



District of North Saanich

STAFF REPORT

To: Rob Buchan
Chief Administrative Officer

Date: February 17, 2017

From: Coralie Breen
Senior Planner

File: 6440-20; 6480

**Re: Housing Affordability in the District of North Saanich:
A Discussion Paper to Inform Official Community Plan Deliberations**

RECOMMENDATIONS:

That Council:

- 1) receive the Housing Affordability in the District of North Saanich: A Discussion Paper to Inform Official Community Plan Deliberations for information; AND
- 2) select one of the following options:
 - a. Option I (Areas 1 & 2) – Non-Market Subsidized
Restrict new development proposals to those which exclusively provide affordable housing through recognized affordable housing providers
PROCEED TO RECOMMENDATIONS 3 & 4
 - b. Option II (Areas 1 & 2)- Market based and non-market
Allow for a mix of affordable housing and market housing using Housing Agreements
PROCEED TO RECOMMENDATIONS 3 & 4
 - c. Option III (Areas 1 & 2) – Market based
Approach through supply and demand and retain Bylaw 1352 OCP amendments
PROCEED TO RECOMMENDATION 3
 - d. Option IV – Amend OCP to retain pre Bylaw 1352 densities and do not proceed with an affordable housing policy
PROCEED TO RECOMMENDATION 5
- 3) If Option I, II, or III selected consider one of options summarized in Table 2.0 Options for Change in this staff report (February 17, 2017).
- 4) if Option I, or II selected direct staff to proceed/not proceed with the retention of an affordable housing consultant to develop an Affordable Housing Policy for the District of North Saanich
- 5) direct staff to proceed with amending OCP bylaws.

STRATEGIC PLAN IMPLICATIONS:

This matter relates to the following Council strategic priorities:

Protect and Enhance Rural, Agricultural, Heritage, Marine and Environmental Resources

The Official Community Plan (OCP) states that the vision statement should be considered as the foundation or cornerstone of the principles for OCP direction on land use. The vision is to:

Retain the present rural, agricultural and marine character of the community.

OCP Objective #6:

Ensure that long-term residential development of the community will retain the character of current neighbourhoods while responding to the need for seniors' and affordable family housing.

DNS Strategic Plan Goals and Initiatives:

32 After completion of the CRD Housing Gap Analysis and the MLA's affordable housing initiative, hire a consultant to prepare an affordable housing policy

33 Staff to prepare a report outlining options for addressing Council's concerns regarding growth areas established by Bylaw 1352

146- COW That Council direct staff to prepare a discussion paper on "affordable housing".

147- COW That Council hire a consultant to prepare an affordable housing policy.

The District of North Saanich seeks to understand its unique role in the Capital Regional District with respect to the affordable housing challenge.

BACKGROUND:

The affordability housing challenge is reaching more households as the ratio between incomes and housing costs continues to grow. The District of North Saanich (DNS) Council seeks to understand the affordable housing policy continuum and legal framework and current planning tools relevant to:

- a) Official Community Plan deliberations relative to making changes to Areas 1 (McTavish) and Areas 2 (Tsehum); and the development of
- b) affordable housing policies for the District of North Saanich.

Council directed staff to prepare a discussion paper on affordable housing to inform OCP deliberations on Areas 1(McTavish) and 2(Tsehum). While the District of North Saanich continues to contribute to the new supply of regional housing in the Capital Regional District the District has been and will continue to be a secondary supplier of housing in the region, given its relatively small supply of identified developable land. However, the community faces issues related to the affordability of this supply, especially for low and moderate-income families and senior households.

The Housing Affordability in the District of North Saanich A Discussion Paper to Inform Official Community Plan Deliberations (the Discussion Paper) responds to these questions and is attached (see *Appendix A*) to this staff report (February 8, 2017).

DISCUSSION:

The affordable housing gap differs in every community and the pressures are dependent on a number of variables. Narrowing the affordability gap is also community specific and is relative to regional growth strategies as the majority of affordable housing units are primarily located in urban centres near to service providers. That does not mean affordable housing needs are exclusive to urban centres; however, provision of affordable housing in suburban and rural communities is less likely to have significant support services.

The District of North Saanich has a unique profile in the region since it has a higher than average mean income, senior population (forecast to double by 2038), a community highly dependent on cars, with little public transportation available other than on main arteries. The land base is almost 40 percent agriculture. Its unique waterfront of more than 700 properties is highly valued as it is situated in a semi-rural area near an urban centre which drives the average real estate price amongst the highest in the region. These unique attributes, along with other considerations, narrows affordable housing policy options suited to North Saanich.

The discussion paper drew upon Capital Regional District housing studies and the Saanich Peninsula Affordable Housing Needs Assessment Report (SPAHNAR, 2016) which outlined the types of housing Peninsula residents want to see and how it could be achieved providing short and long-term policy directions. The needs assessment documented housing needs and gaps on the Saanich Peninsula in three municipalities (i.e. Central Saanich, North Saanich and Sidney) with a purpose to help inform local government housing development and planning but was challenged with insufficient data profiles particularly regarding rentals. The study concluded that there is a current and growing need for low-income rental housing for seniors and families on the Saanich Peninsula.

The local context is significant when developing affordable housing plan and North Saanich has its unique considerations. Selection of market and non-market based policies are relative to the profile of North Saanich and its OCP vision and objectives. Amending the OCP to permit different lot sizes, increase density and location of housing in itself may not achieve affordable housing goals. However, without a policy framework that permits increased density or reduced lot sizes in exchange for affordable housing units the goals of increasing non-market affordable housing will likely not be met. Affordable housing agreements would likely be managed by the District of North Saanich and there would be some ongoing administrative responsibilities and costs.

If Council chooses an option that includes affordable housing, Council may benefit from a more in-depth understand of this complex matter with the forthcoming Affordable Housing Policy. There is a timely opportunity for the District to develop its affordable housing policy concurrently with the CRD as it embarks on the Regional Housing Affordability Strategy review (2017 completion).

Four options were presented in the discussion paper and are summarized below in Table 1.0 Options for Affordable Housing.

Table 1.0 Options for Affordable Housing

Option I	Option II	Option III	Option IV
Areas 1 & 2 Non-market subsidized	Areas 1 & 2 Market based and non-market based	Areas 1 & 2 Market based	Areas 1 & 2
Restrict new development proposals to those which exclusively provide affordable housing through recognized Affordable housing providers. This option restricts any new development proposals to those which exclusively provide non-market affordable housing through recognized affordable housing providers.	Allow for a mix of affordable housing and market housing using Housing Agreements to control. This would require ongoing monitoring and administrative resources This option would restrict any new development proposals to those which exclusively provide non-market affordable housing through recognized affordable housing providers	This option permits a free market approach through supply and demand and retains Bylaw 1352 amendments to the OCP.	Amend OCP to retain densities and housing options to pre-Bylaw 1352 and do not proceed with an affordable housing policy.

Factors to consider in decision making may include:

1. Limited servicing capacity in Areas 1 (McTavish) and 2(Tsehum) of approximately 300 new units with most of the new units located in Area 1 (McTavish).
2. Policies suitable to North Saanich's location and services and amenities available to users.
3. Administrative costs to North Saanich vs. an alternate provider such as BC Housing and/or CRD
4. Existing affordable housing profile (i.e. secondary suites, guest cottages, Heron Cove, Kiwanis) and gaps
5. Opportunities to apply for funds in the Regional Housing Trust Fund which the District has paid into for 10+ years
6. Options which are consistent with the OCP vision and OCP objective #6.

Table 2.0 Options for Change which follows summarizes the options in Appendix B (Staff Report, November 1, 2016).

Table 2.0 Options for Change

Option I	Option II	Option III	Option IV	Option V
Area 1	Areas 1 & 2	Area 1	Areas 1 & 2	Areas 1 & 2; outside Areas 1 & 2
Only lot size minimum increase, lower unit per acre townhouses, apartments 3-4 storeys	Only lot size minimum increase, lower unit per acre townhouses, apartments 3-4 storeys	Only lot size minimum increase, lower unit per acre townhouses, apartments 3-4 storeys specified areas	Only lot size minimum increase, lower unit per acre townhouses, apartments 3-4 storeys specified areas	Council may determine to amend OCP bylaw to pre Bylaw 1352 and/or deliberate additional considerations outside Areas 1 & 2

OPTIONS:

Council may:

1. Accept the *Housing Affordability in the District of North Saanich A Discussion Paper to Inform Official Community Plan Deliberations* (the Discussion Paper) for information.
2. Request additional information it feels is necessary to make a decision in this matter to the Discussion Paper.
3. Select one of the four options outlined in the Discussion Paper and summarized in Table 1.0 Options for Affordable Housing in this staff report (February 17, 2017):
 - i. Option I Non-Market: Restrict New Development Affordable Housing Providers Only (Areas 1 and 2)
 - ii. Option II Market and Non-Market: Mix of Affordable Housing & Market Housing using Housing Agreements (Areas 1 and 2)
 - iii. Option III Market: Supply & Demand (Areas 1 and 2)
 - iv. Option IV Amend OCP to retain pre Bylaw 1352 densities and no affordable housing policy.
4. The following is dependent on the option selection in item #3 above and outlined in Table 1.0:
 - i. If Council selects Option I, II or III in Table 1.0 then Council selects one of the first four options as presented in Table 2.0
 - ii. If Council selects Option IV then Council can direct staff to proceed with amending OCP bylaws
 - iii. If Council selects Options I or II Council may direct Staff to proceed with the retention of an affordable housing consultant to develop an Affordable Housing Plan for the District of North Saanich in tandem with the CRD Regional Housing Affordable Housing Strategy update (2017)
 - v. If Council selects Option IV Council may direct staff to not proceed with the affordable housing policy consultant.

NEXT STEPS:

1. Subject to Council's selection of Options and direction, staff to develop a terms of reference and retain an affordable housing consultant and proceed with the development of an Affordable Housing Policy for the District of North Saanich and partner with the Capital Regional District.
2. Subject to Council's direction, staff to prepare amending OCP bylaws including aligning OCP RCS with the CRD Regional Growth Strategy.

LEGAL:

Local Government Act S 447 the District's Regional Context Statement must be amended with any changes. These changes can be made concurrently with the required amendments for consistency with the Regional Growth Strategy Bylaw 4017 after final reading.

Local Government Act S 477(3)(a)(i) Local governments must give consideration to financial plan. And S 477 (3)(a) (ii) any waste management plan under Part 3 [*Municipal Waste Management*] of the *Environmental Management Act* that is applicable in the municipality or regional district.

FINANCIAL:

\$30,000 is budgeted for a consultant to develop an affordable housing plan for the District.

CONSULTATIONS:

The Discussion Paper has been reviewed by CRD Housing and Planning & Programs staff. Planning staff is a member of the CRD's Housing Action Team.

INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS:

The report was circulated to the District of North Saanich Directors for review.

SUMMARY/CONCLUSION:

OCP deliberations with respect to Areas 1 (McTavish) and 2 (Tsehum) are relative to the OCP vision and objective #6. The Option which is most aligned with both the OCP vision and OCP objective #6 is Option I Non-Market: Restrict New Development Affordable Housing Providers Only (Areas 1 and 2) as provided in Table 1.0 in this staff report (February 17, 2017).

There is limited servicing capacity in Areas 1 and 2 with most of the capacity in Area 1. Previous staff reports during the OCP amendment (resulting in Bylaw 1352) outlined servicing capacity as 520 additional units in Areas 1 and 2. Since Bylaw 1352 was adopted, the development of Eaglehurst and McDonald Park and development at Bayfield-McMicken have reduce the available capacity. Area 1 has transportation services and amenity providers and is in close proximity to adjacent Sidney town site which has additional services.

The District has also paid into the regional Housing Trust Fund for more than 10 years, and may be able to apply for funding support of a new affordable housing development. North Saanich's existing affordable housing profile of secondary suites and guest cottages while extensive throughout the District has limited potential within Areas 1 and 2. Housing provision costs could be reduced significantly if North Saanich proceeded with an affordable housing policy and agreed to an alternate provider.

If Council determines not to proceed with an affordable housing policy Council could still proceed with affordable housing. Area 2 (Tsehum) is almost completely built out, and has two affordable housing developments, Heron Cove and Kiwanis. The latter will be rebuilt in forthcoming years.

Alternatively, North Saanich could amend the OCP to pre bylaw 1352 and consider any development applications with affordable housing units individually with or without an affordable housing policy.

Respectfully submitted,

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Concurrence:

Rob Buchan, Chief Administrative Officer

Anne Berry, Director of Planning & Community Services

Eymond Toupin, Director of Infrastructure Services

Stephanie Munro, A/Director of Financial Services

Curt Kingsley, Director of Corporate Services

John Telford, Director of Emergency Services

Appendix A *Housing Affordability in the District of North Saanich A Discussion Paper to Inform Official Community Plan Deliberations*

Appendix B Staff Report (November 1, 2016) Area 1(McTavish) and Area 2 (Tsehum) – Options for Change



Housing Affordability in the District of North Saanich:

A Discussion Paper to Inform Official Community Plan Deliberations

February, 2017





Foreword

The affordability housing challenge is reaching more households as the ratio between incomes and housing costs continues to grow. The District of North Saanich (DNS) Council seeks to understand the affordable housing policy continuum and legal framework and current planning tools relevant to:

- a) Official Community Plan deliberations relative to making changes to Areas 1 (McTavish) and Areas 2 (Tsehum); and the development of
- b) affordable housing policies for the District of North Saanich.

The discussion paper informs deliberations to work towards determining housing policies in Areas 1 (McTavish) and 2 (Tsehum). Areas 1 and 2 have approximately 300 units available for additional development, mostly in Area 1. While the District of North Saanich continues to contribute to the new supply of regional housing in the Capital Regional District the District has been and will continue to be a secondary supplier of housing in the region, given its relatively small supply of designated developable land. Further, the relatively small number of residential units that can be built in Areas 1 and 2 may be an important point to guide Council's deliberations on what to do with housing in these areas.

The discussion paper draws primarily upon affordable housing documents from, but not limited to, the Capital Regional District Housing Planning and Programs reports (CRD 2015, 2016) and the Saanich Peninsula Affordable Housing Needs Assessment Report (August, 2016). Readers should note that much of the material in this discussion paper is not original and in some instances replicates exactly information from documents with sources duly noted (e.g. content from Young Anderson (2016)).

In September 2015, the CRD released a Housing Data Book and Gap Analysis which presented the growing affordable housing gap across the region. In August 2016, the Saanich Peninsula Affordable Housing Needs Assessment (SPAHNA) was released. This analysis expanded on the CRD study through a quantitative and qualitative study and demonstrated that there is a lack of affordable housing, particularly for households with incomes less than \$60,000 a year in the Saanich Peninsula. The current location of subsidized affordable housing in the District are the 24 BC Housing low income family rentals at Heron Cove and the 40 one bedroom seniors units at Winward Kiwanis both in Area 2 (Tsehum). There are 5 rental assistance families living in private market housing and 7 rental assistance seniors under the safer program in private market housing. There are an additional 23 units for special needs supported by BC Housing.

In November 2016, the District of North Saanich directed staff to develop a discussion paper to provide local context to the Saanich Peninsula study findings and in relation to its Official Community Plan deliberations on housing in Area 1 (McTavish) and Area 2 (Tsehum) with respect to changes with density and types of housing. The discussion paper recommends Council select one of four options for an approach to completing its deliberations on the future of housing development developing an affordable housing policy in Area 1 (McTavish) and Area 2 (Tsehum).





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I INTRODUCTION

AFFORDABLE HOUSING ORIGINS IN CANADA

Complex challenges such as energy supply, the environment or housing require comprehensive interventions because of the many inter-related factors and effects they present. But comprehensive interventions can be at risk of failure from many variables at the institutional and organizational level. Governance arrangements that consider all of these challenges are required. Such large policy interventions often develop in an evolutionary manner because securing consensus at different levels of government about how to address the problem can be difficult. This is the nature of large policy challenges in general, and affordable housing policy specifically. A key premise of comprehensive policy interventions is that understanding the process of these policy changes requires a time period of at least a decade and often several decades.

In 1946 the Central Mortgage and Housing Corporation [now Canada Mortgage and Housing Corporation (CMHC)] was the newly created federal crown corporation, as a successor to the Wartime Housing Corporation (WHC), to implement a new national housing policy, providing housing for low-income people and meeting the special needs of the elderly and disabled. The policy would be refined over the next 20 years through amendments to the *National Housing Act* (NHA) which provided a major spur to urban planning activities in the postwar period. For the first time there was a national planning agency with strong regulator and financial power. Through its role as an insurer of residential mortgages and grants for housing for low-income families CMHC exerted a great deal of influence over the design and social geography of Canadian municipalities.

The role of the CMHC continued in the 1950s and 1960s from redevelopment through to the 1970s neighbourhood rehabilitation projects. Through the 1980 and 1990's the federal government withdrew from playing a major policy role in the area of housing the devolved responsibility for a lot of programs to the provinces. This change had a significant effect on how new neighborhoods' developed through that period, particularly as it related to the availability of affordable options within these communities. Since 2009, social housing projects across Canada have been able to access funding for renovation and retrofit projects. CMHC's role in affordable housing continues to evolve.

CMHC's policies and programs have evolved over the years, but the Canadian Housing and Renewal Association (CHRA) has always held a clear social objective: all Canadians should have access to a decent standard of housing. The "decent standard" must be defined by society, while the community at large assumes part of the cost of raising everyone's environment to an acceptable condition. This principle is well accepted in Canada today and underlies numerous social programs of federal and provincial governments alike.



AFFORDABLE HOUSING: COMMON DEFINITIONS AND CONTINUUMS TO FRAME THE DISCUSSION

Affordable housing as defined by the Canadian Housing and Mortgage Corporation (CHMC) is housing which costs less than 30% of before-tax household income. This broad definition does not account for regional differences. New planning practises are moving to use definitions that account for regional discrepancies to aid in the challenge of quantifying affordable housing needs as they provide a sharper focused portrait. Housing continuums are modified for regional planning purposes (see *Figure 1-1 Housing Continuum Traditional Model and Income Groups* a model adapted and reported in the Saanich Peninsula Housing Needs Assessment Report, 2016) and housing spectrums with new definitions have replaced housing continuums in some regional planning and local governments such as the Capital Regional District and the City of Vancouver (see *Figure 1-2 Spectrum of Care* developed by the CRD, 2015 which was modified from Metro Vancouver Affordable Housing Data Book). Regional differences in definitions are reflected in varying continuums.

The full range of affordable housing illustrated in *Figure 1-1* extends from emergency shelters to private market home ownership. It is important to underscore that the affordable housing continuum refers to any one of the segments illustrated. When discussing affordable housing in North Saanich, it is important to be clear on which segments of the continuum are targeted by any policies or tools selected or developed. The spectrum of care illustrated in *Figure 1-2* responds to this challenge by providing a clearer delineation of the different types of non-market and market housing more reflective of different housing groups available in the CRD as outlined in *Table 1-1 Income Groups by Type of Housing* (Capital Regional District, 2015). The intention is that *Figure 1-2* spectrum of care will replace the continuum of housing as CMHC moves to discontinue income thresholding. In discussing affordable housing, it is important to be clear on what parts of the continuum or spectrum policy decisions are intended to respond to.

While the spectrum of care acknowledges regional differences, the definitions of income groups also varies by classification. The lack of clear and consistent definitions and ones which have sufficient flexibility to account for regional differences is just one problem in the affordable housing planning challenge but a critical one. Ultimately, without a common set of definitions, large-scale plans for affordable housing may fall apart. Governments at different levels are challenged harmonizing policies, strategies and tactics. Definitions assist in refining data for planning. Both quantitative and qualitative data are critical for planning effectively. The role of these types of data will be explored throughout this discussion paper, particularly the importance of qualitative data at the regional planning level to understand nuances of particularly community needs which identifies pressure points by digging deeper. Data limitations include lack of data and privacy issues. This latter aspect will be explored later in the paper and is particularly relevant to a study recently conducted with findings relative to the District of North Saanich (see Saanich Peninsula Affordable Housing Needs Assessment Report, 2016).



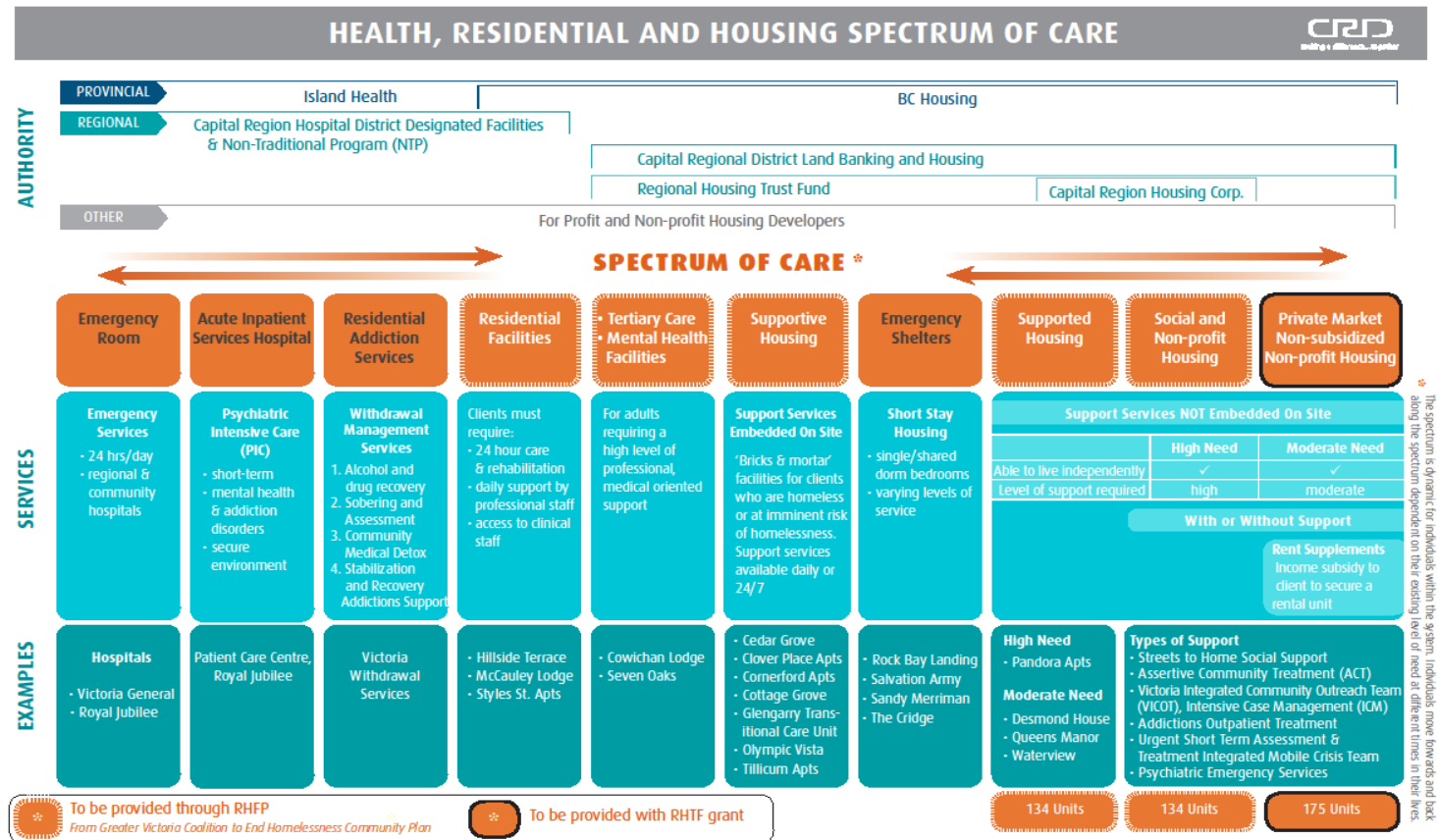
FIGURE 1-1: HOUSING CONTINUUM TRADITIONAL MODEL AND INCOME GROUPS



Source: Saanich Peninsula Affordable Housing Needs Assessment Report, 2016



FIGURE 1-2: HEALTH, RESIDENTIAL AND HOUSING SPECTRUM OF CARE



Source: Capital Regional District, 2015



TABLE 1-1 INCOME GROUPS BY TYPE OF HOUSING

The Capital Region Housing Data Book and Gap Analysis
Income Groups by Type of Housing
(n=160,796 households; median income=\$60,796 per annum)

Income Categories	Definition [†]	Type of Housing required based on income categories	Approximate Number of Households	% of total
Little to no income	Households with annual incomes below \$14,999. These households either have no income or receive some level of income assistance. INHS = < \$14,999	Emergency shelters: Overnight Shelters, EWP mats, Safe Houses Transitional and Supportive Housing, Transition Houses	13,095	8.2%
Low income	Households with a before tax annual household that is between 50% of the median income for the region, \$30,389 and \$15,000 INHS = \$15,000 to \$29,999	Social Housing – Subsidized rental housing for families, seniors and persons with disabilities	22,590	14.1%
Low to moderate income	Households with a before tax annual income between 50% and 80% of the median household income for the region. \$30,389 to \$48,637 INHS = \$30,000 to \$49,999	Subsidized rental, Rental Assistance Program (RAP), Rent Supplements, Affordable Non-Market	29,970	18.7%
Moderate income	Households with a before-tax annual income between 80% and the actual median before tax median household income for the region. \$48,637 to \$60,796 INHS = \$50,000 to \$59,999	Subsidized rental, Affordable Non-Market Rental, affordable market rental	13,530	8.4%
Moderate to above moderate income	Households with a before-tax annual income between the regional median household and 120% of the median household income. \$60,796 to \$72,955 INHS = \$60,000 to \$79,999	Affordable Non-Market Rental, affordable market rental, Mid to high Market rental and secondary suites	23,295	14.5%
Above moderate income to high income	Households with a before-tax annual income between 120% and 150% of the median household income for the region. \$72,955 to \$91,194 INHS = \$80,000 to \$99,999	High Market Rental (Rental Condos) and Affordable Homeownership (small units)	18,125	11.3%
High income	Households with an annual before-tax income of 150% and above the median household income for the region. \$91,194 < INHS = \$100,000 <+	Affordable Home Ownership to Market Home Ownership – Single detached homes, semi-detached homes, row houses	40,025	24.9%

[†] The income categories were reorganized slightly from those presented in the Capital Region Housing Data Book to address the income thresholds for subsidized and below-market rental options modeled on the income thresholds used by the Capital Region Housing Corporation.

[‡] The definitions presented here are based on the definitions used in the Metro Vancouver Housing Data Book, which in turn were adapted and used for the Capital Region Housing Data Book (pages 18 -19).

Source: Capital Regional District, 2015



AFFORDABLE HOUSING: DATA LIMITATIONS

CMHC provides reports based on Statistics Canada information. The CMHC Housing Stock report (Statistics Canada, 2011 Census) identifies 495 renters with no breakdown of where they can be found or the type of housing in North Saanich. These are likely suites in homes, rented condos and houses or other dwellings that don't fit the average purpose-built rental housing definition. The issue is that CMHC operates on a survey system to gather information on the rental housing market, and the low number of purpose-built rental units in some communities such as North Saanich make it difficult and, in some cases, impossible to report on some of the indicators of market performance. Though BC Assessment Authority (BCAA) codes do include "Residence with Suite" which is one method to identify locations where people are renting a suite in their dwellings. Other 2011 census limitations include insufficient information or lack of information on journey to work, which compromises understanding of how many residents who live in North Saanich travel to work and the distance travelled and how many of these residents are in the household in core housing need category. This is significant for a community which is highly dependent on cars for transportation. Urban Futures (CRD, 2014) current (2011) and 2038 forecast is for a 53% (job/population ratio) of the Saanich Peninsula populationⁱ live where they work. The data is aggregated to include North Saanich, Central Saanich and Sidney. The 2011 Census was the short census and did not include journey to work information. The data for live – journey to work and mobility and migration for the 2016 Stats Canada survey is not available until November 29, 2017. Other data limitations include privacy limitations. For example, BC Housing data on locations for those in North Saanich requesting rental assistance is not publicly available.

PAPER OBJECTIVES

The District of North Saanich Council directed staff to provide a discussion paper on affordable housing to inform its deliberations on Official Community Plan reviews of Area 1 (McTavish) and Area 2 (Tsehum) designation Multi-Family Residentialⁱⁱ. Areas 1 and 2 have approximately 300 units available for additional development, mostly in Area 1. Previous staff reports during the OCP amendment (Bylaw 1352) outlined servicing capacity as 520 additional units in Area 1 and 2. Since Bylaw 1352 was adopted, the development of Eaglehurst and McDonald Park and subdivisions in Bayfield-McMicken have reduced the available capacity.

The paper seeks to understand:

1. *What is the affordable housing gap?*
2. *What is the affordable housing gap and pressures in the District of North Saanich?*

And more specifically:



3. *Which affordable housing policies best incent an increase in supply in the District's core need and are consistent with the District of North Saanich Official Community Plan and Vision?*

PAPER FOCUS: AFFORDABLE HOUSING AND THE DISTRICT OF NORTH SAANICH

The paper focuses on understanding the affordability gap and pressures in the District of North Saanich and relevant non-market and market policies. The paper informs the District of North Saanich Council Official Community Plan deliberations as the District grapples with which types of housing, densities and location, and the policy directions required to address the affordable housing gap in North Saanich which are also consistent with the OCP values particularly in Areas 1 and 2. The affordable housing gap in every community differs and the pressures are dependent on a number of variables. Narrowing the affordability gap is also community specific and is relative to regional growth strategies as the majority of affordable housing units are primarily located in urban centres near to service providers. That does not mean affordable housing needs are exclusive to urban centres; however, provision of affordable housing in suburban and rural communities is less likely to have significant support services.

The District of North Saanich has a unique profile in the region since it has a higher than average mean income, senior population (forecast to double by 2038), a community highly dependent on cars, with little public transportation available other than on main arteries and has a land base of almost 40 percent agriculture. Its unique waterfront of more than 700 properties is highly valued as it is situated in a semi-rural area near an urban centre which drives the average real estate price amongst the highest in the region. Approximately six percent of North Saanich residents are in the low-income category (Statistics Canada, 2011). As the paper will explain, these unique attributes, along with other considerations, narrows affordable housing options suited to North Saanich. Now the organization of the paper explains how the paper will respond to the research questions.

ORGANIZATION OF THE PAPER

Part I Introduction introduces the purpose and scope of the paper. It situates the issue in the broader Canadian context and considers the challenges of consistent and meaningful definitions and the housing planning framework-- the first step to building a meaningful response to this complex issue.

Part II Affordable Housing in Canada: Roles of Government provides an overview of the roles of different levels of government and surveys at a high level the current state of affordable housing policy responses to this complex challenge. But what affordable housing models have successfully responded to this policy challenge at the local government level?

This is explored in Part III The Capital Regional District and the Peninsula Context It highlights the findings of recent research on affordable housing in the Peninsula and the importance of considering qualitative information.



Part IV The District of North Saanich Context explores the regional issues, specifically the context of the District of North Saanich.

Part V North Saanich Policy Options explores the issues of affordable housing broadly and reviews strategies and planning tools to support affordable housing.

Part VI Summary and Recommendations concludes including suggested options and next steps for the District of North Saanich.

II AFFORDABLE HOUSING IN CANADA: ROLES OF GOVERNMENT

Federalism is cited as a major reason for weak policy capacity of governments in Canada and the US. It has constrained the capacity to develop consistent and coherent sectoral policies such as affordable housing. Federal systems thus significantly affect the capacity of government officials to deal with pressing issues in a timely and consistent fashion because public policies are made and implemented by the national, provincial and regional/local levels. Financial support is often federally and provincially led and agreements between the two and with local governments often occur over years. This offers one explanation as to why affordable housing policy lags in Canada. Another is that it is competing against other critical issues for attention and financial support. Recently the federal government has announced plans for 2017 budget support as a key priority. With federal support more traction on the affordable housing policy agenda is promising.

THE FEDERAL GOVERNMENT

The federal government recently released a paper on plans for a National Housing Strategy (NHST) to be released in 2017 for the 2017 budget - positioning affordable housing as a key priority. The paper included 27 mentions of the requirements for seniors. According to the paper the aging population has growing affordability problems, especially seniors living on little- or fixed-income pensions, which place stress on long-term-care facilities and hospitals. The issues are varied and challenging involving different provincial and regional economies and housing markets and challenges. The more coordinated and cohesive the policy strategies, within and between different spheres of government, the more sustainable it will be. However, the less tightly coupled the system, the greater its adaptability in unforeseen circumstances (Perrow, 1984, 1986).

Canadian communities have adopted planning policies that serve redistributive ends. On the one hand, the provincial planning statutes statements of purpose are usually limited to "the economical and orderly development of land". On the other hand, in the actual planning decisions that are taken, day in and day out, questions of rights and justice are constantly in the forefront. In general, though, Canadian communities are still struggling to reconcile the social reform ideals from the turn through to the mid-century with the simpler notion of "proper" use of land, and coordinated comprehensive approaches to affordable housing within communities and between governments is still lacking. While Canada has been addressing housing policy for



decades the availability of affordable housing, particularly for lower income families and individuals, is increasingly a serious issue in British Columbia.

THE PROVINCE OF BRITISH COLUMBIA

The Province of British Columbia has taken steps to deal with the issue. Recently, it announced two new programs, the \$355 million Provincial Investment in Affordable Housing (PIAH) and the \$500 million Investing Housing Innovation (IHI). Projects will include a combination of acquisition of existing units from the private market as well as new construction. The housing will be paid for by record revenues from the real estate sector. These investments are expected to provide nearly 5,000 new rental units and will be funded through proceeds from the land transfer tax and the 15 per cent foreign-buyers tax (see Government of BC, 2016). The *Miscellaneous Statutes (Housing Authority Initiatives) Amendment Act* (Bill 28) was enacted to improve housing availability of housing by allowing municipalities within jurisdictions covered by the Vancouver Charter to use a vacancy tax as a disincentive to using housing for short term vacation rental purposed.

REGIONAL AND LOCAL GOVERNMENT

Understanding affordable housing policy requires appreciating the role of regional and local government collaborations within the context of federal and provincial policies and programs. For example, local governments often integrate and customize the broader affordable housing policies in suitable institutional arrangements to meet local needs. In British Columbia, local governments have powers available to address affordable housing issues which address the supply side, resulting in the creation of new types of housing to address particular policy goals. This can include zoning (e.g. secondary suites, single family housing, guest cottages), tax exemptions for affordable housing or subsidized rental suites, housing agreements (to permit different densities and to require provision of affordable or special needs to increase base density or to provide rental units in new or converted developments), phased development agreements (which can require a developer to provide amenities which could include affordable or supportive housing) and negotiation (i.e. local governments can negotiate with developers for the provision of affordable housing as part of a rezoning process).

Section 563 of the *Local Government Act* allows municipalities and regional governments to reduce or waive development fees and section 224 of the *Community Charter* also allows permissive tax exemptions to non-profit and for-profit affordable housing developments. These options require municipalities to enter into partnering agreements with developers.

Indeed it is through regional collaboration and local government levels where much policy must ultimately be enacted, but capacity to respond to new policies varies greatly. Often the public sector is mobilizing the private sector and not for profits with financial incentives. The literature however shows the failure of “excessively centralized and bureaucratized” governance structures



and points to the success of local governments and grass roots social-mobilization efforts (Berkes and Folke, 2002: 121). There is opportunity to learn from the experiences of regional and local governments as they try to advance affordable housing strategies and tactics because the capacity of communities to respond to new policies varies greatly with each, requiring diverse types of expertise to lead such changes (Dale, 2008). Many regional and local governments have introduced comprehensive approaches (e.g., City of Vancouver, 2012 previously introduced). Regional agreements are one tool that can aid in this regard. The District of North Saanich has opportunity to learn more from other governments however, the case study of experiences of other local governments is out of the scope of this discussion paper.

Local governments' capacity to deal with affordable housing varies due to financial, technical, or human resources constraints. Sometimes at this level of government the expertise and leadership needed may not be available or else the institutional setup severely inhibit(s) the evolution of responses to larger issues. On the one hand, local governments have control over instruments that shape trajectories such as land use planning (e.g. zoning), and the generally smaller bureaucracy potentially fosters new innovations. On the other hand, they operate under provincial or sub-government legislation and rely on high-level support for infrastructure costs (such as roads and water systems), often through special grants for specific projects.

Achieving affordable housing solutions for the continuum (see Figure 1-1) of all facing affordability challenges is an issue many governments are grappling with. Actual adoption of a consistent set policies to achieve affordable housing for all continues to be a challenge, because few acceptable mechanisms exist for coordinating all these actions regionally, provincially and nationally and the system is highly fragmented. Thus, closing the affordable housing gap is far more often talked about than achieved. Part III now considers the CRD approach to closing the affordable housing gap and the Peninsula context.

III THE CAPITAL REGIONAL DISTRICT AND THE PENINSULA CONTEXT

The paper now directs attention to the affordable housing approach at the regional level the Capital Regional District.

CAPITAL REGIONAL DISTRICT APPROACH

Housing affordability in the Capital Regional District has been a pressing policy issue for years. The CRD's efforts to address housing affordability date back to 2001 when, in conjunction with the development of a Regional Growth Strategy (2003), the CRD approved its first Regional Housing Affordability Strategy (RHAS). One of the eight key goals in the RGS (2003) was to improve housing affordability. The draft RGS (November, 2016) states that the provision of affordable housing to accommodate population increases is the responsibility of a broad range of stakeholders including all levels of governments, industry and the not for profit sector and identifies housing affordability as a key risk to growth within the region. There are three key targets for addressing housing affordability:



- 1) Increase the supply of more affordable housing.
- 2) Reduce the number of people in core housing need.
- 3) Reduce the number of people who are homeless.

The CRD has a Regional Housing Division (RHD) that is divided into two sections, the Capital Regional Housing Corporation (CRHC) and Housing Planning and Programs (HPP). The CRHC owns and operates 1,286 units of social and affordable rental housing and is contracted to manage an additional 85 affordable housing units on behalf of other non-profit organizations. Housing Planning and Programs is responsible for the implementation and maintenance of the Regional Housing Affordability Strategy (RHAS), managing the Regional Housing Trust Fund (to which the District has contributed annually) and Regional Housing First Program and administering the Government of Canada's Homelessness Partnering Strategy (HPS). While the RHAS is designed to take into consideration the housing needs of all residents, the main focus is on affordability for low and moderate-income households and people who experience homelessness (i.e. type, tenure, price and location). The Regional Housing Trust Fund has allocated more than \$10 million in grants to develop 867 units of supportive and affordable rental housing throughout the region.

The Regional Housing First Program (RHFP) was created by the CRD (2015) to specifically target the needs of people experiencing chronic homelessness in the region. In May 2016, the CRD entered into a Partnering Agreement with the BC Housing Management Commission (BCHMC) and Vancouver Island Health Authority (Island Health) through which the Province has committed to contribute a matching \$30 million to the RHFP.

The RHFP Implementation Plan (September 2016) aspires to create at least 268 supported housing units at provincial shelter rates, at least 175 affordable housing units and more than 440 market rental units (CRD, 2016). The CRD entered into a Partnering Agreement with BC Housing Management Commission (BCHMC), the Provincial Rental Housing Corporation (PRHC) and the Vancouver Island Health Authority (VIHA) and approved the use of existing service structures to support implementation of the RHFP. The CRD/CRHD and BC Housing agreed to fund up to \$30 million each to make Equity Contributions in Affordable Rental Housing units, with ownership interests to be held by PRHC and CRD.

The Parties further agreed to engage in a process mapping exercise to better understand how individuals accessing affordable housing move through the Health, Residential and Housing Spectrum of Care (see Figure 1-2) and to develop a Community Plan to guide the implementation of the RHFP. Through the Partnering Agreement, Island Health agreed to align its existing mental health services and substance use spectrum of services with the Greater Victoria Coalition to End Homelessness (Coalition) Community Plan and to align its services with new affordable housing opportunities in a cost effective manner. The Process Mapping Project (August 2016) final report key findings included that a highly fragmented system that does not fully address the diverse



range of needs among homelessness people in the region exists and there was a need for additional scattered and affordable housing units to be created to provide housing options.

The RGS outlines the following approach:

- 1) Work across the housing spectrum when identifying the current and anticipate future issues concerning market and non-market housing affordability for no, low and middle income and special needs households;
- 2) Analyze the extent of present issues and forecast future problems'
- 3) Focus on developing practical policies, and gaining commitment to action to address identified needs and problems in the short, medium and long term;
- 4) Involve the broader community in the development of the strategy and its recommended solutions; and
- 5) Act as a catalyst for activities to improve housing affordability in the region.

In 2017 the CRD will be reviewing and updating the Regional Housing Affordability Strategy focused on aligning the RHAS with the updated RGS as well as determining the effectiveness of current strategies and introducing new strategies aimed at improving housing affordability within the region. The CRD Housing Action Team will spearhead this review. The District of Saanich, City of Victoria and District of North Saanich planning staff are part of this action team.

In September 2015, the CRD released a Housing Data Book and Gap Analysis (CRD, 2015) that presented the growing affordable housing gap across the region (see *Figure 1-1 Housing Continuum* for non-market and market groups to be read in tandem with *Figure 1-2 Spectrum of Care*). The analysis confirmed a lack of affordable housing particularly for households with incomes less than \$60,000/year (CSPCGV, 2016); young families; working poor families and individuals; families and individuals with little or no income and seniors. The region also suffers from an extremely low supply of rental housing. In October 2016 CMHC reported that the rental vacancy rate for the region was 0.5%. (CMHC Housing Market Information Portal)

The CRD population projections in the Regional Growth Strategy (RGS) projected a net increase of almost 100,000 residents by 2038 with a significant increase in the percentage of seniors. Seniors in the region are projected to double over the next ten years (by 2026) and one study suggests core housing need and rental demand may increase by 25% during the same time period (BC Non-Profit Housing Association, 2012). In 2015, BC Housing reported that the organization administered 10,431 social housing units in the CRD, 6% of the region's social housing units were located in the Saanich Peninsula and 1% in North Saanich. Another 2015 report (Office of the Seniors Advocate 2015) highlighted housing affordability for seniors (median income \$24,000) as a key issue.

Recognizing the value of qualitative data to supplement quantitative data, the CRD supported a housing needs assessment for the Saanich Peninsula, which was initiated by Saanich North and the Islands MLA Gary Holman in 2014. We turn to the highlighted findings of this report now.



THE SAANICH PENINSULA AFFORDABLE HOUSING NEEDS ASSESSMENT REPORT

The Saanich Peninsula Affordable Housing Needs Assessment Report (CSPCGV, 2016) outlined the types of housing Peninsula residents want to see and how it could be achieved providing short and long-term policy directions. The needs assessment documented housing needs and gaps on the Saanich Peninsula in three municipalities (i.e. Central Saanich, North Saanich and Sidney) with a purpose to help inform local government housing development and planning but was challenged with insufficient information particularly regarding rentals. The study concluded that there is a current and growing need for low-income rental housing for seniors and families on the Saanich Peninsula. There is no availability of housing for residents in the little to no income range and significant gaps between availability of affordable housing and incomes for the ranges of low income to above moderate to high income and an oversupply of houses for those with the highest levels of income. See *Table 3-1 Summary of Housing Gaps by Income Category in the Peninsula*

TABLE 3-1: SUMMARY OF HOUSING GAPS BY INCOME CATEGORY IN THE PENINSULA

Summary of Housing Gaps by Income Category			
Income Category ³	# of households	# of housing units	Housing Gap (# of units needed)
Little to no income	635	0	635
Low income	2,120	358	1,762
Low to moderate income	2,885	226	2,659
Moderate income	1,285	92	1,193
Moderate to above moderate income	2,450	1,644	806
Above moderate income to high income	2,045	1,405	640
High income	5,000	12,185	-7,185

Source: Saanich Peninsula Affordable Housing Needs Assessment Report, 2016



Table 3-1 demonstrates that there is an accumulated undersupply that could be considered affordable within each bracket except high income and the mismatch between the number of households with incomes to afford the units and the number of units within each cost category. The chart suggests an accumulated undersupply of about 7,695ⁱⁱⁱ units that would be considered affordable within each income bracket. Then subtract the 584 households (see SPHDBTB, 2016 pg. 64) identified as either living in social housing or receiving rent supplements because the housing stats only include the gross rent paid per unit and does not include a lot of the households in the lowest income category. Based on these calculations there is an undersupply of roughly 7,111 in the Peninsula. However, one needs to consider that the number of owner and renter households paying more than 30% of gross income on shelter in the Peninsula equals 4,416 households. Roughly then 2,695 households, despite not having access to housing that would be considered affordable, are currently not paying more than 30% of their gross income on shelter costs. (Source: CRD Housing). This cohort is likely made up of home owners whose homes have significantly increased in value over the past two decades but whose shelter costs remain affordable due to the fact that the properties are either not deeply leveraged or are now mortgage-free.

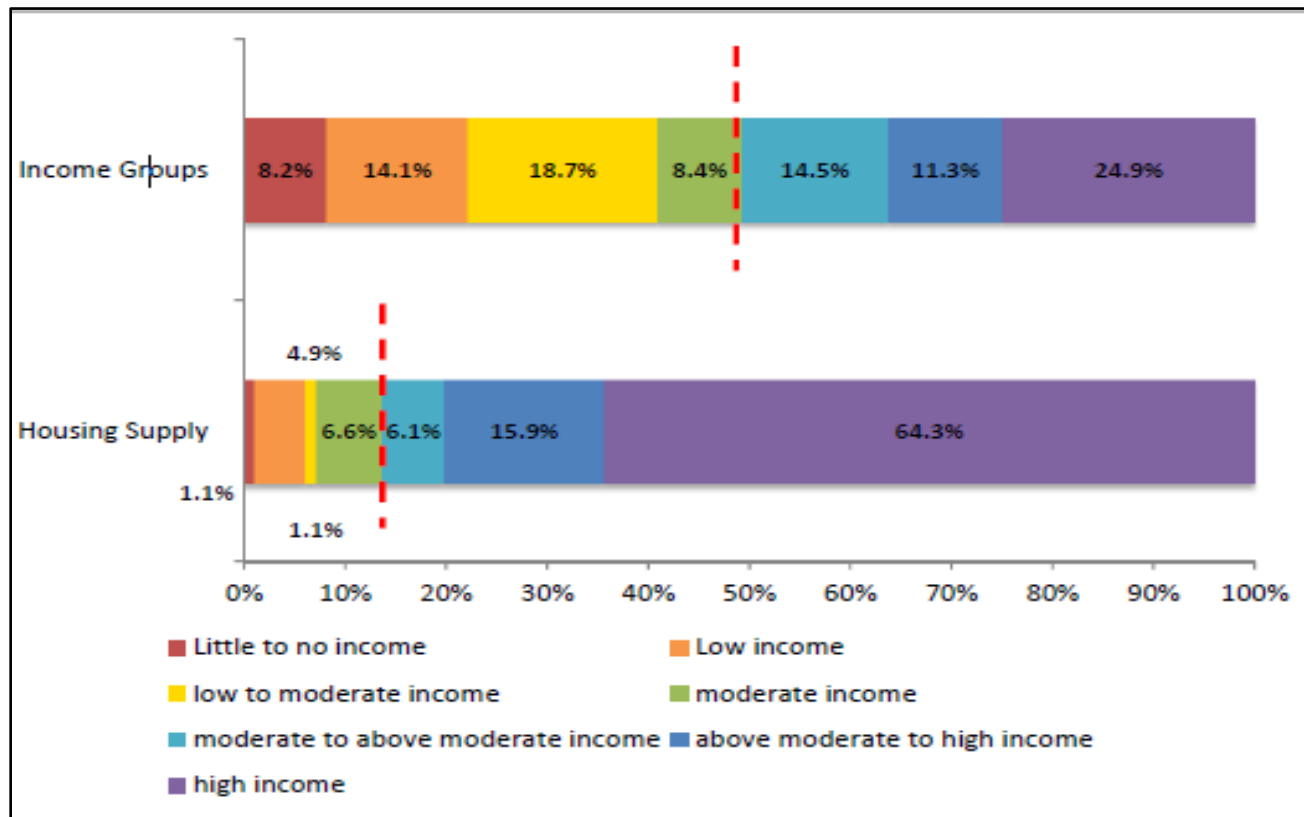
To contrast the Peninsula portrait with the CRD, the following figures first illustrate the CRD profile and then the Saanich Peninsula profile demonstrating the value for area specific information. *Figure 3-2: Household Income to Affordable Shelter in the CRD* (CRD, 2015) illustrates a different portrait than *Figure 3-3: Income Distribution and Housing Supply in the Saanich Peninsula*^{iv}. Both drew upon 2011 Statistics Canada National Household Survey, yet the CRD also considered other sources. Compared to the CRD, the figures demonstrated a higher percentage of high income earners in the Peninsula (30.4%) and a significantly higher percentage of housing supply for high income earners (76.6%). The CRD regional numbers were lower with 24.6% and 64.3% respectively. Outside of the social housing available in the Saanich Peninsula, there is very little housing supply for the 3.9% of households with little to no income.

Across the Peninsula, there were 930 households with incomes less than \$30,000 representing 33% of renter households (low income or little or no income). According to the 2011 National Household Survey, approximately 23% or 3,150 owner households had a low to moderate annual household income (\$30,000 - \$49,999). In 2011, there were 3,893 households in housing need (spending more than 30% of household income on shelter costs) on the Saanich Peninsula (National Household Survey). In North Saanich 20% of renter households and seven percent of owners spend more than 30% of household income on shelter costs. Applicants who were seniors account for 43% of the BC Housing social housing waitlist.



FIGURE 3-2: HOUSEHOLD INCOME TO AFFORDABLE SHELTER BY INCOME GROUPS

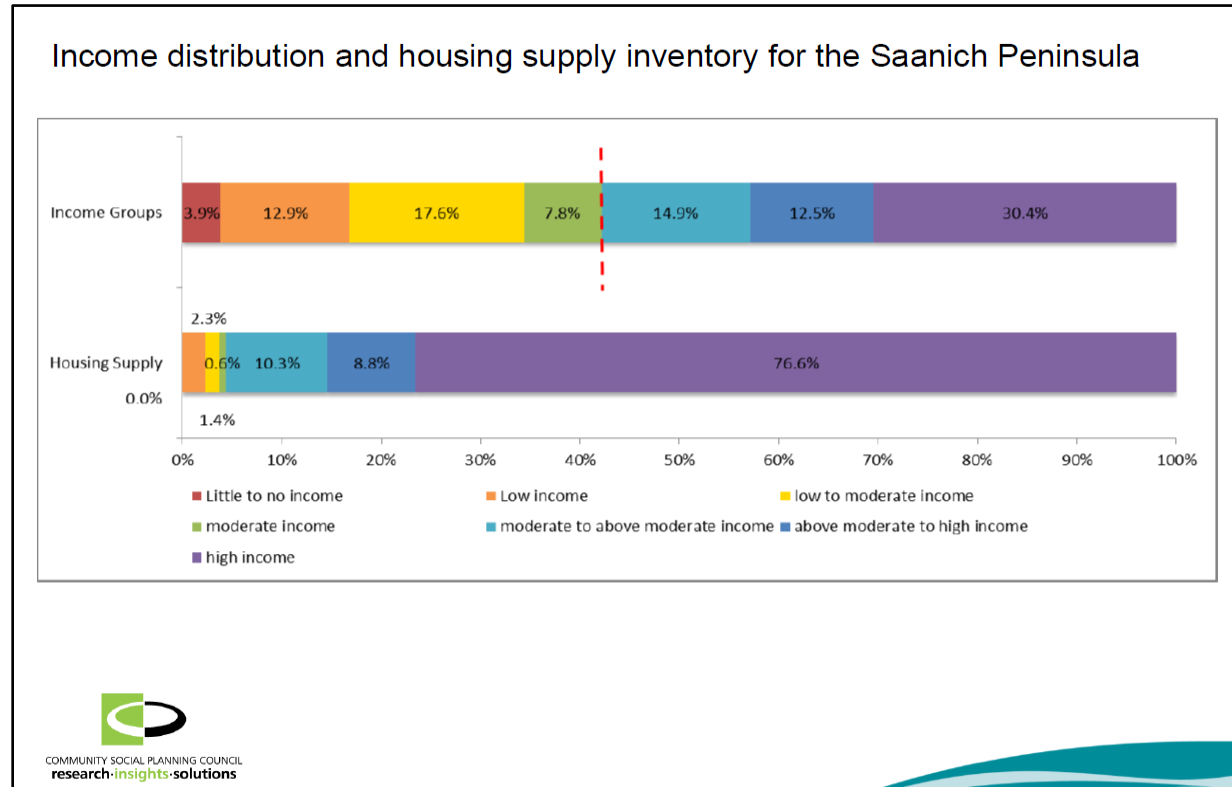
CRD 2010 (N=160,635) and CRD Supply (N = 135,736)



Source: 2014 Facility Count (GVCEH), BC Housing (2015),
Canada Mortgage and Housing Corporation (2014), and 2011 National Household Survey, Statistics Canada (CRD, 2015)



**FIGURE 3-3: INCOME DISTRIBUTION AND HOUSING SUPPLY INVENTORY
FOR THE SAANICH PENINSULA**



Source: Community Planning Council



Part III demonstrated the needs for affordable housing in the Peninsula and the approach and support from the Capital Regional District. Table 1-1 illustrates the different classifications of affordable housing. The affordable housing gap is also relative to income. Those with the greatest housing needs are very low-income households and most of these households are renters. Housing policies are often developed for ownership, with attention to housing assistance (e.g. secondary suites, guest cottages) primarily focused on renters in selected income brackets but very little housing affordability to those that need it most. The challenge for policy makers is which strategies and tools narrow an *affordability gap* between what households can pay for housing and what it costs to occupy a home but these strategies and tools must be considered within the community context. Part IV drills down further to the municipal level of affordable housing and the District of North Saanich.

IV THE DISTRICT OF NORTH SAANICH CONTEXT

Part III provided the overview of affordable housing gaps in the Capital Regional District and the Peninsula. The paper now turns to first look more specifically at the District of North Saanich's profile within the Peninsula and then review the District of North Saanich's current policies. Part V will conclude with recommended options for the District of North Saanich.

THE DISTRICT OF NORTH SAANICH PROFILE

The District of North Saanich's population grew by 1.4% from 2011 - 2016 (Stats Canada, 2016 Census)^v. North Saanich's population is forecasted to grow from 11,242 (2016 Census) to 14,295 by 2038 (CRD, 2015). The population of 65+ more is expected to double in that time frame from 2,807 to 5,984, the principal net increase is in this age group. North Saanich also has the highest proportion (39%) of older workforce adults of the three Peninsula communities and also the highest median income (\$32,766 for those 65+ and \$32,699 for those 75+). The percentage of the working age population (15 to 64) was 63.6% and the percentage of children aged 0 to 14 was 11.4%. In comparison, the national percentages were 68.5% for the population aged 15 to 64 and 16.7% for the population aged 0 to 14 (Census, 2011). Note to the reader that Statistics Canada has only released population and dwellings as of February 8, 2017 hence the use of Census 2016 population figures and Census 2011 age figures.

THE DISTRICT OF NORTH SAANICH INCOME DISTRIBUTION & HOUSEHOLD OWNERSHIP

In the CRD 5% of the population had before tax incomes of more than \$100,000 compared to 9% in North Saanich. North Saanich had the highest median value (\$835,618) of owned dwellings in the Saanich Peninsula (2011) and second highest in the CRD, after Oak Bay.

North Saanich's profile indicates 14 % are below the low income threshold or \$10,000 (Stats Canada, 2011). In 2011, there were 4,025 owner households out of a total of 4,455 non-farm households in North Saanich and 3,455 were single-detached. The CRD has 53,360 rental households; 475 are currently



identified in North Saanich (or 0.9% of all rental households in the CRD) (215 are single detached homes, 215 other ground oriented and 45 are apartments) with the majority (305) renting in homes newer than 1971. (Source: Statistics Canada, 2011 National Housing Survey). Approximately 6% of owners and 20% of renters pay more than 50% of income for shelter with an *average* of 8% of North Saanich residents paying more than 50% and 175/475 have incomes under \$30,000 (Stats Canada, NHS, 2011) and 655 owner households spending more than thirty percent of incomes of housing in North Saanich. Of the 475 renter households, half of them spend more than fifty percent on shelter and 240 of the 655 owner households spend more than fifty percent on shelter. Stats Canada (2011) indicates 370 households in North Saanich are in core housing need.^{vi}

Households that spend more than 50% of income on shelter are considered at risk for homelessness. The median before tax income for the age group 15 – 24 in North Saanich was \$7,627 and \$46,714 for the age group 24 – 54, above the CRD average of \$39,937 (Stats Canada, NHS, 2011). . Thirty percent of the total households in North Saanich have incomes less than \$50,000 and fifty percent of total households in North Saanich have incomes greater than \$80,000.

Households in core housing need in North Saanich in 2011 were 370 [295 owners (155 – 65+) and 75 renters (45 – 65+)]. These households included 135 immigrants (those arrived before 1996) and 85 were households with children and 80 senior led households without children. There were no multi-family households included. There is no rental report for North Saanich and locations of renter households is not known. Of the 370 households in District of North Saanich in need of core housing need 200 of the households include someone 65 years or older as the primary household maintainer.

North Saanich has the highest proportion (39%) of older workforce (45-64) adults (compared to Central Saanich and Sidney (CSPCGV, 2016). The living wage for an individual living within the CRD is estimated at \$18.93/hour (Community Social Planning Council, 2014). The wage has been calculated with a two parent family with two children, one 7 and one 4 years of age. Based on this wage, the average family income is \$68,825.42. The median before tax household income in the District of North Saanich is \$89,835 (the second highest in the CRD following the Highlands). As discussed in Part I, the data for live – journey to work for the 2016 Stats Canada survey is not available until November 29, 2017.

The median before tax household income for the CRD is \$60,796 (Stats Canada, NHS, 2011). The median family income for households with children in North Saanich was \$124,352 and for lone parents the median family income was \$49,877 census and non-census families (see definitions for census family) (Stats Canada, NHS, 2011). The median income for renter households in the CRD was \$60,796 and \$39,276 for North Saanich with an average \$952/month as affordable.

THE DISTRICT OF NORTH SAANICH HOUSING SUPPLY



In 2011, North Saanich (District municipality) had 4,503 private dwellings occupied by usual residents (Statistics Canada, 2011). The change in private dwellings occupied by usual residents from 2006 was 5.3%. For Canada as a whole, the number of private dwellings occupied by usual residents increased 7.1%. In the 2011 Census, there were 3,650 census family households.^{vii} The District of North Saanich had 59 social housing units (i.e. special needs, low income families, rental assistance families, rental assistance seniors) out of a total of 10,437 units in the CRD or 1% of the CRD total (Source: BC Housing, Unit Count Pivot Model, March 31, 2015). The 59 includes 24 Heron Cove, 5 rental assistance private market, 7 rental assistance seniors, 23 special needs and does not include the 40 Kiwanis units.

As of September 2015 for the years 2011 – 2015 North Saanich reported zero housing starts for condominiums and zero for rentals. Between January and November 2016, North Saanich recorded 6 rental housing starts. In 2013 North Saanich reported five condominium starts. Due to a lack of purpose-built rental properties in the area, there is no data on average vacancy rates for rental apartments in North Saanich for 2011 – 2014 and no purpose built affordable housing during this period. Secondary suites are the second largest proportion of rental housing stock in the CRD, accounting for more than a third, however the District of North Saanich does not yet have an accurate record of secondary suites for analysis. Only a handful of secondary suites have District licenses (under 30) while BC Assessment Authority (BCAA) has assessed approximately 450 properties as residential dwellings with suites in North Saanich. Because BCAA data capture systems are not perfect there are likely more dwellings with suites in North Saanich. This challenges assessment of whether new policies to legalize secondary suites, or reduction of size of lots for guest cottages, to increase guest cottages can be measured statistically (by income, age of tenancies, live/work and other factors). CMHC operates on a survey system to gather information on the rental housing market, and the low number of purpose-built rental units in North Saanich along with low reports on secondary suites make it difficult and, in some cases, impossible to report accurately on some of the housing market performance indicators for the area.

Historically, housing starts in North Saanich have been dominated by the construction of single-family detached homes. This trend continued through 2016. Housing completions in the 2011 to September 2014 period were 102 ground-oriented. (Source: Canada Mortgage and Housing Corporation, Starts and Completions Survey, 2011, 2012, 2013; January-September 2014). DNS stats for 2015 (31 completed houses) and 2016 (1 triplex, 1 duplex and 47 houses) are relatively stable over the past 10 years though the new developments at McDonald Park and Eaglehurst are underway and not accounted for in 2016 stats. Housing demolitions in North Saanich for 2011, 2012, 2013 were 5, 12, 11 respectively and other ground demolitions in the same years were 5, 12, and 11.

THE DISTRICT OF NORTH SAANICH AFFORDABLE HOUSING POLICIES



The District of North Saanich has adopted some policies for the provision of affordable housing and to encourage new affordable housing including bylaws permitting: secondary suites, guest cottages, carriage houses and permitting smaller lots (in Areas 1 and 2) particularly during the 2014 – 2016 period (see *Table 4-1 Policies for Provision of Affordable Housing and Policies to Encourage Affordable Housing*) which are mostly market based rental and owning. Currently, there are two affordable housing projects in the District of North Saanich: a) CRD Housing Community project at Heron Cove (24 townhouses for families) subsidized by BC Housing and b) Winward Kiwanis (40 senior apartment units). There are 5 rental assistance families and 7 rental assistance seniors living in private market housing. There are 23 units for special needs.

The District's affordable housing policies are focused on the market based end of the continuum and include secondary suites, guest cottages in various zones in the District and smaller lots (in Areas 1 and 2). The District of North Saanich has one development at McDonald Park for three story condos and townhouse development and small lots at John Road and Canora-Mews. These developments however are not affordable for small families and seniors in low-moderate income ranges. There are non-market policies the District could adopt and available funding mechanisms which the District could consider going forward to support affordable housing for small families and seniors in the low-moderate income as identified in the Holman report. They are discussed now and portrayed in *Table 4 – 1 Policies for Provision of Affordable Housing in the District of North Saanich (Actual vs. Potential)*.



TABLE 4-1: POLICIES AND TOOLS TO MANAGE SUPPLY AND DEMAND FOR PROVISION OF AFFORDABLE HOUSING
DISTRICT OF NORTH SAANICH ACTUAL VS. POTENTIAL

*159 undeveloped lots in R-1, R-2, R-3, 24 in RA-1

Policies for Provision of Affordable Housing - Market Based (Non-subsidized)	Area 1	Area 2	Outside of Area 1 & 2	Benefit	Limitation
ZONING Secondary Suites Existing Reported	2	0	25	Ageing in Place Live/work	Rental
ZONING Secondary Suites Potential (depending on lot size)	581-850	25-32	4,343		Potential will not be realized
ZONING Guest Cottages (Reported)	0	0	19	Ageing in Place Live/work	Rental
ZONING Guest Cottage (Potential)	0	0	3,525		
PLANNING STRATEGY Allowing infill	√	√		Increase density	Not consistent with OCP Values May not achieve affordable housing goals
PLANNING STRATEGY Encouraging smaller units	√	√		Increase Density	As above
PLANNING STRATEGY Reduced set-backs, narrow lot sizes, parking requirements	√	√		Increase Density	As above Increasing density will increase need for cars in DNS without increased transit
Financing (interest rates) outside scope of DNS				Incentive for lower income to buy	Limited participation eligibility
Policies to Encourage New Affordable Housing Development – Non-Market Based (Subsidized)					
PLANNING STRATEGY Tax exemptions for affordable or subsidized rental suites				Administered by CRD/Province	Administered by CRD/Province
HOUSING AGREEMENTS Housing agreements to provide rental units in converted developments				Affordable housing conversion	Administered by DNS
HOUSING AGREEMENTS Affordable housing trust funds				Increase affordable housing	Administered and monitored by DNS
PLANNING STRATEGY Density bonuses for affordable rental units				Increase affordable housing; increase density	Administered and monitored by DNS May not be consistent with OCP values
HOUSING AGREEMENTS Affordable housing agreements (CRD & BC Housing) subsidized		√		Affordable housing for families and seniors	
Total Undeveloped lots in North Saanich	15	7	238*	Affordable Housing could be incented	Servicing capacity in Areas 1 & 2 limited to 300; outside Area 1 & 2 services for affordable housing limited i.e. transportation



POLICIES AND TOOLS TO MANAGE SUPPLY AND DEMAND FOR PROVISION OF AFFORDABLE HOUSING – MARKET BASED (NON-SUBSIDIZED)

North Saanich has adopted policies to preserve and encourage affordable housing which are mostly market based (non-subsidized). Policies to ensure affordable housing for small families and seniors in the low-income range would be focused in housing agreements and/or agreements with developers to provide affordable housing which may be operated by a third party. An overview of these policies and approaches are discussed now.

SECONDARY SUITES & GUEST COTTAGES

Secondary suites is the second largest proportion of housing rental stock in the CRD and is the most frequently used policy in the CRD for the preservation of affordable housing (six municipalities report, including the District of North Saanich, on using this tool, CSPCGV Planners survey, 2012). The second most used policies in the CRD according to the Planners survey (CSPCGV, 2012) for provision of affordable housing are tax exemptions for affordable or subsidized rental suites and housing agreements to provide rental units in converted developments.

Allowing secondary suites is one of the most effective tools for providing affordable housing. These are completely financed by the private market and require regulatory permission. This form of housing is low impact and integrates affordable housing into neighbourhoods. The ability to age in place is increasingly becoming an issue in the rural communities. The ability for families to build additional buildings on their properties or have secondary suites can allow for residents who want to stay in the neighbourhood within which they grew up, or the neighbourhood within which they raised their children, for example, regardless of age or income level. (Community Social Planning Council, November, 2012). However, service levels are generally low in the rural and rural/urban boundary communities in the Capital Region, and these areas often lack the transportation infrastructure needed to support residents who no longer operate a motor vehicle but readily need access to health services (Community Social Planning Council, November, 2012). This does not permit ownership of these secondary dwelling types.

ALLOWING INFILL

Infill development encourages growth and intensification in existing communities. Ensuring infill provides affordable housing is dependent on local government affordable housing policy.

Developing where servicing exists makes housing more affordable because the need for new infrastructure is minimized. Ensuring available transit and other services is challenging. Decreasing the reliance on cars by providing housing in walkable or cycle able distances to work and services or developing along effective transit routes decreases household costs. This is a challenge in North Saanich where transit services are limited and focused in Area 1 (McTavish) near the interchange.



ENCOURAGING SMALLER UNITS/LOTS/REDUCED SETBACKS/PARKING REQUIREMENTS

Another policy for lowering housing costs is reducing the size and quality standards required for new housing. This can be done by using manufactured housing, apartments, and building more multi-family units. This can also be achieved by allowing existing single detached houses to be converted into multi-unit strata or rental properties. These arrangements can be carried out with mainly private financing. Yet manufactured housing, apartments, converted houses and smaller homes are not permitted zoning in many rural/urban areas such as North Saanich. Multi-family unit designations in the OCP are focused in Areas 1 and 2.

Decreasing parking spaces lowers costs to housing projects and in areas well serviced by transit it may be feasible to do so. North Saanich is constrained in this regard as transit services are limited.

FINANCING TO BUYER

One non-market based strategy is to reduce the cost of housing and there are different policy tools available to enable this strategy. One tactic is making financing more available or cheaper. That is done through lower-down-payment mortgages, easier credit, and low interest rates. But these arrangements do not help low-income renters, who need help most and they involve multiple parties.

Under this approach the federal and provincial governments are the policy makers and influence interest rates. The province, through BC Housing, also provides very low-interest construction financing and access to low-interest mortgage financing and has introduced interest-free down payment loans to first time home buyers. Generally, these policies encourage new affordable housing. This is included for Council's reference.

FINANCING TO DEVELOPER

Local governments may also provide financial assistance in support of affordable housing. For instance, a local government might provide a grant to a non-profit organization to assist with the construction or operation of a housing facility.

Rather than an outright grant, a local government might 'invest' in such a project, such as by purchasing a property or assisting with a purchase of property, and then leasing the property to the organization that will actually provide the housing. Where the local government provides only part of the funds for the purchase of the property, the local government and its partner might jointly own the property and enter into a co-owners agreement to set out the terms of their arrangement. This approach allows the local government to benefit from any equity gains over time. (Young Anderson, 2016)

Other policies which are available to regional and local governments are market based (subsidized).



POLICIES FOR AFFORDABLE HOUSING – MARKET BASED (SUBSIDIZED)

The most frequently used policies in the CRD to encourage new affordable housing development are affordable housing trust funds, density bonuses and tax exemptions for subsidized suites. We have reviewed the non-market based policies of allowing infill, encouraging smaller units, reduced set-backs and narrow lots and reduced parking. Now the discussion paper turns to market based (subsidized) policies and agreements. Currently North Saanich has two developments Heron Cove and Kiwanis which have housing agreements with BC Housing and Kiwanis not for project respectively which the District is not a party to.

DEVELOPMENT COST CHARGE WAIVERS AND REDUCTIONS

Section 563 of the LGA permits a local government to waive or reduce a development cost charge for “not-for-profit rental housing, including supportive living housing” and “for-profit affordable rental housing”. Section 563 requires that the local government have a bylaw that establishes details around eligibility and available reductions and other requirements (Young Anderson, 2016). Section 563 of the *Local Government Act* allows municipalities and regional governments to reduce or waive development fees and section 224 for the Community Charter also allows permissive tax exemptions to non-profit and for-profit affordable housing developments. These options require municipalities to enter into partnering agreements with developers and/or to register housing agreements securing the housing units at affordable rental rates.

HOUSING AGREEMENTS

S. 483 *Local Government Act* enables developers to register a housing agreement on title to control resale conditions, resale price or person restrictions and rental rates and can be required as a condition of zoning approval or strata-title conversion applications.

Under section 483 of the *Local Government Act* a local government may enter into a housing agreement with a property owner which may include requirements related to the occupancy of residential premises in order to achieve certain housing-related policy goals. Housing agreements are contractual arrangements, entered into voluntarily between property owners and local governments, often being a condition of rezoning or a sale of land by a local government to a developer. While created by agreement, they are quasi-regulatory in nature in that they can include restrictions that would not normally be enforceable, particularly with respect to future owners of the housing (Young Anderson, 2016).

In order to increase rental housing stock, a housing agreement can require that housing units be available for rental and occupied by tenants only, and not by owners. If affordability is also a concern, the housing agreement can include restrictions on the rent that may be charged to tenants. To be effective, rent restrictions need to be coupled with occupancy restrictions to ensure the target group has an opportunity to rent the units.

Through section 483 of the *Local Government Act*, the legislature has explicitly provided local governments the authority to impose requirements related to the user of land. (Young



Anderson, 2016). Housing agreements can include various restrictions on housing units, including with respect to: the characteristics of persons who may occupy the units; the tenure of housing unit; rent controls; re-sale price controls; administration and management of the units; and other terms and conditions regarding occupancy.

Housing agreements “*run with the land*” against which they are filed to bind future owners and occupiers of the property, in perpetuity (depending on the terms of the particular agreement).

TAX EXEMPTIONS

Tax exemptions for affordable or subsidized rental suites can be provided by Council to home owners to encourage secondary suite development.

Section 226 of the *Community Charter* provides authority to exempt property from municipal property value taxes.

To use this authority, Council must establish a revitalization program, enter into agreements with property owners, and then exempt their property from taxation once all specified conditions of the program and the agreement have been met.

Exemptions may apply to the value of land or improvements, or both. Councils are free to specify, within their revitalization programs, the amounts and extent of tax exemptions available. This can help achieve social objectives, such as encouraging affordable housing or the construction and preservation of affordable rental housing (Source: BC Government).

AFFORDABLE HOUSING TRUST FUNDS

While the District was one of the first local government participants who signed the CRD Establishment Bylaw for the Regional Housing Trust Fund and has contributed \$473, 173.00 or 4.8% of total funds collected regionally since 2005, neither the District nor eligible non-profit or private sector organizations have applied for any support for housing affordability projects permitted by the Fund. The CRD Housing Planning and Programs will also be including transportation as a key metric in its forthcoming update of the Regional Housing Strategy. This data will help local governments understand how far residents are travelling to work and by what transportation mode enabling more comprehensive future planning.

A housing fund can be used to fund or partner affordable housing projects. Local governments can build these funds from their own tax revenues, special tax levies or from density bonusing or development contributions.

DENSITY BONUSING

Another strategy is to incent developers with more density in exchange for providing affordable housing. One tactic is zoning. Inclusionary zoning refers to zoning regulations that either encourage or require a proportion of affordable housing within new developments. Typically,



an inclusionary policy requires that new residential developments of a certain size include a percentage or set amount of affordable housing units as a condition of development approval. In some cases local governments allow off-site construction of the affordable units, or allow developers to pay cash-in-lieu into a housing fund. Local government usually secures the commitment to building the affordable units at the time of rezoning.

Section 482 of the *Local Government Act* (LGA) permits a local government to set, in its zoning bylaw, different permitted densities for a property and to require the provision by the owner of affordable or special needs housing in order to move up beyond the base density established for the site. A key element of such a zoning bylaw provision is that the zoning must provide a 'base' density for the property, leaving it to the owner to decide whether to provide any required amenity and use resulting additional density (Young Anderson, 2016).

The Local Government Act allows municipalities to require the provision of amenities by providing increased densities in exchange for the amenities. Local government bylaws permit density and any density which exceeds the amount contributes predetermined amenities. This could be a contribution for affordable housing or affordable housing units.

PHASED DEVELOPMENT AGREEMENTS

Section 516 of the LGA permits a local government and a developer to enter into a phased development agreement, which can insulate the developer's lands from changes to the zoning bylaw and subdivision servicing bylaw for a term of up to 10 years (or up to 20 years with the approval of the inspector of municipalities). Section 516 permits phased development agreements to include a requirement that the developer provide amenities. Such amenities could include affordable or supportive housing (Young Anderson, 2016).

AFFORDABLE HOUSING POLICY BENEFITS AND CHALLENGES

From a policy perspective, housing agreements can address shortcomings in the housing market. For instance, the market may not provide sufficient incentive for owners to develop land for particularly disadvantaged groups, or due to the high cost of housing in a given region, housing agreements could address affordability issues by making housing available to lower income individuals at restricted prices or rents, or by attempting to ensure an adequate supply of rental housing in the municipality. Housing agreements can also temporarily address market shortcomings. For instance, the market may be slow to provide housing developed specifically for the needs of seniors, despite demand, where other forms of housing remain more profitable. (Young Anderson, 2016).

There are challenges with providing affordable housing for seniors to age in place and young families to live/work in the community. Some property owners may raise objections to having new low-cost housing developed near their properties, and express reservations around accepting low-income neighbors. How to address misperceptions of how the development of affordable housing may or may not reduce home values is a key challenge for local governments (HRSP, 2008). Research suggests that a key mediating influences suggest that there are a variety



of contextual influences whether affordable housing will have a positive or negative impact on surrounding property values. Local governments can approve bylaws that require high standards of quality for new units, limit multi-family housing and prohibit manufactured housing in most zones to mitigate some of these impacts. Affordable housing can have a positive impact on nearby homes depending on what is being replaced and the general neighbourhood context.

As long as full power over what housing can be built in a community resides with its local government, the growth of affordable housing within currently built-out or nearly built-out communities remains a challenge. Yet, at the same time, it is within these suburban/rural interface communities where most growth of jobs and population is often occurring. North Saanich is no exception given the recent and projected high employment growth at the Victoria Airport Authority. Housing starts in North Saanich do not keep up with employment growth. Conversely, the most rapid population growth has been occurring in the Langford area, yet the most rapid growth in employment is taking place in Victoria and Saanich. On a percentage basis, however, between 1996 and 2006 North Saanich experienced a 46.4% growth in employment (or almost 1,000 new jobs) (from 2006 to 2,011) (CRD Peninsula Sub-Regional Profile, undated) and with a lack of corresponding equivalent growth in new housing, it is not unreasonable to state that new growth has not accommodated even a small percentage of new workers who work in North Saanich. This is a unique challenge for North Saanich in the CRD.

While local governments have control over local bylaws, affordable housing policies including trust funds are often supported by federal, provincial and regional funding mechanism and can be built independent of local government financial support. Housing agreements are very powerful tools for creating and ensuring a supply of affordable and special needs housing. They are also potentially complex tools and the appropriate terms and conditions for a particular housing agreement can vary significantly from community to community and project to project. While theoretically powerful, local governments should also be mindful of the fact that they will have to allocate sufficient resources in order for the housing agreement to be effective in meeting policy goals over the long-term (YA, 2016).

V NORTH SAANICH POLICY OPTIONS

Policy options for the District of North Saanich are now presented considering all of the matters presented in this discussion paper with respect to considering affordable housing for low-income families and seniors in Areas 1 and 2. The questions become which policies and strategies should the District retain, update or add and which should be eliminated? Policies enable but cannot guarantee a certain type of development as development is generally market driven. The only way to definitively develop affordable housing is to work with financial agencies on project specific basis with developers. Given the District's profile and identified affordable housing need the approach to affordable housing by Council could be one that expands on recent policies to expand secondary suites and guest cottages to permit developments that are either exclusively affordable housing units developments with some affordable housing units for low-income families and/or seniors.



OPTIONS TO CONSIDER FOR AREAS 1(MCTAVISH) AND 2(TSEHUM) POLICY DISCUSSION

Four options are provided for Council to consider:

1. Option I (Areas 1 & 2) – Non-Market Subsidized.
Restrict new development proposals to those which exclusively provide affordable housing through recognized Affordable housing providers.
This option restricting any new development proposals to those which exclusively provide non-market affordable housing through recognized affordable housing providers,
2. Option II (Areas 1 & 2) - Market based and non-market Based. Allow for a mix of affordable housing and market housing using Housing Agreements to control. This would require ongoing monitoring and administrative resources. This option would restrict any new development proposals to those which exclusively provide non-market affordable housing through recognized affordable housing providers.
3. Option III (Areas 1 & 2) – Market Based
This option permits a free market approach through supply and demand and retains Bylaw 1352 amendments to the OCP.
4. Option IV – Amend OCP to retain densities and housing options to pre-Bylaw 1352 and do not proceed with an affordable housing policy.

The selection of specific policies would be in conjunction with the options itemized in the staff report (dated November 1, 2016) and attached to the staff report (February 1, 2017). *Table 5-1* provides the options in table format.



TABLE 5-1: OPTIONS TO GUIDE AFFORDABLE HOUSING POLICY DECISION MAKING

Policies and Tools	Current Areas 1 & 2	Option I Restrict New Development Affordable Housing Providers Only Areas 1 & 2	Option II Mix of Affordable Housing & Market Housing using Housing Agreements Make Changes to OCP Areas 1 & 2	Option III Free Market Approach Supply & Demand (Retain Bylaw 1352) Areas 1 & 2	Option IV Amend OCP to retain densities and housing options to pre-Bylaw 1352 and do not proceed with an affordable housing policy. Areas 1 & 2
Market Based					
Secondary Suites	√	√	√	√	√
Guest Cottages	√	√	√	√	√
Non Market – Subsidized					
Townhouses/Apartments (Heron Cove/Kiwanis)	√	√	√	√	√
Secondary Suites – Rental Assistance (BC Housing) This occurs independently	√	√	√	√	√
Policies/Tools Market and Non-Market					
Tax exemptions for affordable or subsidized rental suites		Optional	Optional	Optional	
Housing agreements to provide rental units in converted developments		Optional	Optional		
Affordable housing trust funds		√	√		
Density bonuses for affordable rental units zoning bylaws		√	Optional	Optional	
Allowing Infill	√	√	√	√	
Encouraging smaller units	√	√	√	Optional	
Reduced set-backs, narrow lot sizes	Optional	√	√	Optional	
Reduced parking requirements	Optional	√	√	√	



VI SUMMARY AND RECOMMENDATIONS

In summary, the discussion paper set out to define affordable housing and the affordable housing gap in North Saanich. The paper began by defining affordable housing as housing which costs less than 30% of before-tax household income. Yet, this broad definition does not account for regional differences which is a key consideration. First, in Part II Affordable Housing in Canada: Roles of Government were reviewed including harmonization of definitions and data and policies at federal, provincial and local government levels and the importance of regional and local government studies to inform policy development. The paper then provided an overview of affordable housing in the context of the Capital Regional District and the Peninsula in Part III to provide the scope of understanding regional differences. The gap for North Saanich was identified as low-income families and seniors. Part IV then provided an overview of policy tools, both market and non-market available to address the gap. Part V provided policy options that the District may consider relative to OCP deliberations for Areas 1 (McTavish) and 2 (Tsehum).

Recent policy changes in the District enabled an increase in rental supply (i.e. secondary suites and guest cottages). However, there is little data to support profiles of who the suites have been rented to and the BCAA reports of secondary suites may not accurately profile how many secondary suites exist in North Saanich and who they are rented to. Most of the secondary suite potential resides outside Areas 1 and 2.

There are two subsidized rental affordable housing developments in Area 2 Heron Cove and Kiwanis which correlate to the identified gap in North Saanich providing affordable housing for low-income families and seniors. But as the CRD and Holman reports indicate, there remains a significant deficiency in supply to meet demand particularly for low-income families and seniors renters or buyers.

Lot size decreases do not equivocate to affordability as the District has seen with recent developments, the cost of units even in smaller lot sizes is still outside of the lower income families reach. Increased density will not meet affordable housing provisions without an affordable housing policy that guides new developments to include affordable housing rental/buyer units.

The local context is significant when developing affordable housing plan and North Saanich has its unique considerations. Selection of market and non-market based policies are relative to the profile of North Saanich and its OCP vision. The Official Community Plan (OCP) states that the vision statement should be considered as the foundation or cornerstone of the principles for OCP direction on land use. The vision is to: *Retain the present rural, agricultural and marine character of the community.*

OCP Objective #6 states:

Ensure that long-term residential development of the community will retain the character of current neighbourhoods while responding to the need for seniors' and affordable family housing.



While North Saanich has adopted policies to provide affordable housing the District has not entered into any formal affordable housing agreements. The District is not party to the affordable housing developments at Heron Cove and Kiwanis. If the District choose to consider affordable housing agreements there could be significant administrative responsibilities. Conversely, North Saanich could direct new developments to other affordable housing management providers.

The option which is most aligned with maintaining the OCP vision and OCP objective #6 would be option 1.

RECOMMENDATIONS

1. Affordable Housing Policy Options

That Council select one of the following options:

- a. Option I (Areas 1 & 2) – Non-Market Subsidized
Restrict new development proposals to those which exclusively provide affordable housing through recognized Affordable housing providers.
- b. Option II (Areas 1 & 2) - Market based and non-market Based
Allow for a mix of affordable housing and market housing using Housing Agreements to control. This would require ongoing monitoring and administrative resources
- c. Option III (Areas 1 & 2) – Market Based
Free Market approach through supply and demand and retains Bylaw 1352 amendments to the OCP.
- d. Option IV – Amend OCP to retain densities and housing options to pre-Bylaw 1352 and do not proceed with an affordable housing policy.

2. Housing Options for Area 1 (McTavish) and Area 2 (Tsehum)

That Council consider one of the options in the staff report (November 1, 2016) after making a selection of one of the options as presented in item #1 recommendations.

3. Affordable Housing Policy

That Council direct staff to proceed with the retention of an affordable housing consultant to develop an Affordable Housing Policy for the District of North Saanich and work with the CRD who is updating the Regional Housing Affordability Strategy.



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APPENDIX A: ABBREVIATIONS AND DEFINITIONS

ABBREVIATIONS

BC	British Columbia
BCAA	British Columbia Assessment Authority
BCHMC	BC Housing Management Commission
CHRA	Canadian Housing and Renewal Association
CMHC	Canadian Mortgage and Housing Corporation
CRD	Capital Regional District
CRHC	Capital Region Housing Corporation
CRHD	Capital Regional Hospital District
CSPCGV	Community Social Planning Council of Greater Victoria
DNS	District of North Saanich
HPS	Homelessness Partnering Strategy
IHI	Investing Housing Innovation
NHA	National Housing Act
NHS	National Housing Strategy
NHS	National Housing Survey
PIAH	Provincial Investment in Affordable Housing
PRHC	Provincial Rental Housing Corporation
RHAS	Regional Housing Affordability Strategy
RHFP	Regional Housing First Program
RHTF	Regional Housing Trust Fund
SPAHNAR	Saanich Peninsula Affordable Housing Needs Assessment Report
SPHDTB	Saanich Peninsula Housing Data Technical Book
UDI	Urban Development Institute
UF	Urban Futures
VIHA	Vancouver Island Health Authority
WHC	Wartime Housing Corporation



DEFINITIONS

AFFORDABLE HOUSING

Affordable housing costs less than 30% of before-tax household income. Shelter costs include the following:

For renters: rent and any payments for electricity, fuel, water and other municipal services;

For owners: mortgage payments (principal and interest), property taxes, and any condominium fees, along with payments for electricity, fuel, water and other municipal services.

Source: CHMC

AREA 1 (MCTAVISH) and AREA 2 (TSEHUM)

As outlined in the District of North Saanich OCP as Development Permit Area 6 Multi-family Residential and Development Permit Area 8 Intensive Residential Development.

BEST PRACTISE

A “proven method, technique, or process for achieving a specific outcome under a specific circumstance and in an effective way” (Wesley-Esquimaux, C. & Calliou, B., 2010).

CENSUS FAMILY

Census Families refers to a married couple (with or without children of either and/or both spouses), a common-law couple (with or without children of either and/or both partners) or a lone parent of any marital status, with at least one child. A couple may be of opposite sex or same sex.

A couple family with children may be further classified as either an intact family in which all children are the biological and/or adopted children of both married spouses or of both common-law partners or a stepfamily with at least one biological or adopted child of only one married spouse or common-law partner and whose birth or adoption preceded the current relationship. Stepfamilies, in turn may be classified as simple or complex. A simple stepfamily is a couple family in which all children are biological or adopted children of one, and only one, married spouse or common-law partner whose birth or adoption preceded the current relationship. A complex stepfamily is a couple family, which contains at least one biological or adopted child whose birth or adoption preceded the current relationship. These families contain children from:

- each married spouse or common-law partner and no other children
- one married spouse or common-law partner and at least one other biological or adopted child of the couple
- each married spouse or common-law partner and at least one other biological or adopted child of the couple.

Source: Statistics Canada, 2011 Census Dictionary, accessible online at:

<http://www12.statcan.gc.ca/census-recensement/2011/ref/dict/fam004-eng.cfm>



CORE HOUSING NEED

A household is said to be in core housing need if its housing falls below at least one of the adequacy, affordability or suitability, standards and it would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable (meets all three housing standards).

- Adequate housing are reported by their residents as not requiring any major repairs.
- Affordable dwellings costs less than 30% of total before-tax household income.
- Suitable housing has enough bedrooms for the size and make-up of resident households, according to National Occupancy Standard (NOS) requirements. *Source: Housing in Canada Online, Canada Mortgage and Housing Corporation*

HOUSEHOLD

Refers to a household that contains at least one census family, that is, a married couple with or without children, or a couple living common-law with or without children, or a lone parent living with one or more children (lone-parent family). **One-family household** refers to a single census family (with or without other persons) that occupies a private dwelling. **Multiple-family household** refers to a household in which two or more census families (with or without additional persons) occupy the same private dwelling. Family households may also be divided based on the presence of persons not in a census family. **Non-family household** refers to either one person living alone in a private dwelling or to a group of two or more people who share a private dwelling, but who do not constitute a census family. *Source: Statistics Canada*

HOUSING PLANNING

Housing Planning and Programs has a mandate to develop a coordinated approach within the Region to increase the supply of affordable housing by identifying how municipalities, funding agencies and the non-profit sector can work together to meet the housing needs of our most vulnerable citizens. *Source: CRD online*

LITTLE TO NO INCOME

Households with annual income < \$14,999. Type of housing: emergency shelters, transitional and supportive housing.

LOW INCOME

Households with a before tax annual household that is between 50% of the median income for the region, \$30,389 and \$15,000. Type of housing: Social housing, subsidized housing for families, seniors and persons with disabilities. NHS = \$15,000 to \$29,999.

LOW TO MODERATE INCOME

Households with a before tax annual income between 50% and 80% of the median household income for the region. \$30,389 to \$48,637. Type of housing: Subsidized rental, Rental Assistance Program (RAP), rent supplements, affordable non-market. NHS = \$30,000 to \$49,999.

MODERATE INCOME



Households with a before tax annual income between 80% and the actual median before tax median household income for the region \$48,637 to \$60,796. Types of housing: subsidized rental, Affordable Non-Market Rental, affordable market rental. NHS = \$50,000 to \$59,999.

MODERATE TO ABOVE MODERATE INCOME

Households with a before-tax annual income between the regional median household and 120% of the median household income. \$60,796 to \$72,955. Type of housing: Affordable Non-Market Rental, affordable market rental, mid to high market rental and secondary suites.

ABOVE MODERATE TO HIGH INCOME

Households with a before-tax annual income between 120% and 150% of the median household income for the region. \$72,955 to \$91,194. Types of housing: High Market Rental (Rental Condos) and Affordable Homeownership (small units). NHS = \$80,000 to \$99,999.

HIGH INCOME

Households with an annual before-tax income of 150% and above the median household income for the region. \$91,191 + Types of housing: Affordable Home Ownership to Market Home Ownership – Single detached homes, semi-detached homes, row houses. NHS = \$100,000+

OLDER WORKER (45-64)

REGIONAL HOUSING FIRST PROGRAM

In partnership with BC Housing and the Province of BC the CRD will provide capital funding to eligible projects. RHFP will create at least 268 supported and affordable housing units at provincial shelter rates and at least 175 housing units affordable to low and moderate income households in the region. *Source: CRD online*

REGIONAL HOUSING TRUST FUND

RHTF provides capital grants for “bricks and mortar” in the acquisition, development and retention of housing that is affordable to households with low or moderate incomes in the capital region.

SENIOR

Trying to find objective definitions of "old", "senior" or "elderly" is unrealistic. The new definitions proposed by experts are not getting consensual approval at the moment. Generally accepted as 65.

SHELTER TO INCOME RATIO

Shelter to Income Ratio is the percentage of a household's average total monthly income which is spent on shelter-related expenses. Those expenses include the monthly rent (for tenants) or the mortgage payment, property taxes and condominium fees (for owners) and the costs of electricity, heat, municipal services, etc. The percentage is calculated by dividing the total shelter-related expenses by the household's total monthly income and multiplying the result by 100. Source: Statistics Canada, 2011 National Household Survey Dictionary available online at: <http://www12.statcan.gc.ca/nhs-enm/2011/ref/dict/households-menage028-eng.cfm>



TOTAL INCOME

Total income refers to monetary receipts from certain sources, before income taxes and deductions, during a calendar year. It includes employment income from wages, salaries, tips, commissions and net income from self-employment (for both unincorporated farm and non-farm activities); income from government sources, such as social assistance, child benefits, employment insurance, Old Age Security pension, Canada or Quebec pension plan benefits and disability income; income from employer and personal pension sources, such as private pensions and payments from annuities and RRIFs; income from investment sources, such as dividends and interest on bonds, accounts, GIC's and mutual funds; and other regular cash income, such as child support payments received, spousal support payments (alimony) received and scholarships. The monetary receipts included are those that tend to be of a regular and recurring nature. It excludes one-time receipts, such as: lottery winnings, gambling winnings, cash inheritances, lump sum insurance settlements, capital gains and RRSP withdrawals. Capital gains are excluded because they are not by their nature regular and recurring. It is further assumed that they are less likely to be fully spent in the period in which they are received, unlike income that is regular and recurring. Also excluded are employer's contributions to registered pension plans, Canada and Quebec pension plans, and employment insurance. Finally, voluntary inter-household transfers, imputed rent, goods and services produced for barter, and goods produced for own consumption are excluded from this total income definition. Source: Statistics Canada, 2011 National Household Survey Dictionary available online at: <http://www12.statcan.gc.ca/nhs-enm/2011/ref/dict/pop123-eng.cfm>

YOUNGER WORKER (25-44)



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Legislation and Regulations

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Canadian: An Act to “promote housing affordability and choice, to facilitate access to, and competition and efficiency in the provision of, housing finance, to protect the availability of adequate funding for housing at low cost, and generally to contribute to the well-being of the housing sector in the national economy” (Government of Canada, 1946). *National Housing Act*. (enacted).

Capital Regional District: A bylaw to establish a regional housing trust fund (Capital Regional District, 2005). *Establishment Bylaw for the Regional Housing Trust Fund. Bylaw 3266*



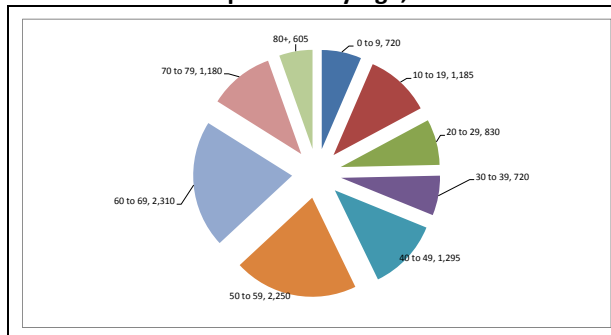
APPENDIX C: CRD HOUSING PROFILE OF NORTH SAANICH

RD Housing Data Book DRAFT - Summary by Municipality North Saanich, DM

Population – 11,085

Private Households – 4,500

Population by Age, 2011



Source: Statistics Canada, 2011 Census

Private Households by Household Type, 2011

Total Number of Private Households	Census Family Hhlds					Non-Census Family Hhlds		
	Total	Couple Family Hhlds		Lone-Parent Family Hhlds	Other Family Hhlds	Total	One-person Hhlds	Two-or-more-person Hhlds
		without children	with children					
4,500	3,650	1,985	1,100	250	315	855	765	90
100%	81%	44%	24%	6%	7%	19%	17%	2%
Median Hhld Income								
\$89,835	\$99,684	\$93,109	\$124,352	\$49,877	\$113,382	\$39,195	\$36,687	\$60,008

Source: Statistics Canada, 2011 Census and 2011 National Household Survey

Median Before-Tax Household Income - \$89,835

Renters - \$39,276

Owners - \$93,485

Renter Before-Tax Household Income, 2010

Total Number of Renter Households	Median Hhld Income	Hhld Income Under \$30,000	Hhld Income \$30,000 to \$39,999	Hhld Income \$40,000 to \$59,999	Hhld Income \$60,000 to \$79,999	Hhld Income \$80,000 to \$99,999	Hhld Income \$100,000 and over
475	\$39,276	170	70	115	40	15	70
100%		36%	15%	24%	8%	3%	15%

Source: Statistics Canada, 2011 National Household Survey

Owner Before-Tax Household Income, 2010

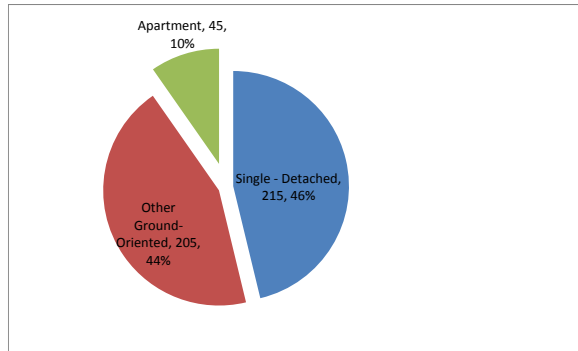
Total Number of Owner Households	Median Hhld Income	Hhld Income Under \$30,000	Hhld Income \$30,000 to \$39,999	Hhld Income \$40,000 to \$59,999	Hhld Income \$60,000 to \$79,999	Hhld Income \$80,000 to \$99,999	Hhld Income \$100,000 and over
4,025	\$93,485	375	265	505	535	555	1,785
100%		9%	7%	13%	13%	14%	44%

Source: Statistics Canada, 2011 National Household Survey

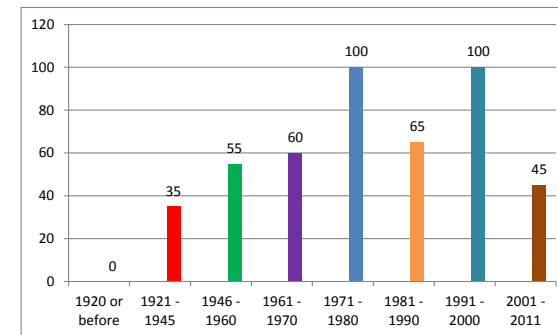
Renter Household Inventory by Structure Type, 2011

Renter Household Inventory by Age of Structure, 2011



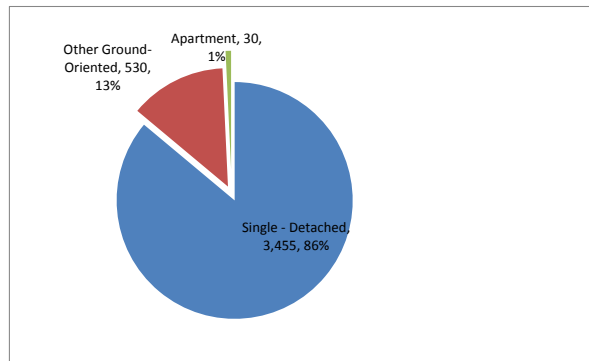


Source: Statistics Canada, 2011 National Household Survey



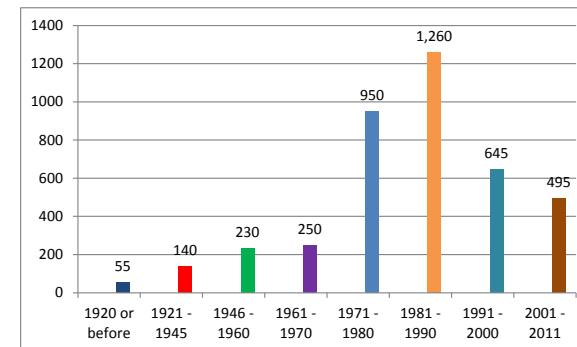
Source: Statistics Canada, 2011 National Household Survey

Owner Household Inventory by Structure Type, 2011



Source: Statistics Canada, 2011 National Household Survey

Owner Household Inventory by Age of Structure Type, 2011



Source: Statistics Canada, 2011 National Household Survey

Average MLS Sale Prices, 2011 – 2013



Average House Sales Price	Single-Detached	Townhouse	Condominium
2011	\$774,627	\$517,500	\$730,000
2012	\$784,272	\$492,450	\$534,000
2013	\$767,252	\$503,667	\$836,125

Source: Victoria Real Estate Board, Historical MLS Statistics, 2011, 2012, 2013

Renter Households Spending 30% or More and 50% or More of Household Income on Shelter Costs, 2011

Renter Households in non-farm non-reserve private dwellings	Households Spending 30% or More of Hhld Income on Shelter	% of Total	Households Spending 50% or More of Hhld Income on Shelter Costs	% of Total
475	155	33%	95	20%

Source: Statistics Canada, 2011 National Household Survey

Owner Households Spending 30% or More and 50% or More of Household Income on Shelter Costs, 2011

Owner Households in non-farm non-reserve private dwellings	Households Spending 30% or More of Hhld Income on Shelter	% of Total	Households Spending 50% or More of Hhld Income on Shelter Costs	% of Total
3,985	655	16%	240	6%

Source: Statistics Canada, 2011 National Household Survey

Social Housing Units by Client Group, 2015

Homeless Shelters	Homeless Housed	Homeless Rent Supplements	Frail Seniors	Special Needs	Independent Seniors	Low Income Families	Rent Assistance Families	Rent Assistance Seniors	Women & Children Fleeing Violence	Total Units
0	0	0	0	23	0	24	5	7	0	59

Source: BC Housing, Unit Count Pivot Model, March 31, 2015



Endnotes

ⁱ The jobs/population ratio is calculated by dividing the employment forecast by the population forecast for each of the sub-regions (CRD, Urban Futures, 2014)

ⁱⁱ Areas are generally developed to a range of approximately 15 townhouses/acre; 30 units/acre [for apartments (3 storeys)] or lots between 372 m² – 557 m² (4000 ft² – 6000 ft²) to achieve an average gross density of between 8 and 16 units per acre.

ⁱⁱⁱ Calculation is the total of the first 6 rows.

^{iv} Data on the rental market are not available for North Saanich and are of poor quality for the other two municipalities so the data was aggregated. Source: Marika Albert

^v Census 2016 population and dwelling results release February 8, 2017. Central Saanich's population grew at a rate of 5.5% and Sidney's population increased by 4.4% in the same time period (Statistics Canada, 2017).

^{vi} A household is in core housing need if its housing does not meet one or more standards for housing adequacy (repair), suitability (crowding), or affordability and if it would have to spend 30 per cent or more of its before-tax income to pay the median rent (including utilities) of appropriately sized alternative local market housing. Adequate housing does not require any major repairs, according to residents. Suitable housing has enough bedrooms for the size and make-up of resident households. Affordable housing costs less than 30 percent of before-tax household income. (Statistics Canada, 2011).

^{vii} Category to which a person living alone or a group of persons occupying the same dwelling belong. There are two categories: **non-family households** and **family households**. A **non-family household** consists either of one person living alone or of two or more persons who share a dwelling, but do not constitute a family. **Family households** are divided into two subcategories: **one-family households** and **multiple-family households**. A **one-family household** consists of a single family (e.g., a couple with or without children). A **multiple-family household** is made up of two or more families occupying the same dwelling. (Source: Statistics Canada).





District of North Saanich

STAFF REPORT

To: Rob Buchan
Chief Administrative Officer

Date: November 1, 2016

From: Coralie Breen
Senior Planner

File: 6440-20; 6480

Re: Area 1 (McTavish) and Area 2 (Tsehum) - Options for Changes

RECOMMENDATION:

That Council direct staff to proceed with one of the options outlined in this staff report (November 1, 2016).

STRATEGIC PLAN IMPLICATIONS:

This matter relates to the following Council strategic priorities:

Protect and Enhance Rural, Agricultural, Heritage, Marine and Environmental Resources

The Official Community Plan (OCP) states that the vision statement should be considered as the foundation or cornerstone of the principles for OCP direction on land use. The vision is to:

Retain the present rural, agricultural and marine character of the community.

DNS Strategic Plan Goal and Initiatives:

Housing policies that support local and regional initiatives

32 After completion of the CRD Housing Gap Analysis and the MLA's affordable housing initiative, hire a consultant to prepare an affordable housing policy

33 Staff to prepare a report outlining options for addressing Council's concerns regarding growth areas established by Bylaw 1352

SUBJECT AREAS 1 (MCTAVISH) & 2 (TSEHUM):

The District of North Saanich is 9,109 acres (3,636 ha) in total land area. Area 1 (McTavish) is 93 acres (38 ha) and Area 2 (Tsehum) is 179 acres (73 ha) (see *Figure 1.0*). The District has 4,643 lots (476 undeveloped lots). Area 1 has 284 lots (14 undeveloped) and Area 2 has 3 lots undeveloped (specified R-2 zones). Guest cottage and secondary suites build-out capacity is approximately 1,277 guest cottages and 3,384 secondary suites (21 currently registered).

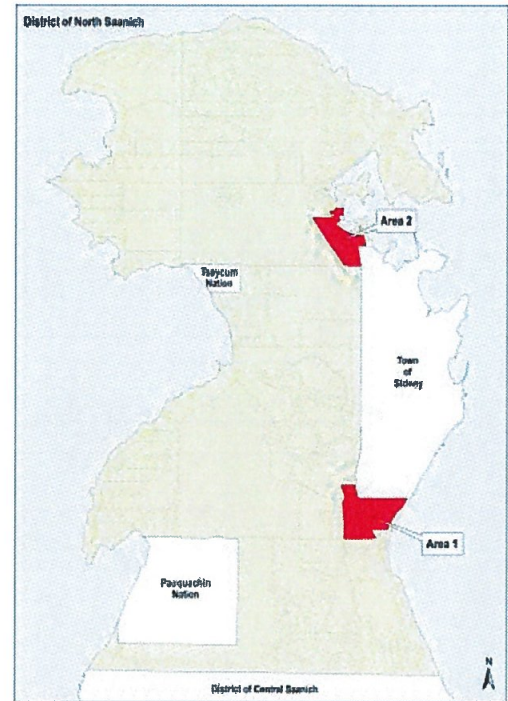
INTRODUCTION/BACKGROUND:

As per Council resolution 337, the purpose of this staff report is to provide options for Council to consider in order to make changes involving Areas 1 (McTavish) and 2 (Tsehum). Areas 1 and 2 are shown in Figure 1.0 above and profiled in *Appendices A, B, and C* which are attached to this staff report.

The Community Survey Final Report is provided as *Appendix D* for background information. The primary objective of the survey was to obtain feedback on the core community values and goals reflected in the Official Community Plan (OCP), and on whether Area 1 (McTavish) and Area 2 (Tsehum), as currently defined, are consistent with those values. The Regional Growth Strategy (September, 2016) is attached as *Appendix E* for further background information.

Results of the online and telephone survey indicate that North Saanich residents are highly supportive of all nine objectives in the Official Community Plan (OCP). These objectives are meant to provide the framework for future land use patterns. Furthermore, nine-in-ten (90%) respondents say they support the cornerstone objective of the OCP: *Retain the present rural, agricultural and marine character of the community.*

Figure 1.0 Area 1(McTavish) and 2 (Tsehum)



Additionally, 81-82% of online survey respondents and 89% of telephone respondents either strongly support or somewhat support the following OCP Objectives:

- *Ensure that long-term residential development of the community will retain the character of current neighbourhoods while responding to the need for seniors' and affordable housing*
- *Support the concept of socially inclusive and culturally diverse community while promoting the protection of heritage values.*

The options presented in this staff report consider the community survey respondents support for different approaches and housing types in making changes in Areas 1 and 2. These changes impact the number, type, location and other characteristics (or the variables). Respondents indicated the following:

- 47% of telephone survey respondents stated the desired approach from Council is to make some changes to the number, type, location or other characteristics of the increased density housing areas.
- 33% said take no action.
- 17% wanted Bylaw 1352 repealed.
- 83% of responses stated their opinion on issues in Areas 1 and 2 does not differ significantly. There is limited area within Area 2 to re-develop or develop, with one area being the Kiwanis housing, and other areas previously recommended by staff to be excluded from Area 2 due to sea level rise concerns.

The two land use designations in the OCP Section 6.0 that are intended to direct redevelopment in Areas 1 and 2 are Small Lot and Multi-Family Residential:

Small Lot Residential (Canora-Mews)

Small Lot Residential areas are lands developed with lots less than 1400 m² (15,065 ft² – 0.33 acres) that as of July 31, 2012 were (i) either an individual parcel larger than 1.5 ha (3.71 acres), or where a development application is made for multiple contiguous parcels that combined are larger than 1.5 ha (3.71 acres), (ii) located within the North Saanich Servicing Area, and (iii) designated as General Residential. Secondary dwellings, including laneway houses and secondary suites, are permitted in appropriate circumstances.

Multi-family Residential

The *Multi-family Residential* areas are generally developed to a range of approximately 15 townhouses/acre; 30 units/acre [for apartments (3 storeys)] or lots between 372 m² – 557 m² (4000 ft² – 6000 ft²) to achieve an average gross density of between 8 and 16 units per acre. The lands are located within the North Saanich Servicing Area (NSSA).

Pre-Bylaw 1352 the OCP designations for Area 1 and 2 residential was predominately General Residential but also included Multi-family Residential and also included Small Lot Residential (described above).

General Residential

The *General Residential* areas are those lands which are currently developed in the range of 1400 m² (15,065 ft² – 0.33 acres) to 2,000 m² (21,520 ft² – 0.5 acres) and that are intended for future single-family residential development, with secondary suites or second dwelling units in appropriate circumstances.

Multi-family Residential

The *Multi-family Residential* areas are generally developed to a range of approximately 30 units per hectare (12 per acre).

OPTIONS:

Five options are presented below. The first four options consider variations in number, type, location and other characteristics in Areas 1 and 2. The fifth option is presented without any variables so that Council can choose a different option from those presented. All current Single Family Residential lots in Areas 1 and 2 are zoned R-2, or CD-3 or CD-4 and area represented in context of the following visual continuum (see *Figure 2.0*) of Single Family lot areas currently found in the District for comparative purposes:



Figure 2.0 Residential Lots: Size Comparison

Overview of the Options

The size of the lots in Options 1 – IV increase to 557 m² from 372 m² - 557 m², the townhouses range from 9 – 15 units per acre (upa), from 15 units per acre, and apartments range from 3 – 4 storeys from 3 storeys. The options are summarized in Table 1.0 following the overview.

Option I: Area 1 Only

- Single Family: Lot size 557 m² (change from range of 372 m² - 557 m²)
- Townhouses: 9 - 15 units per acre (change from 15 upa)
- Apartments: 3- 4 storey (including Assisted Seniors Housing) (change from 3 storey)

Option II: Same as Option I, but including Area 2

Option III: Option I with identified areas for apartments in Area 1 only

- Single Family: Lot size 557 m²
- Townhouses: 9 - 15 units per acre
- Apartments: Only in specified areas, 3- 4 storey (including Assisted Seniors Housing)

Option IV: Same as Option III but including both Areas 1 + 2

- Single Family: Lot size 557 m²
- Townhouses: 9 - 15 units per acre
- Apartments: Only in specified areas, 3- 4 storey (including Assisted Seniors Housing)

Option V: Considers Location Changes, More Housing, Assisted Seniors Housing, Affordable Housing

- This option reflects respondents who indicated that the location of the increased density was not a key issue, however, the perceived need for new housing, affordable housing was more significant.
- Staff would propose a conversion to an FAR measure of density with housing typologies vested in the OCP but the actual density limitations set in the Zoning Bylaw. These FAR limits would be based on land economics to ensure feasibility. See *Appendix G*.
- Development Permit guidelines and Zoning bylaw categories would be developed specific to each housing typology in order to secure location, type, and interface sensitive guidelines.

Table 1.0: Current and Proposed Range of Variables of Area 1 (McTavish) and Area 2 (Tsehum)

Variables vs. Options	Pre-Bylaw 1352 General/Multi-Family	Post-Bylaw 1352 Current OCP: Multi-Family*	Option I: Area 1 Only	Option II: Area 1 + Area 2	Option III: Area 1 Only	Option IV: Area 1 + Area 2	Option V
1400 m ² (15,065 ft ² – 0.33 acres) to 2,000 m ² (21,520 ft ² – 0.5 acres)	x						
Lots (557m ² / 0.13ac)		x	x	x	x	x	
Lots (372m ² / 0.09ac)		x					
Townhouse (9 upa)			x	x	x	x	
Townhouse (15 upa)		x	x	x	x	x	
Multi-Family (12 upa)	x						
Apartment (3 storey)		x	x	x	x **	x **	
Apartment (4 storey)			x	x	x **	x **	
Assisted Seniors Or Affordable Housing			x	x	x	x	

*Multi-family designation definition amended with approval of Bylaw 1352 (pre-Bylaw 1352 Multi-family Designation specific lots)

**specific designated areas only

DISCUSSION:

The District of North Saanich has significant single family development potential conferred by existing zoning and/or by existing OCP provisions when considering undeveloped lots, lots which can be subdivided and lots with zoning that permits secondary suites and guest cottages. However, this development potential is for the most part, home owner driven. Understanding the existing stock and potential development in context of land economics and the Regional Growth Strategy framework are key variables in the complex decision making matrix when reviewing Areas 1 (McTavish) and 2 (Tsehum) and making decisions on how best to manage rural development and growth. One such policy tool is density targets.

North Saanich could, if so desired, use density targets as a policy tool for rural growth management (i.e. as a mechanism to implement proposed policy 1.2(1) in the 2016 RGS attached in Appendix). There are no density targets in the 2016 Regional Growth Strategy ('RGS') (formerly contained in the Regional Sustainability Strategy 'RSS'). The range of 8 to 16 units per acre (upa) was used in Bylaw 1352 to be consistent with the RSS rural growth target identified at that time (2014). The CRD in their RGS deliberations have also recently removed dwelling unit density calculations from their measurements. In the absence of RGS policy guidance, the District may focus opportunities in the context of the RGS and support infill and redevelopment of under-developed and under-utilized employment lands (i.e. industrial/commercial) and/or may select density targets as a policy mechanism in the selection of the options presented. Some municipalities are moving away from dwelling unit density calculations in favor of the floor area ratio ('FAR') method as it directly relates to floor area, massing, and design objectives (see *Appendix H*). We understand the Township of Sidney is in the process of changing upa density measure to an FAR method.

The RSS shift to RGS also shifted focus from climate change mitigation and adaptation to the interconnections of all objectives with a high interdependence reflecting different elements of sustainability through a climate action lens. In keeping with the overall objective of climate action, the RGS Map 3 focuses growth in the urban containment centres of which include North Saanich's Areas 1 and 2. The CRD awaits North Saanich's decisions with respect to Areas 1 and 2 and will amend Map 3 accordingly. Staff notes that some lands in Areas 1 and 2 are at risk for sea level rise.

Issues such as sea level rise in tandem with development puts pressures on all municipalities to manage their futures through strategic and operational decisions on asset and land management and suggests that development consider the climate change lens of mitigation and adaption (including avoid, protect, retreat, adapt). Within this context of change, consideration must be given to infrastructure assets (e.g. roads and storm sewers) concurrently with natural assets protection (e.g. aquifers and foreshore).

In conclusion, the District of North Saanich has significant management challenges with existing latent potential development without Areas 1 and 2 increased potential densification. With only a fraction of guest cottages and secondary suite development the population growth would exceed North Saanich projections. However, there is opportunity, in considering options for Area 1 and 2 development to consider assisted seniors or affordable housing to accommodate a growing seniors population and others unable to live in this community.

North Saanich Council, in its deliberations of Areas 1 and 2, has many variables to consider to retain the rural integrity, protect its future and plan consistently with the Regional Growth Strategy.

See *Appendix G* for the considerations of the Regional Growth Strategy priority areas.
See *Appendix H* Land Economics and Density for background information.

NEXT STEPS:

1. OCP Bylaw Amendments
 - a. 6.0: Residential (e.g. definitions)
 - b. 14.0: Development Permit Areas, Development Permit Areas 6 & 8
 - c. 16.0: Regional Context Statement (Local Government Act S. 447)
 - d. 17.0: Performance Measures
 - e. Schedule B: Land Use Designations
 - f. Figure 2: Regional Context Statement
 - g. Map 6: Development Permit Area 6
 - h. Map 8: Development Permit Area 8
2. Policy 10003.3 Interim Policy on Rezoning Applications – Amend or Rescind
3. Zoning Bylaw Amendments

LEGAL:

Local Government Act Section 447 Regional Context Statement must be amended with any changes. These changes can be made concurrently with the required amended for consistency with the RGS Bylaw 4017 after final reading.

FINANCIAL:

Local Government Act Section 477(3)(a)(i) Local governments must give consideration to financial plan.

Canadian Mortgage and Housing Corporation (CMHC) seed funding may be available which provides financial assistance to carry out initial activities required to help facilitate the creation of new affordable housing units and assist existing housing projects to remain viable and affordable. The funding is available to municipalities in the form of a non-repayable contribution (grant) for up to \$50,000.00. Staff met with representatives from Makola Development Services in October 2016. The opportunity to work with a development agency familiar with the CMHC application process could be further researched.

OPTIONS:

Proceed with one of the following:

1. Option I
2. Option II
3. Option III
4. Option IV
5. Option V

INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS:

The report was circulated to the District of North Saanich Directors for review.

SUMMARY/CONCLUSION:

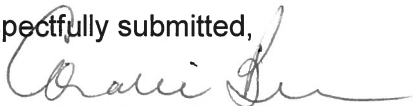
The potential for growth, the type of development and the location in North Saanich depends on both the extent of latent development potential and on the extent to which the District makes changes to the OCP designations and servicing policies which may or may not constrain achievement of that potential.

Staff recommends that Council consider making changes to the OCP which is consistent with regional growth strategy policies and consider adopting a growth density policy.

RECOMMENDATION:

That Council direct staff to proceed with one of the options outlined in this staff report (November 1, 2016).

Respectfully submitted,



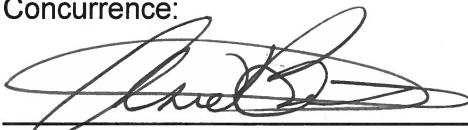
Coralie Breen
Senior Planner

Concurrence,



Rob Buchan
Chief Administrative Officer

Concurrence:



Anne Berry, Director of Planning & Community Services

Eymond Toupin, Director of Infrastructure Services

Stephanie Munro, A/Director of Financial Services

Curt Kingsley, Director of Corporate Services

John Telford, Director of Emergency Services

- Appendix A** Figures Area 1 (McTavish) and Area 2 (Tsehum) segmented
- Appendix B** Area 1 Zoning and Lot Statistics
- Appendix C** Area 2 Zoning and Lot Statistics
- Appendix D** Community Survey Final Report (May 30, 2016)
- Appendix E** Regional Growth Strategy (September, 2016)
- Appendix F** Map 3: Growth Management Concept Plan
- Appendix G** Regional Growth Strategy Priority Areas – Analytical Framework
- Appendix H** Land Economics and Density Considerations (provided by Luke Mari)