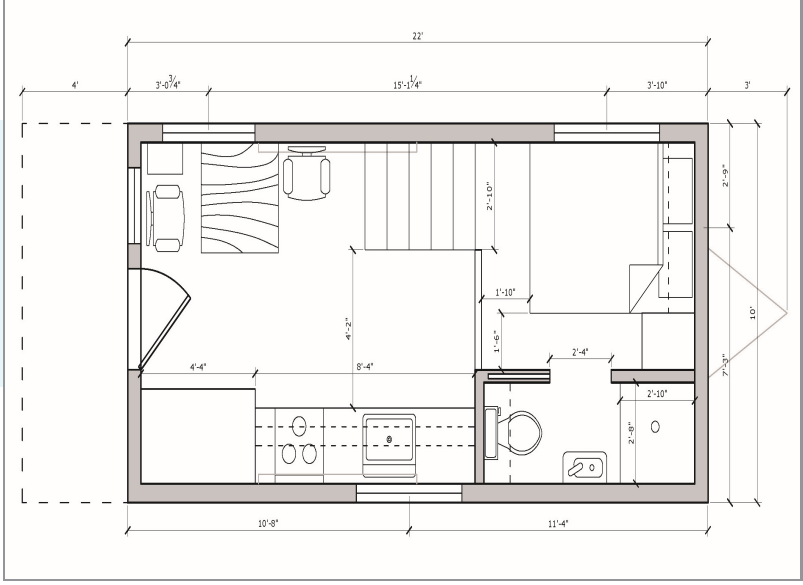
Impact/uptake: Four detached ADUs have been approved since the bylaw was changed.

Challenges: The municipality is considering changing the bylaw planning standards to make this option available on smaller lots or lots with smaller principal dwellings. Consideration is also being given to reducing utility rates on ADUs. The lack of good design examples and cost estimates makes this option more daunting for property owners.

Vignette

Municipality: City of Nelson

Population: 10,572 (2016, Census)



Description: The zoning bylaw now allows detached ADUs to reach a height of 5.8 m, or 6.1 m if installed above a garage. Detached ADUs are allowed on R-1 lots over 276 m^2 and both a detached and attached ADU are allowed on lots over 555 m^2. Lots in the downtown area and residential zones can have a detached ADU regardless of lot size. There is no maximum gross floor area , though units are still restricted in size by the site's maximum lot coverage, coverage and building footprint. The minimum gross floor area is 26 m^2. The maximum building footprint is 65 m^2 for units over 4.5 metres in height, and 89 m^2 for those up to this height. One on-site parking space is required in addition to the parking requirement for the existing dwelling units on the property. To encourage property owners to have both a laneway house and a secondary suite, the parking requirement for the principal residence and two ADUs is three spaces. Also, the additional parking requirement for the detached ADU is waived if there are already two parking spaces on-site and ample street parking is available.

A development permit that governs siting of the ADU building, landscaping, exterior materials, and exterior lighting is required in all areas when a detached ADU is over five metres in height. The city offers a 75% discount on water/sewer utility billing for ADUs, and doesn't charge development cost charges (connection fees) on ADUs. New laneway houses are not allowed to be used for short-term vacation rentals.

Introduced: 2018

Context: Although earlier zoning bylaw changes allowed single storey detached ADUs in most residential zones, uptake was low. Nelson is seeing steep increases in rents while supply is not keeping up with the demand. The 2016 Census figures indicate that 47% of the 1,885 renter households is spending more than 30% of their income on housing. The vacancy rate is very low and Council is strongly in favour of ADUs as a way of boosting the supply of rental units. No enforcement is taken against long-standing nonconforming (illegal) suites, provided that the zoning allows for the number of dwelling units found on a given property; rather, incentives to legalize suites are preferred, as are ways to keep suites in the long-term rental market.

Development: A survey among residents conducted by planning staff found the population supported the relaxation of planning standards to boost interest in this type of housing. Council demanded that applications for detached ADUs undergo a design review if the structure is to exceed 5 metres in height. Staff proposed bylaw changes and development permit guidelines after reviewing other Canadian cities' design guidelines and consultation with the design industry. A detailed how-to guide was prepared and posted on the City's website.

Administration: Detached ADUs over 5 metres in height require a development permit in addition to the usual building permit. The city charges a development permit fee of $450, which is refunded if the unit is certified as a Step Three home or higher according to BC's Energy Step Code. The relaxed standards introduced in 2018 have reduced staff and Council time spent on handling requests for variances.

Impact/uptake: Since the regulations changed, Nelson has seen a major increase in the number of applications for detached ADUs; 35 have been built and three applications are pending.

Challenges: The change most debated by Council was the reduction of the minimum gross floor area from 30 m^2 to 26 m^2, a provision ultimately adopted in order to encourage conversion of existing garages. A clear path of at least 1 m in width has to be available from the street to the ADU, even if it is on a lane (as fire trucks can't access lanes in the winter). This may be a challenge in dense areas where old houses are at lot line. If a path is not feasible, then the owner has to install sprinklers in the ADU. Also, older homes often need their water service line upgraded to ¾ inch to support a second dwelling unit, work that the City does at-cost.

Examples of other BC municipalities using this practice:

- Duncan: Allows carriage house to be two storeys in single-detached and duplex homes.
- Fernie: Allows two-storey detached ADUs in single-detached zones.
- Gibsons: Allows garden suites in designated infill areas, and plans to expand areas following a review of the program in 2021.
- Grand Forks: Allows detached ADUs on single-detached and duplex lots in residential and small lot residential zones (R-1 and R-2).
- Merritt: Allows detached ADUs in single-detached, duplex, and townhouse lots; reduced minimum rear and side set-back requirements and increased maximum parcel coverage.
- Dawson Creek: Permits detached ADUs on single-detached and duplex lots that have lane access or on street corners.
- Ashcroft: Detached ADUs allowed in all residential zones, including rural zones, provided the ADU doesn't cover more than 33% of the lot.

Practice 3: Allow both attached and detached ADUs on the same lot

Implemented in or being considered by: 21 communities

Purpose: Further intensify suitable areas by allowing multiple ADUs on a single lot.

Type of ADUs: All

Implementation complexity: High

Potential for creating new ADUs: High

Overview:

- Most smaller municipalities in BC prohibit more than one ADU on the same residential lot, for example both an attached and detached suite.
- In municipalities with a large proportion of homes already accommodating an attached suite, this this halts detached ADU creation and also fails to take advantage of available space and land resources and infrastructure capacity.
- A few communities are now allowing more than one ADU per lot by implementing bylaw changes that lay out the zones where both types of suites are allowed, the conditions under which they are permitted, and the relevant planning standards.

Implementation options:

- Allow both a detached and an attached ADU on smaller lots in targeted infill areas.
- Allow both a detached and an attached ADU on larger lots where density increases are desirable.
- Permit both a detached and an attached ADU in rural areas on very large lots with adequate septic capacity.
- Permit the subdivision of single-detached dwellings to accommodate two or more internal rental units and a detached ADU in the yard.
- Set the parking requirement for two or more ADUs at less than the number of units especially where there is nearby transit.
- Waive or discount development cost charges and other development-related fees.
- Waive or discount utility fees.

Municipal departments: Planning/Development Services

Development and administration:

- Study the capacity of local infrastructure to support density increases and upgrade infrastructure where desirable and feasible.
- Consult the public to ensure this form of infill is acceptable and shape proposed zoning amendments accordingly.
- Amend zoning bylaw.
- If a development permit is required for the detached units, change development permit areas in the OCP and provide guidelines for the form and character of the detached unit.
- Communicate bylaw changes to property owners and the public.

Favourable conditions:

- Strong OCP policies favouring infill and need for affordable rental housing, recognizing ADUs as a key housing strategy
- Higher density and infill areas
- Transit provision
- Public and political support
- Knowledgeable builders

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Advantages:

- Makes better use of available space and land. Offers more flexibility to property owners in deciding how to use the space.
- Produces a larger number and wider variety of rental housing options to suite different life stages and demographics in both urban and rural areas.
- Makes use of available infrastructure capacity, for example in areas where household sizes have fallen.
- Can help municipality achieve higher densities while preserving neighbourhood character. More intrusive housing forms, such as rental apartment blocks, can be avoided.
- Can serve as an infill strategy to help revitalize target areas.
- Reduces variance and rezoning requests.

Disadvantages:

- May put pressure on municipal infrastructure or require septic system upgrades
- Can change character of target areas if uptake is pronounced
- May encounter public opposition
- Parking for multiple ADUs can be problematic

Alignment with other best practices:

- Expand conditions under which attached ADUs are permitted
- Expand opportunities for detached ADUs

Vignette

Municipality: The Village of Cumberland

Population: 3,753 (2016, Census)

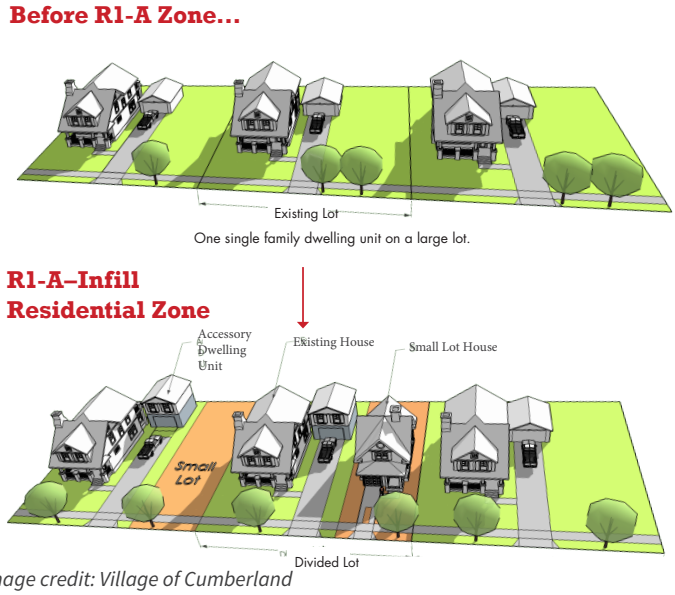

Image credit: Village of Cumberland

Description: Cumberland has a large residential infill zone where both secondary suites and accessory dwelling units are permitted on the same lot. The municipality rezoned an older R1 area within walking distance of the commercial core to R-1A, ground-oriented medium-density. The R1 zoning permitted secondary suites only and the rezoning added detached ADUs as a permitted use on single-family lots. Detached ADUs can't be more than 90 m^2 in size, must be smaller than 75% of GFA of the principal dwelling, and can't be in the front yard. Secondary suites must be less than 90 m^2 and 40% of the GFA of the residence. There is no minimum size for either detached or attached units. Minimum lot sizes for single family homes have been reduced to 325 m^2 to allow for infill subdivision to small lots. Recreational vehicles are specifically excluded from the definition of detached ADUs. ADUs in the infill zone can be used as short-term rentals. An extra parking space is required for each ADU. Development cost charges are not waived for the units as the infrastructure in the area needs to be upgraded.

Introduced: 2016

Context: Cumberland's OCP contains a growth management strategy that prioritizes development that makes efficient use of existing infrastructure, increases access to affordable housing, promotes walkable neighbourhoods, and reinforces the village core. The plan identified ADUs as a preferred approach to achieving these goals. ADU uptake will support the 415 existing rental households and especially the 41% that spend more than 30% of their household income on rental shelter costs.

Development: Cumberland updated its OCP in 2014 to include policies that encourage residential infill in the central area. The zoning bylaw was amended in 2016.

Administration: A development permit is required for detached units in the infill zone.

Impact/uptake: Four units with both an attached and a detached ADU.

Challenges: Cumberland has a small planning department and dealing with ADU applications takes up a significant portion of the department's staff resources, especially for variances and development permits associated with detached ADUs. The development permit process is helpful because it allows more fine-grained control over issues such as dwelling unit design and drainage (the detached ADU guidelines require a rock pit in order to avoid excess runoff into the aging stormwater system), but it adds several months to the approval time. Another issue is the growing number of ADUs used as short-term rentals.

Examples of other BC municipalities using this practice:

- Gibsons: Lots within infill areas that meet a minimum size can have a secondary suite and a garden suite; a small area of the municipality is zoned such that single-family homes can be converted into three rental apartments and also have a detached suite in the garden).
- Nelson: The downtown residential zone is slated for infill development and allows both a laneway house and a secondary suite on the same single-detached lot.
- Squamish Lillooet Regional District: For properties larger than one hectare in rural Electoral Area C, zoning allows for a detached cottage plus a secondary suite.
- Grand Forks: Allows a garden suite and a secondary suite on single-detached lots in residential and small lot residential zones (R-1 and R-2).
- Whistler: Infill zones allow an attached and a detached ADU on single-detached parcels where the parcel is more than 695 m^2.

Practice 4: Allow lock-off suites in multi-family housing

Implemented in or being considered by: 3 communities

Purpose: To encourage the creation of small ADUs in higher-density housing that can be rejoined to the main dwelling unit when needed.

Type of ADUs: Attached ADUs in new development

Implementation complexity: Medium

Potential for creating new ADUs: Medium

Overview:

- ADUs in apartments and townhouses have traditionally not been permitted, but a few municipalities in BC are currently allowing or considering the introduction of "lock-off suites".
- A lock-off suite is a (usually small) ADU inside an apartment or townhouse that has both a separate lockable entrance accessed from a shared hallway, or from within the principal residence if locks on both sides of the lock-off door are unlocked.
- A lock-off suite has a small kitchen and bathroom so it can to be rented out as a separate unit. It can also be joined to the main unit and used as a bedroom with an ensuite bathroom.
- The zoning usually specifies a minimum absolute size and a maximum relative size compared to the main unit.
- Typically, municipalities prohibit having both a lock-off suite and a secondary suite associated with the same principal dwelling unit.
- The BC Building Code does not permit modifying an existing apartment to add a lock-off unit. They can only be included in new construction.
- Burnaby was the first municipality in North America to legalize lock-off suites in apartment buildings for the UniverCity development adjacent to Simon Fraser University.

Implementation options:

- May be installed in a duplex, townhouse or apartment
- Extra utility fees may be waived for the lock-off suite
- The usual additional parking requirement that applies to ADUs may be waived
- Waive or discount utility fees
- Waive development cost charges, for example on suites below a certain size or construction value

Municipal departments: Planning/Development Services

Development and administration:

- Zoning bylaw is amended to allow lock-off units in specific zones
- The municipality may choose to negotiate with developers to encourage them to include lock-off units as a condition of rezoning
- Units require no special administrative procedures as they are incorporated into new developments using the established permitting process

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Favourable conditions:

- Strong demand for multi-family housing and modestly-sized rental units
- Municipal Council willing to innovative and try out a relatively new housing form
- Desire to add to purpose-built rental stock
- Interested developers

Advantages:

- Allows flexibility for smaller principal units to increase or decrease in size, depending on needs of the owner
- Almost completely invisible from the exterior and therefore unlikely to be opposed by neighbours
- Attractive to municipalities that are moving towards more multi-family housing forms
- Units can be easily unlocked for family members or locked-off for use by long-term renters
- Building code requirements for lock-off suites in townhouses are similar to those of secondary suites

Disadvantages:

- Multi-family housing is often regulated using unit per hectare density units, so adding lock-off suites can compromise overall densities and dampen developer interest in this practice. Specific provisions can be made in the zoning bylaw to avoid this outcome.
- Lock-off suites in apartment buildings may entail meeting higher building code standards, depending on where they are located in the building (for example adjoining or above other dwelling units) or distance to an elevator.
- Some developers may be reluctant to build lock-off suites in apartment buildings as the extra facilities and building code requirements increase costs.
- The ease of conversion from a separate to a joined dwelling unit may encourage casual rental arrangements that make poor rental practices more likely (for example illegal eviction or rent increases).

Alignment with other best practices:

- Relaxed parking requirements
- Waive development cost charges or permit fees
- Discount utility fees

Vignette

Municipality: The District of Squamish

Population: 19,512 (2016, Census)

View of Squamish and Squamish River. Image credit: Substatique; Creative Commons

Description: The zoning bylaw was amended to allow "multi-unit flex units" in townhouse zones. The bylaw limits the owner to one such suite per strata-titled unit, requires an additional off-street parking space for the lock-off suite, and specifies that the gross floor area of the unit is not to be less than 40 m^2 and not greater than 90 m^2 (or 40% of the gross floor area of the building, whichever is less). The bylaw prohibits the stratification of the unit or its use as a short-term rental.

Introduced: 2018

Context: Squamish is moving towards more multi-family development, with almost half of all residential dwellings built as of 2020 are duplexes, townhouses or condo units. The community is looking for ways to boost the supply of lower cost rental units.

Development: The municipality was not getting many applications to add to the limited purpose-built rental stock it already had, despite being a fast-growing community. Between 2016 and 2018 it undertook several zoning bylaw amendments to remove barriers to infill development and expand ADU opportunities throughout the municipality. In 2018, a couple of larger developers approached the municipality for higher density rezonings. Planning staff negotiated in a provision that ADUs could be used as lock-off suites.

Administration: No additional administrative resources needed as the suites are approved along with the larger development.

Impact/uptake: For one development the municipality secured a minimum number of lock-off suites as a condition of rezoning, for example seven lock off suites in townhouses per phase of 100 units, with three phases expected.

Challenges: No specific challenges

Vignette

Municipality: Town of Gibsons

Population: 4,605 (2016, Census)

Description: The zoning bylaw amendment incorporated lock-off suites as a permitted use in all multi-family zones, within apartments only. No minimum and maximum floor area is specified. Only one lock-off suite is permitted within an apartment unit and an extra off-street parking space is required. The exception to this rule is when the ADU is located within 200 m of a bus stop and on-street parking is permitted adjacent to the property. In this case, no additional spaces are required. The bylaw includes a provision such that any zoning limits on the number of dwelling units permitted on a lot or area of land do not count lock-off suites as dwelling units. The normal utility charges are applied to lock-off suites. Development cost charges are charged on a square metre basis for multi-residential buildings.

Introduced: 2020

Context: Gibsons has a very tight rental market with 49% of the 630 rental households spending more than 30% of their income on rental shelter costs. Gibsons is looking to ADUs to help expand the rental stock for existing renters and the growing population. With limited room for horizontal expansion, the municipality is looking at higher-density infill to provide opportunities for affordable housing.

Development: The Town of Gibsons' OCP has strong policies to encourage ADUs. While introducing secondary suites to duplexes and townhouses, staff researched ways to include ADUs in apartments and discussed the matter with the municipality's building official. The zoning bylaw was amended to allow lock-off suites in all zones that permit apartments. Apartment buildings are subject to a development permit. There was no need to change the permit guidelines because the introduction of lock-off suites don't impact the form and character of the building.

Administration: Permitting in a building with lock-off suites is the same as any apartment building, except street addressing has to distinguish between the main and lock-off unit.

Impact/uptake: Two developers have expressed interest in lock off suites but none have been built yet.

Challenges: Meeting higher building code requirements for lock off suites in an apartment building.

Examples of other BC municipalities using this practice:

- Cumberland: Allows a "flex unit" accessory to a multi-family dwelling in a mixed-use zone. The flex unit can only be accessed through the principal unit.
- Squamish: Allows a "multi-unit flex unit" in all zones that permit townhouses.

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Practice 5: Allow tiny homes as detached ADUs

Implemented in or being considered by: 36 communities

Purpose: Permit very small detached ADUs in backyards.

Type of ADUs: Detached ADUs

Implementation complexity: Medium

Potential for creating new ADUs: Medium - High

Overview:

- In some areas of BC, municipalities are experiencing increasing interest in tiny home options.
- Tiny homes are sized to meet an occupants' needs with little excess space, and the home may be stationary or mobile.
- Typically, stationary tiny homes on a foundation are under 37 m^2 while mobile tiny homes are typically under 16.7 m^2 with special width, length and height restrictions to comply with highway transportation regulations.
- Many municipalities in BC have minimum size requirements for detached ADUs or other restrictions that prevent property owners from having very small dwelling units in their backyards .
- Tiny homes also struggle to meet BC Building Code requirements.
- A movement to encourage tiny homes in a variety of circumstances – including in tiny home villages, tiny home mobile parks, and stand-alone homes in residential back yards – has been offering solutions to help overcome barriers to their wider use as an affordable and sustainable housing option.

Implementation options:

- Reduce or eliminate minimum size requirements for detached ADUs with foundations
- Allow temporary use permits for mobile tiny homes in backyards
- Adopt more flexible building code compliance criteria
- Adopt pre-approved tiny home designs that meet the BC Building Code and municipal regulations
- Apply to either residential or commercial properties
- Reduce parking requirement if conditions are appropriate
- Waive or discount utility fees
- Waive development cost charges, for example on suites below a certain size or construction value

Municipal departments: Planning/Development Services

Development and administration:

- Assess demand and land use potential for tiny homes in the municipality
- Analyze barriers to tiny homes in the municipality
- Adopt zoning amendments when appropriate
- Adapt permitting process to the needs of tiny homes
- Communicate availability of the tiny home option to the public and builders

Favourable conditions:

- Strong demand for low-cost rental housing in an expensive market
- Demand for small units
- Property owner interest in the tiny house option
- Willingness of Council to explore innovative rental housing solutions

Advantages:

- Lower cost than typical detached ADU
- Allows property owners to build what they can afford
- Increases the diversity of housing options to meet a wider range of needs
- Can be used to meet demand for rental housing for seasonal workers, for example in resort communities struggling to provide employee housing
- Flexible in that tiny homes can be stationary or mobile
- Can take advantage of the availability of modular tiny homes
- Can be integrated on smaller properties
- Often attract renters who are predisposed to sustainable living practices (renewable energy sources, low-flow water fixtures) that reduce servicing needs

Disadvantages:

- The attraction of a very small home is difficult for some decision-makers to understand and therefore support.
- It can be challenging to meet the requirements of the BC Building Code in the context of a very small stationary dwelling unit, for example location and space requirements.
- Tiny homes on wheels do not fall under the BC Building Code and therefore present some challenges to regulate them by local governments and may create liability issues.
- Tiny homes on wheels registered as a recreational vehicle may be required to be insured by ICBC and are restricted from being used year-round as a permanent dwelling.
- Mobile homes will need to meet a CAN/CSA-Z241 standard or equivalent.
- Some tiny homes are not suitable in areas with cold winters.
- Managing liquid waste from tiny homes on wheels or RVs can be a challenge (for example reviewed and approved by a registered on-site wastewater practitioner).
- Temporary use permits do not address the need for long-term housing.

Alignment with other best practices:

- Waive/discount development cost charges/connection charges
- Discount annual utility rates on ADUs
- Reduce parking requirements
- Allow more than one ADU per lot
- Pre-reviewed designs

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Vignette

Municipality: District of Ucluelet

Population: 1,717 (2016, Census)

Description: The municipality currently does not allow tiny homes on foundations (or any detached ADUs) in most backyards. They may however, issue a temporary use permit for a tiny home on wheels or a recreational vehicle (RV) in the back yard of a residential or business property.

Introduced: 2018

Context: Ucluelet is experiencing a strong demand for rental units, especially in summer months to accommodate seasonal workers. Over 60% of Ucluelet's tourism revenue is earned from June to September. Council considers permitting mobile homes a very inexpensive, flexible and unobtrusive way to create extra rental supply. Seasonal accommodation in a mobile tiny home or RV does not equate to a long-term housing solution, but as a short-term solution it may relieve some pressure.

Development: Created temporary use permit designation covering the entire municipality in the zoning bylaw. Adapted the temporary use application process for purposes of allowing RVs in backyards. A temporary use application is similar to a variance application but applies to variations in use rather than size, set-backs, etc.

Administration: A temporary use permit is issued by Council for up to three years and can be renewed once for another three years. The property owner submits an application with site plan, drawings, provisions for water and wastewater, and planning staff brings the report to Council. Notice is given to neighbours, an ad is placed in the newspaper, and a sign is placed on the property. After Council approval, staff issues the permit. Provincial legislation prohibits the delegation of temporary use permits to planning staff.

Impact/uptake: The municipality currently has a half-dozen temporary use permits issued for this purpose. Most are for a single RV on a property, but one permit is for 13 RV's serving seasonal workers at a commercial fish processing plant.

Challenges: Some incidents of improper sewage disposal (for example a hose discharging in to a ditch) resulting in bylaw enforcement issues. For health and safety reasons, RVs are limited to seasonal use (for example 6 months max. per year). Extra parking needed to serve the RV may raise neighbour complaints.

Vignette

Municipality: City of Grand Forks

Population: 4,049 (2016, Census)

Image credit: City of Grand Forks

Description: In zones (R1 and R2, neighbourhood commercial NC) where the zoning bylaw allows detached ADUs (called garden suites), the minimum ADU size is 12 m^2, which means tiny homes on foundations are permitted. In residential zones permitting very small principal residences (18-29 m^2), the municipality may issue two, three-year temporary use permits for a tiny home on wheels for a maximum of six years. After this time the home must be converted to a garden suite by being placed on a foundation, or it must be removed.

Introduced: 2018

Context: The municipality has a severe shortage of affordable rental housing with 42% of renters spending more than 30% of their income on shelter costs. Rental housing is especially scarce for young people and seasonal workers. The rental situation was aggravated by serious flooding that destroyed some houses and led to re-evaluating flood zones and further constraints on where rental housing could be built. Growth in the number of ADUs from 2019 to 2020 was virtually non existent.

Development: After extensive community consultation, the OCP and zoning bylaws were amended to allow very small detached ADUs and temporary use of tiny homes on wheels. The entire municipality was designated as a temporary permit zone to address applications for tiny homes on wheels. For tiny homes on a foundation, a development permit process was used that gave Council control over which designs were accepted. This added a couple months to the application process, as a result, approval authority was delegated to staff.

Administration: A temporary use permit is required for tiny homes on wheels that have not been converted into a principal dwelling unit, or that are situated in a zone where they are not permitted. A development and temporary use permit are required for tiny homes on a foundation. The length of time to receive a development permit for detached ADUs, was reduced when staff were granted authority to approve designs; adding only a few days to the process. Marketing of the tiny home provisions has been limited.

Impact/uptake: Four applications for tiny homes on foundations have been approved since 2018.

Challenges: Convincing residents and some Council members that tiny homes are desirable and feasible was a challenge for staff. Success depends on a flexible approach to building inspection. Electrical connections to tiny homes on wheels will require inspection from an authorized professional.

Examples of other BC municipalities using this practice:

- Squamish: No minimum size for detached ADUs
- Terrace: No minimum size for detached ADUs
- Cumberland: No minimum size for detached ADUs
- Smithers: No minimum size for detached ADUs

Practice 6: Relax parking standards for ADUs

Implemented in or being considered by: 25 communities

Purpose: Encourage the creation of ADUs by reducing off-street parking requirements.

Type of ADUs: All types

Implementation complexity: Low-Medium

Potential for creating new ADUs: Medium

Overview:

- Zoning bylaws typically require ADUs to have off-street-parking on top of what is already required for the primary dwelling - usually one extra space per ADU.
- Bylaws often specify that ADU parking must be independently accessible (for example the space has direct access to the street and is not blocked by another parking space).
- Such rules can prevent homeowners from building ADUs if there is insufficient physical space to accommodate the parking or if the creation of off-street parking pads makes ADUs financially unattainable.
- Where feasible, the relaxation of parking requirements can expand opportunities for the creation of new ADUs.

Implementation options:

- For detached ADUs, require the creation of new parking only if the ADU displaces the primary dwelling's existing parking. Waive off-street-parking requirements at locations within walking distance of transit or local amenities.
- Allow parking requirements for the house and ADU to be met by using some combination of off-street parking, curb parking, and tandem (one car in front of the other) parking in a driveway.
- When more than one ADU is permitted per lot, cap the total parking spots at a lower ratio than the mathematical sum of the various units.
- Allow property owners to pay into a cash-in-lieu fund where spatial constraints would otherwise prevent the creation of ADUs .
- Allow provision of a car share vehicle and parking space in lieu of required on-site parking spaces for the principal dwelling and ADUs.
- Reduce technical requirements (for example size, surfacing, covering) in order to reduce space requirements and costs.
- Link to sustainability goals, such as requiring a surface that is permeable to rainwater.

Municipal departments: Planning/Development Services

Development and administration:

- Change zoning bylaw to increase the number of lots, sizes, surfacing, and conditions that qualify for reduced requirements
- Notify building inspector of bylaw changes
- Where a development permit is required, update the development permit application to reflect changed requirements
- Communicate bylaw changes to builders, property owners, and renters

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Favourable conditions:

- Oversupply of on-site parking compared to demand
- Availability of on-street parking in lower density communities
- Higher density or infill districts
- Constrained yard sizes
- Proximity to public transit
- Walkable neighbourhoods with accessible everyday destinations
- Community does not require streets to be cleared for snow ploughs to pass
- OCP policies to reduce parking supply and car use
- Strong public and political support for ADUs

Advantages:

- Reduced parking standards can make ADUs more financially and technically feasible on a wider range of lot types and sizes
- Lack of parking is known to boost alternative travel modes
- Can increase density and help achieve the municipality's growth management goals
- Can reduce the need for tree removal and otherwise improve the aesthetics of the street scape

Disadvantages:

- May not be a realistic option for communities without regular transit, that are more rural/remote, or require vehicles to be off-street during winter months for snow clearing purposes.
- Having space for larger utility vehicles may be critical to many ADU residents for purposes related to their employment (for example trades).
- Reduced parking may result in illegal parking on the public right-of-way if demand for parking space is higher than expected.
- There can be strong public opposition to measures that reduce parking supply.

Alignment with other best practices:

- Lock-off suites
- Tiny homes
- Waive development cost charges or permit fees
- Discount utility fees
- Pre-reviewed designs

Vignette

Municipality: The Village of Cumberland

Population: 3,753 (2016, Census)

Image credit: Smallworks

Description: The municipality requires an additional parking space for an attached or detached ADU. Property owners can pay into a cash-in-lieu fund instead of installing the required off-street parking on lots in the medium-density R-1A zone near the commercial centre where space is constrained. The current fee is $3,800. Provincial law requires that cash-in-lieu be an option used at the discretion of the property owner – it can't be imposed as a zoning requirement.

Introduced: 2016

Context: The Village of Cumberland has an infrastructure deficit which is reflected in poor parking conditions in the downtown area. The cash-in-lieu program was set up to generate revenue that would help alleviate this situation and reduce barriers to creating ADUs.

Development: A zoning bylaw amendment and creation of a municipal parking cash-in-lieu fund.

Administration: Planning staff inform property owners of the cash-in-lieu option (which is not widely known) during pre-application discussions. Administration of the fund requires little work.

Impact/uptake: While most property owners elect to meet the zoning requirements on-site, a minority contributes to the fund instead. The municipality uses the revenue from the cash-in lieu program to make improvements to parking conditions in the downtown area introducing signage, paving, and wheel stopper paint on roads.

Challenges: Reduced off-street parking can place an added load on on-street parking.

Vignette

Municipality: The Town of Gibsons

Population: 4,605 (2016, Census)

Grantham house by Click Modular Homes

Description: The Town of Gibsons requires two parking spaces on-site for a single-family dwelling, duplex and townhouse, 1.5 spaces for each apartment unit, and one space for a garden suite (detached ADU), secondary suite or lock-off unit (attached ADUs). However, a recent zoning bylaw amendment specifies that where a lot is located within 200 m of a bus stop and on-street parking is available adjacent to the property, no additional spaces are required for a secondary suite or lock-off unit.

Introduced: 2020

Context: Prior to the zoning bylaw amendment, a property owner who added a secondary suite to an attached home was required to create an additional parking spot. When the municipality expanded secondary suites to duplexes and townhouses, and decided to allow lock-off suites in apartments, planners expected that available parking might be more of an issue than it has been on single family lots. This prompted the municipality to require all secondary suites and lock-off units to be furnished with an extra off-street parking space. To ensure established areas with small lots, (that were often close to public transit), would not be constrained by the new parking requirements, the exception was put in place.

Development: Municipal staff conducted a study of parking options for ADUs, followed by a proposal to Council and a bylaw amendment. To further clarify the proposed flexible parking provision, planning staff intend to develop a guide to inform homeowners which streets allow on-street parking by rental tenants (including a map) provide procedural steps for how the 200 m distance from bus stop to suite is to be measured. Early implementation of the policy shows that the distance to bus stop may warrant extension to a walkable distance of 400 m.

Administration: No additional administrative procedures required to implement the policy.

Impact/uptake: Too early to say.

Challenges: Determining what constitutes available street parking.

Examples of other BC municipalities using this practice:

- Nelson: Parking minimum is capped at three spots per lot, even if there are two ADUs on the lot in addition to the principal residence
- Gibsons: In addition to the relaxation of parking requirements described above, the municipality allows a car share vehicle and parking space in lieu of three required on-site parking spaces, and has a cash-in-lieu of off-street parking provision

Practice 7: Pre-review designs for ADUs

Implemented in or being considered by: Nine communities

Purpose: To facilitate the use of high-quality designs for detached ADUs at an affordable cost to property owners. **Type of ADUs:** Usually for detached ADUs

Implementation complexity: Medium-High

Potential for creating new ADUs: Medium

Overview:

- Detached ADUs are often designed by property owners with little or no design experience, resulting in extended approval times (which can reduce owner interest to build an ADU) and modest aesthetics (which can reduce public support).
- A pre-reviewed designs program offers property owners and builders a handful of detailed designs that are vetted against the provincial building code, municipal regulations and approved by planning staff.
- The property owner who wishes to create a detached ADU purchases one of the pre-reviewed design of their choice and adapts it to their property.
- Usually, a number of different designs that correspond to various common lot sizes and topographies (for example inclines) are provided.
- The program is optional and the owner may go with their own or a different design if they wish, but this usually entails a longer approval process.
- This approach has been used to help promote various forms of infill development in a number of cities in North America, including Kelowna, Portland, Sacramento, and Santa Cruz.

Implementation options:

- The designs can be developed via a relatively modest process using local architects to generate design options or a more elaborate effort with a formal competition, professional jury, awards, etc.
- Various types of information can be included in the designs, including photos of a built prototype, layout and elevation drawings, site design variations, and construction plans.
- Encourage the incorporation of energy efficiency and other sustainability goals into the designs.

Municipal departments: Planning/Development Services

Development and administration:

- Consult public on desirable design criteria.
- Recruit designers (target local or wider afield) to produce high-quality design proposals that follow set criteria.
- Create process to select winning designs, (for example professional jury, public voting, or Council).
- Check winning designs against the BC Building Code, local bylaws and other regulatory frameworks. Adjust accordingly.
- Post the designs on the municipality's website. Allow them to be downloaded by interested property owners for a nominal fee.
- Promote the winning designs among property owners and builders in the municipality.

Favourable conditions:

- Council willing to invest in an innovative solution
- OCP is supportive of ADUs
- Zoning regulations are permissive
- Public is supportive of increasing stock of ADUs

Advantages:

- Saves staff resources by reducing pre-application discussions and streamlining the permitting process.
- Reduces variance applications.
- For the property owner, a pre-approved design reduces or eliminates initial design costs and speeds up approval process.
- Creates housing designs shaped to the community and neighbourhood's needs.
- Affords homeowners a higher-quality design than they could afford to commission on their own.
- Can be refined by the property owner to meet their particular needs.
- May incorporate local architectural heritage/character to improve the sense of place and community.
- Designs can be required to meet municipal requirements such as the BC Step Code, development permits, etc.
- Helps 'train' local design professionals and builders on how to meet regulatory requirements and design expectations, especially if they are brought into the design process.

Disadvantages:

- Developing the program may require considerable effort by planning staff, depending on the complexity
- If widely adopted it can lead to repetitive ADU design
- May not be suitable for irregularly shaped lots
- It doesn't cover all of the topographies, lot size, and building size permutations

Alignment with other best practices:

- Expand opportunities for detached ADUs
- Allow tiny homes
- Relax parking standards

Vignette

Municipality: City of Nelson

Population: 10,572 (2016, Census)

Image credit: https://www.nelsonstar.com/news/census-nelsons-population-up-3-3/

Description: The program offers property owners the option of choosing one of three pre-reviewed designs for detached ADUs at a cost of $1,000 (a fee that the City passes on to the designer of the chosen design). The designs include photos, site and dwelling drawings with variations, and a proforma. All pre-reviewed plans are designed to meet at least Step 2 or 3 of the Energy Step Code with construction details provided on energy efficiency options.

Introduced: 2020

Context: Although detached ADUs have been permitted in Nelson since 2013, uptake was low and some designs built or being considered by property owners were of poor quality. A survey showed public interest in pre-reviewed designs as a way of improving aesthetics and reducing barriers to uptake.

Development: The City partnered (at a cost of $2,000) with Small Housing BC (a non-profit that conducts research, education and advocacy to promote the development of small housing forms in British Columbia) to investigate launching a design competition, a project that the City ultimately agreed to carry on. Development work included recruitment of a jury panel, circulation of the competition to architects and laneway house design professionals across the country, and distributing incoming designs to the panel. The building inspector reviewed the designs to ensure they met building code requirements. The program received 29 submissions and three winners were chosen. Staff created a webpage to feature information on the program and guidance on how to purchase and use the designs.

Administration: There is very little added administration linked directly to this program. When a property owner purchases a pre-reviewed design, planning staff emails the designer/architect that produced the design and they invoice the City. Some staff time is required to market the program via newspaper and social media posts. Demands on staff resources to approve detached ADUs was reduced thanks to this initiative.

Impact/uptake: In the months following the introduction of the program, a winning design was purchased by one property owner and another person used one of the non-winning designs, which was highlighted in the program brochure.

Challenges: Managing a jury composed of busy architects and receiving comprehensive reviews on time can be challenging. Also, some architects may propose complex designs that defeat the idea of affordable design.

Other jurisdictions using or considering this practice:

- Creston: Policy adopted, not yet implemented
- Kimberley: Considering
- Ucluelet: Considering
- Castlegar: Considering
- Port Alberni: Considering
- Grand Forks: Considering
- White Rock: Considering
- Osoyoos: Considering

Practice 8: Waive or discount development-related fees on ADUs

Implemented in or being considered by: 16 communities

Purpose: To provide an incentive to developers and property owners to add ADUs to new or existing properties.

Type of ADUs: Potentially all

Complexity: Low

Potential for creating new ADUs: Medium

Overview:

- Development-related fees add to the cost of creating ADUs and therefore may discourage uptake.
- The municipality may elect to waive (or discount) fees that normally apply to the construction of new ADUs.
- The waived fees may include building permit fees, development permit fees, development cost charges, utility connection charges, or other development-related fees.
- Waivers may be applied to fees charged on new development or to the construction of an ADU in association with an existing principal residence.

Implementation options:

- Implement as temporary measure to boost interest in building ADUs and discontinue when housing conditions change or ADU goals are met.
- Start by waiving one fee, monitor response, and then waive additional fees as needed to achieve targets.
- Attach waivers to specific ADU designs that have potential but need encouragement.
- Require property owners to sign an agreement stating the new ADU will not be used for short-term rentals.

Municipal departments:

- Planning/Development Services
- Finance

Development and administration:

- Requires changes to relevant bylaws, for example development cost charges and fees and charges bylaws
- Instruct relevant staff (for example building permit officials) on fee waiver/discount rationale and process
- Promote the waivers among developers, builders and property owners

Conditions:

- Healthy municipal finances capable of absorbing lost revenue from reduced fees
- Policy framework supportive of ADUs
- Broad perception that development fees are posing a barrier to the construction of ADUs

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Advantages:

- Development of the practice is relatively uncomplicated.
- Minimal administrative changes required to implement and no administrative resources required to maintain practice over time.
- In general, incentives tend to be well-received by stakeholders.
- Very flexible with the kind of fees that can be waived, the types of ADUs that can be targeted, the types of principal dwelling involved, and whether it involves a full waiver or a discount.
- Can be used to encourage ADU construction in new development or existing properties.
- Provides leverage to limit converting units for short-term rental (for example through a housing agreement).

Disadvantages:

- Municipality must be able to replace lost revenue from other sources, such as general taxation, which may be politically challenging.
- Some municipalities don't use development cost charges.
- Communities with older infrastructure that needs upgrading may not be able to afford to waive development cost charges.

Alignment with other best practices:

- Waive or discount utility rates on ADUs
- Reduce parking requirements

Vignette

Municipality: District of Squamish

Population: 19,512 (2016, Census)

Image credit: District of Squamish

Description: Development cost charges (DCC) and building permit fees are waived when installing a secondary suite or carriage house is installed. The building permit waiver applies to both attached and detached ADUs added to existing homes or to the portion of the living space related to an ADU in a newly built home. The waivers can result in a potential savings of $3,000 to $5,000.

Introduced: Both waivers were introduced in 2016. The building permit waiver was intended to be temporary and the fees and charges bylaw was terminated in 2019. The DCC waiver was implemented by removing ADUs as a property type subject to development cost charges in the DCC bylaw and is permanent unless reversed by further amending the bylaw.

Context: The municipality has experienced an increase in housing demand due to improvements to the Sea-to-Sky Highway 99. The highway made it possible to commute to the Lower Mainland for employment. This improvement contributed to a 14% population increase between 2011 and 2016. Growth is driving rents up and supply is not keeping pace. Census figures from 2016 show that 36% of the 1,985 households renting are spending more than 30% of their household income on shelter costs.

Development: A 2015 intersectoral task force on affordable housing recommended this measure and it was quickly acted on. A staff member drafted the proposed bylaw changes and they were adopted by Council with little controversy. The changes were publicized via social media and a municipal web page called Builder's Corner, which tracks changes in municipal regulations and policies for the construction industry.

Administration: No additional administrative resources required

Impact/uptake: Applies to all approved ADUs

Challenges: The measure was meant to increase long-term rentals, but in some cases, property owners who benefit from the incentives converted the ADUs into short-term rentals.

Examples of other BC municipalities using this practice:

- Nelson: Waived $500 application fee for new secondary suites during Covid. The water connection fee of $1,800 and the sewer connection fee of $2,000 on ADUs
- Grand Forks: Waived building permit fees and development permit fees after a 2019 flood that destroyed many houses (set to expire in 2021)
- Dawson Creek: No development cost charges on ADUs
- White Rock: No development cost charges on any unit 29 m^2 or less
- Fernie: No development cost charges on ADUs
- Duncan: No development cost charges on ADUs
- District of Lake Country: No development cost charges on any unit 29 m^2 or less or on projects with a construction value of over $50,000, which effectively exempts many secondary suites

Practice 9: Discount or waive utility fees on ADUs

Implemented in or being considered by: 14 communities

Purpose: Reduce the cost of operating ADUs by reducing on-going utility fees.

Type of ADUs: All

Implementation complexity: Low

Potential for creating new ADUs: Low-Medium

Overview:

- Most municipalities charge on-going fees to cover the cost of delivering municipal services, including sewer, water, and garbage.
- Utility fees are often charged on ADUs at the same rate as the principal unit, even though they are likely to have lower consumption rates. ADUs often have smaller households and there may be periodic gaps in occupancy (the fees are typically charged even when the unit is vacant).
- These fees increase the cost of operating an ADU and may discourage some property owners from building an ADU.
- Some municipalities in BC introduced discounts or waived fees to remove this barrier to ADU construction.

Implementation options:

- Discount or waive fees on all or some services.
- Discount or waive fees on attached suites (which have the same water and sewer connection as the principal unit) but not on detached suites (which require their own connections).
- Discount or waive fees when unit is inhabited by someone belonging to a target group (for example local employee, student, retiree, family member).
- Use fee discounts as incentives to encourage the legalization of suites and the use of suites for long-term rentals.
- Waive charges when the suite is vacant.

Municipal department:

- Planning/Development Services
- Finance

Development and administration:

- Rates are set by the finance department and appear in the municipality's charges and fees bylaw.
- ADUs that qualify for a discount, are outlined in the municipality's guide for property owners interested in installing an ADU.

Favourable conditions:

- Public support for ADUs and incentives to encourage construction
- Ability to recover lower utility revenues from other sources

Advantages:

- Reduces the costs of operating ADUs, which may be passed on to tenants in the form of lower rent
- Reduces the incentive to build illegal suites in order to avoid high utility rates
- A flexible mechanism that can be applied differentially over time and across various utility services
- Simple to develop the practice and low administrative burden to implement
- Welcomed by property owners and usually not controversial with the public
- As an incentive, the approach can be used to encourage legal suites or other desirable outcomes

Disadvantages:

- There is usually no separate metering of sewer and water use for ADUs vs principal residences, so it may be difficult to justify discounted rates if questioned
- Lower fees may undermine water conservation goals
- Some municipalities don't have utility charges
- Discounted fees reduce municipal revenues and have to be made up by higher fees on other property types if service levels are to be maintained

Alignment with other best practices:

- Reduce parking requirements
- Waive or discount development-related fees

Vignette

Municipality: City of Duncan

Population: 4,944 (2016, Census)

Description: The municipality offers an approximate 10% discount on utility fees applied to secondary suites (compared to principal units). A $100 exemption for ADUs on utility charges (water, sewer, garbage) is available if the unit is vacant or is rented by an immediate family member (related by blood, marriage or adoption) who is not paying rent. In 2021, the exemption had a value of $685.45 annually. The exemption only applies to legal suites. If an owner is caught accepting the waiver without cause, they are charged a penalty equal to twice the amount that was evaded.

Introduced: 2012

Context: Duncan has seen a dramatic drop in rental vacancy rates over the last few years while rent costs are rising quickly. The 2016 Census figures show that 56% of the 1,090 households that rent are paying more than 30% of their household income on shelter costs. Wages in the booming service economy are not high enough to afford average rents, creating a demand for lower cost rentals.

Development: The charges and fees bylaw was amended after receiving complaints from property owners required to pay fees on vacant suites or suites occupied by family members.

Administration: The property owner fills out an on-line exemption form each year and submits it to the finance department. A copy is sent to the building inspector, who confirms that it's a legal suite.

Impact/uptake: Applies to all ADUs in the municipality

Challenges: On occasion, the finance department continues granting the exemption even if property owner fails to submit the exemption form. In some cases, owners of illegal suites apply for the exemption, which triggers an inspection and possible order to upgrade the suite.

Vignette

Municipality: City of Nelson

Population: 10,572 (2016, Census)

Image credit: http://www.nelson.ca/488/About-Nelson

Description: A 75% discount on water and sewer utility billing for all ADUs (attached or detached), meaning that an ADU will be charged $297 annually while a principal unit is charged $1,190, a difference of $793. Illegal, nonconforming suites, as well as suites used for short-term rental, pay the same rate as the principal dwelling. Garbage rates are $40 per dwelling per year, in addition to charges on the number of bags collected; there is no discount for ADUs. The charges are waived if the ADU is not occupied.

Introduced: 2010

Context: Nelson is seeing steep increases in rents while supply is not keeping up with the demand. The 2016 Census figures indicate that 47% of the 1,885 renter households are spending more than 30% of their income on housing. The vacancy rate is very low and Council is strongly in favour of ADUs as a way of boosting the supply of rental units. No enforcement is taken against long-standing, nonconforming (illegal) suites, provided that the zoning allows for the number of dwelling units found on a given property. Incentives to legalize suites are preferred, as are ways to keep suites in the long-term rental market.

Development: Amendments to the municipal charges and fees bylaw were needed to implement this measure

Administration: When a new ADU is approved, the development department communicates to the finance department and they bill accordingly. There is no additional administrative effort.

Impact/uptake: Applies to all ADUs

Challenges: Loss of revenue to municipality

Examples of other BC municipalities using this practice:

- Ashcroft: Attached ADUs do not pay extra sewer and water fees, while detached ADUs pay the same as the principal unit ($936/year). There is no charge to ADUs for garbage collection unless an extra bin is requested.
- Fernie: The sewer rate ($338/year) is not charged to attached ADUs, while the water rate ($328) charged to the principal dwelling is reduced ($131) for attached suites. There is no charge to secondary suites for garbage and recycling unless extra bins are requested.

Practice 10: Streamline the ADU permitting process

Implemented in or being considered by: 40 communities

Purpose: To encourage the construction of ADUs by reducing application processing times and simplifying the permitting process.

Type of ADUs: All

Complexity rating: Medium

Potential output rating: High

Overview:

- A lengthy or complicated permitting process can significantly discourage the construction of legal ADUs
- Simplifying or speeding up the permitting process can encourage property owners and developers to build ADUs
- Improvements can be made to any step in the approval process, from the time taken to process applications and the number of steps involved, to the delegation of steps and the quality of the information provided to property owners

Implementation options:

- Prioritize ADU applications over other types of development applications
- Where form and character development permits are currently required (often applied to detached ADUs), exempt ADUs of certain size, value, or those based on a pre-approved designs, from requiring a development permit. Another option is to eliminate the development permit requirement from the approval process
- Where development permit decisions on ADUs are made by Council, delegate these decisions to planning staff
- Where minor variance decisions on ADUs are made by Council, delegate these decisions to staff
- Ensure building and development permit applications are available on the municipality's website
- Provide clear instructions on-line detailing how to fill out and submit ADU applications
- Provide a guide outlining variances for projects that don't meet siting/size regulations on the municipal website
- Add a quick checklist of items property owners need to provide for an ADU permit on the municipal website

Municipal departments: Planning/Development Services

Development and administration:

- Council will need to change the criteria based on which development permits are processed first. Staff training and reassignments will be needed to review the increased volume of ADU applications over a shorter period of time
- To delegate development permit applications, Council must pass a bylaw assigning authority to staff and specifying the conditions under which the authority may be used
- To eliminate development permit requirements. Council can amend or repeal the development permit bylaw
- Communicate changes to property owners and builders

Favourable conditions:

- ADUs regarded positively by Council and the community
- Complexity or length of permitting process widely seen as a barrier to creating ADUs
- Well-resourced planning department
- Robust public consultation prior to adopting regulatory framework governing ADUs
- Strong policies supporting ADUs in the OCP, housing strategies, and other strategic documents

Advantages:

- Reduces processing times for applicants
- Streamlined process discourages applicants from installing ADUs illegally
- Reduces demand on planning staff when it involves a shorter process, for example reports to Council
- When Council delegates approval authority to staff, applicants can be assured that applications will be approved if they meet the stated criteria

Disadvantages:

- Prioritizing ADU applications can take planning resources away from other planning applications and approvals
- Eliminating the need for development permits may result in more administrative time spent on the building permit or increase the risk of neighbour complaints after approvals are granted

Alignment with other best practices:

- Pre-reviewed designs
- Expand opportunities for detached ADUs
- Allow tiny homes

Vignette

Municipality: District of Squamish

Population: 19,512 (2016, Census)

Image credit: Honomobo

Description: The planning department prioritizes applications for building permits for secondary suites in existing homes. The processing criteria were changed such that projects with construction values under $50,000 receive priority status. Most secondary suite applications meet this criterion.

Introduced: The measure was introduced in 2020 as applications for residential development surged due to greater demand for housing in the municipality.

Context: Rental housing in Squamish was already in short supply but the situation became critical as a result of the Covid epidemic, when many people began looking for housing in smaller centres outside Metro Vancouver. Prioritizing secondary suites was seen as an easy and effective way to boost the availability of rental housing. This initiative allowed the municipality to meet the surging demand at a time when the approvals process had dramatically slowed due to the volume of applications. Census figures from 2016 show that 36% of the 1,985 households renting are spending more than 30% of their household income on shelter costs.

Development: The planning department proposed changes to the criteria that determined how to prioritize development applications. Council adopted the recommendations.

Administration: Building permit applications showing a construction value below $50,000 go through a separate processing stream and their review is prioritized.

Impact/uptake: Major impact on processing time. Applications for a residential building permits on average take four to five months to process while an application for installing a secondary suite is six to eight weeks.

Issues: Directing staff attention towards secondary suite approvals, has drawn planning resources away from bigger projects.

Vignette

Municipality: City of Grand Forks

Population: 4,049 (2016, Census)

Description: Council delegated decisions about development permit applications for detached ADUs to planning staff.

Introduced: 2020

Context: The municipality has a serious shortage of affordable rental housing, especially for young people and seasonal workers. The rental situation was aggravated by serious flooding that destroyed some houses. This led to the re-evaluation of flood zones and further constraints on where rental housing could be built.

Development: Planning staff conducted an extensive public engagement process to gain support for OCP and zoning bylaw changes to allow detached ADUs in specific zones. The policy was controversial. Council chose to control the pace and character of change by requiring a development permit that became part of the approval process. These steps allowed them to retain the authority for issuing permits. The extra effort and the scheduling of Council meetings added about two months to the permit application timeline. After two years, Council accepted a request to delegate approval authority for detached ADU development permits to staff.

Administration: Staff routinely handle development permit applications for detached ADUs

Impact/uptake: The delegated authority approach has dramatically reduced approval times and lightened the workload involved in ADU application processing.

Challenges: None reported

Examples of other BC municipalities using this practice:

- Grand Forks: Detailed guide for garden suite applications (in progress)
- Quesnel: Detailed guide for coach house, carriage home, and secondary suite applications
- Smithers: Delegated approval for detached ADU development permits to staff

Other practices of interest

A few additional practices are included here. These practices are not the most commonly used or mentioned by interviewees and survey respondents, but have potential to be effective and scalable in small to medium-sized BC communities.

SHORT TERM RENTAL MANAGEMENT:

- Many municipalities are struggling to maintain ADUs for long-term rentals and residential use. This is in response to the high demand for short-term rentals by visitors
- Depending on the local policy framework, there can be a significant incentive for homeowners to use their ADUs for short-term commercial purposes over long-term residential use
- Some communities consider using short-term rental ADUs as an additional incentive (real or perceived) to encourage homeowners to build an ADU. Once built, the ADU might be used for long-term rentals immediately or in the future
- Municipal approaches to short term rentals are usually based on achieving certain community goals. These generally include:
    - Stating a level of approval (ranging from none to anywhere)
    - Choosing an approach to manage common issues (for example fire, parking etc)
    - Enforcing the rules (for example education, fines etc.)

MANDATE ADUs AS A CONDITION OF APPLICATION APPROVAL PROCESS APPROVAL:

- In some municipalities, the zoning bylaw mandates a developer to install ADUs as a condition of application approval.
- For example, Whistler has on occasion required developers to install secondary suites as a condition for approving rezoning applications. The suites must be rented to employees working in Whistler. Both occupancy and rents are controlled through a housing agreement.

ALLOW ADUs ON COMMERCIAL OR INDUSTRIAL PROPERTIES:

- Some municipalities in BC permit ADUs – either attached or detached - in commercial or industrial zones.
- These may be for the purpose of accommodating employees such as a resort or warehouse storekeepers, grounds keepers, or security among other uses.
- For example, Ladysmith permits a caretaker dwelling in buildings zoned for light industrial use. Ashcroft permits an attached ADU either behind or above commercial space in its commercial/mixed-use zone.

OFFER DENSITY BONUS TO ADD AN ADU:

- The municipality can encourage the creation of ADUs by incorporating a provision to relax density limits if the property owner intends to install an ADU.
- For example, Whistler limits the size of single-detached dwellings to 465 m^2 but an additional 56 m^2 of gross floor area may be added to a dwelling unit or an auxiliary building for employee use and rental. This bonus density is subject to the owner entering into an employee housing agreement with the municipality. It requires that the ADU be used for employee housing only.

OFFER DENSITY BONUS TO PROPERTY FOR ENERGY EFFICIENCY AND AND LOW CARBON PERFORMANCE

- The municipality can encourage energy efficient homes that use low carbon heating systems by incorporating a provision to relax density if the owner builds to a higher standard. This is important as it may help reduce the operating costs for the ADU.
- Some communities exclude the additional volume or area of a new dwelling that uses a more energy efficient wall assembly. Squamish is considering reducing the allowable density for homes that use high carbon heating systems (natural gas or propane for example), with the provision that it will be restored if the home and/or ADU uses a low carbon heating system such as electricity or a heat pump.
- Municipalities have to be careful to balance climate change mitigation targets with affordable housing goals. They must ensure the additional value can be recaptured by the homeowner through rental revenue, while potentially lowering operational costs for the tenant.

REQUIRE DETACHED UNITS TO BE ”SUITE-READY”

- A few municipalities include a requirement in the zoning bylaw that new low-density housing must be “secondary suite-ready”. This means it must be equipped with a space that is ready for a quick conversion into a secondary suite at the owner’s discretion.
- For example, in Nelson, new single-detached homes in the downtown residential infill zone must have a secondary suite or be secondary-suite ready. This involves a roughed-in, three-piece bathroom, kitchen wiring, and ventilation.

USE EQUIVALENT LIFE STANDARDS TO ENCOURAGE LEGALIZATION OF SUITES

- Most municipalities report that a substantial proportion of their secondary suites are illegal or non-conforming. Some have attempted different approaches to encourage owners to upgrade while maintaining safety standards.
- For example, Cumberland instituted a process to bring detached and attached ADUs up to the requirement of the BC Building Code. Owners could take advantage of alternative solutions to provide a level of safety equivalent to that outlined in the BC Building Code. During an 18-month grace period, building and development fees were waived for homeowners wanting to legalize their suites.

STRATA CONVERSION OF ADUS

- Most municipalities dictate that secondary suites must be subordinate to a main dwelling and cannot be a separate real-estate entity. It may be worth considering how to enable the strata conversion of detached ADUs by the homeowner at some point in the future. This could be based on specific conditions, as it may create an added incentive for the homeowner to build an ADU. This may bolster the rental market stock in the short to medium term, and could create a more affordable form of owned housing in the longer term.

ENSURING AFFORDABLE ADUs

Encouraging more affordable ADUs through mechanisms such as housing agreements or price restrictions for specific occupants can protect affordability in perpetuity. At the same time, these controls may erode the incentive for building or renting the ADU. Implementing affordability measures requires a careful balance between the interest of the tenant/ community and the homeowner.

If done right, and ADUs become a popular housing type, adding to the long-term supply of rentals may help reduce rental rates in existing rental buildings.

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