

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Planning and Community Development Committee – February 9, 2017

AUTHOR: Yuli Siao, Senior Planner

SUBJECT: Land Use Planning Opportunities to Support Affordable Housing in Rural Areas

RECOMMENDATIONS

THAT the report titled **Land Use Planning Opportunities to Support Affordable Housing in Rural Areas** be received;

AND THAT a comprehensive review of the Official Community Plans to create a consistent approach for affordable housing and infill development be a priority for the 2017 Planning and Community Development Department work plan;

AND THAT this report be referred to:

- *shíshálh* and Skwxwú7mesh Nations;
- all Advisory Planning Commissions;
- the Roberts Creek Official Community Plan Committee;
- District of Sechelt;
- Town of Gibsons; and
- The Sunshine Coast Housing Committee.

AND FURTHER THAT the outcome of the comprehensive review and feedback from the referrals be reported back to the Board.

BACKGROUND

On November 24, 2016, the Board of the Sunshine Coast Regional District adopted the following resolution:

430/16 **Recommendation No. 3** *Rural Land Use Planning with Respect to Affordable Housing*

WHEREAS securing affordable housing on the Sunshine Coast in the current economic climate is becoming a significant challenge for many;

AND WHEREAS the SCRD can take a leadership role in terms of rural land use planning;

THEREFORE THAT staff prepare a report for the First Quarter of 2017 which identifies land use opportunities to increase and potentially densify affordable housing in rural areas;

AND THAT the report include reference to the abilities of the SCRD to better utilize planning tools including, but not limited to, Section 483 of the *Local Government Act* (Housing Agreements) along with the collaboration and cooperation of the Province of BC and First Nations for lands identified in the various rural area Official Community Plans;

AND FURTHER THAT the report prioritize opportunities and include any other information deemed important by SCRD staff to help ensure success in addressing the concern.

This report examines the current state of affordable housing in the region, specifically within the official community plan boundaries of the electoral areas, and in relation to existing policies respecting density and affordable housing.

The report identifies areas and opportunities to increase the provision of affordable housing, and recommends land use planning strategies to implement intensification of affordable housing in those areas.

The purpose of this report is to provide information on this subject and obtain feedback from the Planning and Community Development Committee and to recommend next steps in providing efficient land use options designed to encourage affordability.

DISCUSSION

Current State of Affordable Housing

Previous housing studies have found that housing is increasingly unaffordable on the Sunshine Coast. Home ownership is generally unaffordable for households earning median income. The current 30% of renters who are in need of affordable housing is projected to grow to 40% by 2036. The aging population, particularly low-income seniors, are in need of housing assistance to age in place. There are few resources for the homeless population.

Affordable housing is an important aspect of healthy communities and is essential to increasing the quality of life for residents. In a healthy community there are diverse housing options for both rental and purchase. Securing affordable housing is recognized as a significant challenge for the community and efforts have been taken by various local governments and community representatives, such as the Sunshine Coast Housing Committee, to address this issue.

Among various strategies and methods, land use planning can play an important role in addressing the provision of affordable housing and compatible land use policies. Policies and regulations can be created in the official community plans and zoning bylaws, to guide where affordable housing should be placed, how it should be designed and serviced, and how it should fit into the surrounding neighbourhoods.

Current Official Community Plans

Currently the official community plans for Roberts Creek, West Howe Sound and Elphinstone contain policies regarding affordable housing. Many of the OCP's also have specific areas of focus for future density in neighbourhood nodes or community hubs. However, there is an

opportunity to improve these policies by expanding their scope and enhance the coordination and consistency among these plans.

Affordability

Affordable housing is commonly defined as housing that costs no more than 30% of gross (before-tax) household income. However, housing affordability is not simply the price of housing and must be viewed from different angles. Aside from price, many other factors affect housing affordability, for example, location, transportation, adaptability and versatility, durability, energy and resource efficiency, functionality and design, and so forth. “Location, location, location” is commonly known as a key factor in determining real estate price. Houses near settlement centres tend to be higher priced, but they can be affordable due to low cost of transportation to access work sites, amenities and services; whereas houses in far-flung areas may be priced lower but can be unaffordable due to high transportation cost. The key to affordable housing in rural areas is affordable housing in affordable locations.

Houses that can be modified, divided, expanded or converted to suit multiple purposes (for example live-work space, secondary suite, age-in-place) throughout its life can be more affordable for the owners because they can adapt their properties without costly relocation, and use them to generate income. Houses that are built with durable materials and consume less energy and resources can be more affordable because of the saving on maintenance and operating cost over the lifespan of the property.

A house that is designed with efficient and functional use of interior space can have a smaller floor area and foot print compared to a larger house, yet has the same quality of living space. Such a house takes up less land and is normally more affordable.

All of these factors must be considered in a comprehensive manner in order to create effective land use planning policies for affordable housing.

Opportunities

There are opportunities to increase the supply of affordable housing on the Sunshine Coast. Opportunities that are suitable for the rural character and condition of the region include infill in existing residential lots, and multi-family cluster housing and mixed-use development to be concentrated in and around village centres. These areas should be the priority for intensification consideration.

- A. Supply of housing units can be increased by: permitting auxiliary dwellings and secondary suites on residential lots where the lot size and sewage systems can support the additional sewage demand, there is adequate on-site parking, and the roadway system can handle the additional traffic volume, all without negative impact on the neighbourhood. These infill units can enhance the housing affordability for both the existing property owners and tenants of the rental units.
- B. Multi-family cluster residential development can supply large number of affordable housing units in concentrated areas in and around village centres, where there is sufficient utility capacity, convenient access to services and amenities, and good connection to public transportation routes. Mixed-use development is also appropriate in such areas, to complement the higher residential density and provide commercial and

employment opportunities for the residents, and therefore enhances housing affordability.

- C. There is also increasing demand in the community for small lots where detached or semi-detached single-family homes can be built. The emphasis is on quality, not quantity. Such houses are more affordable, because they are functional, more durable and energy efficient than conventional construction, and consume much less land. This type of development can effectively blend into the rural landscape. It is an excellent opportunity to increase residential density in rural areas without affecting their character.



An example of small-lot development

Additionally, short-term and tourist rental housing also has an impact on the supply of affordable long-term rental housing on the Sunshine Coast. There is a growing concern that competition from short term vacation rental use is reducing the number of residential rentals units and decreasing affordability. This is addressed in a separate staff report.

Land Use Planning Strategies

In order to enable these opportunities and guide the development of affordable housing, land use planning strategies should be developed. These strategies will align with land use principles of the Regional Sustainability Plan: 'We Envision' for the Sunshine Coast. Strategic growth will focus on existing settlement areas and village hubs to maximize the efficiency of existing infrastructure and minimize expansion into agricultural, resource and environmentally sensitive areas. A diverse range of housing will be encouraged through the development of complete, compact, efficient, walkable and low environmental impact communities.

A comprehensive set of land use planning policies to support affordable housing can be developed and incorporated into the official community plans in a consistent manner. These policies can include provisions for more land use flexibility in appropriate areas to enhance a property's adaptability to multiple purposes, infill development criteria for rural residential areas with respect to location, lot size, site layout and servicing, and guidelines for small-lot development and multi-family and mixed-use development in village centres. The policies can also include community design standards (or development permit area guidelines) for energy

and resource efficient design, efficient lot layout, walkability, active transportation, roadway connectivity, transit-oriented design, landscaping and buffering techniques, and so on.

Density benefits and housing agreements pursuant to the *Local Government Act* would also be incorporated into the policies to enable site specific provisions for affordable housing development.

Zoning Bylaws will need to be updated to be consistent with and to implement OCP policies. Collaboration and consultation with the Province and First Nations for lands identified in the various rural area Official Community Plans will also form part of the process to incorporate affordable housing policies into those plans.

Residential Infill Areas

There are a number of rural residential areas within existing Official Community Plans boundaries that are suitable for infill development in the form of auxiliary dwellings, secondary suites, duplexes or triplexes, and second dwellings. Potential areas include the following residential lands use districts:

- West Howe Sound
Grantham's Landing Residential, Hopkins Landing Residential, Langdale Residential
- Elphinstone
Residential A, C and D
- Roberts Creek
Residential A, B and C
- Halfmoon Bay
Residential A and B and community hubs
- Egmont / Pender Harbour
Residential A, Comprehensive Residential

Multi-family Residential Development Areas

Village centres are suitable for intensifying multi-family residential development, which can take the form of small-lot strata housing, multi-plex, townhouse, low-rise apartment, etc. Mixed use development that combines residential use with commercial, retail, service and office uses is also appropriate. Live-work space should be permitted with residential uses. Village core areas are normally well serviced by water, sewer and other utilities, close to transit routes, walkable to schools, employments, services and amenities. All these elements help to make housing more affordable.

The primary barrier to densification in the rural areas is the lack of sewage treatment capacity. Areas that have existing community septic systems have greater potential for increased density and should be prioritized; and on the other hand, increased density will help to make installing new community septic systems more affordable for areas that do not have such systems.

Potential development areas should include:

- West Howe Sound
Langdale core area

- Roberts Creek
Village Core area
- Halfmoon Bay
Community Hubs 1, 2 and 3
- Egmont / Pender Harbour
Madeira Park commercial core area

Crown Lands

Except for parcels of comparable size that are already integrated into the existing residential parcel fabric, large tracts of crown lands and lands with First Nations interests are primarily intended for conservation of natural open space or resources. These lands are not appropriate for infill development, and therefore not recommended to be considered for affordable housing intensification. Conversion of any of these lands to residential uses will require approval of the Province and First Nations.

Infill Policies

Current regulations for residential zones in Zoning Bylaws 310 and 337 permit an auxiliary dwelling unit or a half duplex on a parcel exceeding 2000 m², and a second single-family dwelling unit when the parcel size exceeds 3500 m² or 4000 m². Consideration can be given to reduce these parcel size thresholds to allow a smaller parcel to have an auxiliary dwelling, a half duplex or an additional single-family dwelling, subject to sewage treatment capacity. Such density increase is feasible as the average household size is decreasing and more advanced and efficient community or individual house sewage treatment technology has become available.

The maximum size for auxiliary dwellings and duplexes can be increased to allow for more habitable space for more people. The minimum residential building width of 6 metres can be reduced to allow for smaller and more compact buildings within the R1 and RS1 zones.

The definition and criteria for secondary suites should also be added to permit this type of housing in certain areas. The technical parameters of the recommended policies and criteria and any related development design standards should be examined through an in-depth study that will form part of a comprehensive update of the zoning bylaws.

The community, the province and First Nations will also be consulted throughout this process.

Public Engagement

It is common that there is a negative perception of affordable housing in one's backyard. This perception is unhelpful for the implementation of intensified affordable housing. It is important for the SCR D to correct this misconception through a public engagement campaign throughout the process of amending the Official Community Plans and zoning bylaws to incorporate affordable housing policies and regulations. The public should be made aware of the benefits of

affordable housing and its importance for building a healthy and equitable community, and that planning policies can help to achieve quality and higher density housing which can exist in harmony with neighbours.

Organization and Intergovernmental Implications

None at this time

Financial Implications

None at this time

Timeline for next steps or estimated completion date

To be determined upon receiving feedback and direction from the Board.

Communications Strategy

If directed by the Board to move forward, staff recommend that this report be referred to:

- *shísháhlh* and Skwxwú7mesh Nations;
- all Advisory Planning Commissions;
- the Roberts Creek Official Community Plan Committee;
- District of Sechelt;
- Town of Gibsons; and
- Sunshine Coast Housing Committee

As the project moves forward one or more public meetings could be arranged and input could be sought from agencies, community groups and provincial/federal ministries with respect to their specific interests and overlapping authorities.

STRATEGIC PLAN AND RELATED POLICIES

The following SCRD Strategic Plan objectives and success indicators relate to the subject of this report:

- Incorporate land use planning and policies to support local economic development
- Collaborate with community groups and organizations to support their objectives and capacity
- Land use policies and regulations are supporting affordable housing
- We envision complete, compact, low environmental impact communities based on energy efficient transportation and settlement patterns in harmony with the natural environment in which they are set

CONCLUSION

The challenge of providing affordable housing on the Sunshine Coast calls for innovative approaches in land use planning that are appropriate for the local character of the community. Rural residential areas and village cores are identified as the prioritized areas for infill and multi-

family cluster development respectively to assist the intensification of affordable housing. It is recommended that the Official Community Plans and zoning bylaws be updated consistently to incorporate policies, regulations and design standards pertaining to the provision of affordable housing.

Attachments

Attachment A – West Howe Sound OCP Residential Intensification Opportunity Areas

Attachment B – Elphinstone OCP Residential Intensification Opportunity Areas

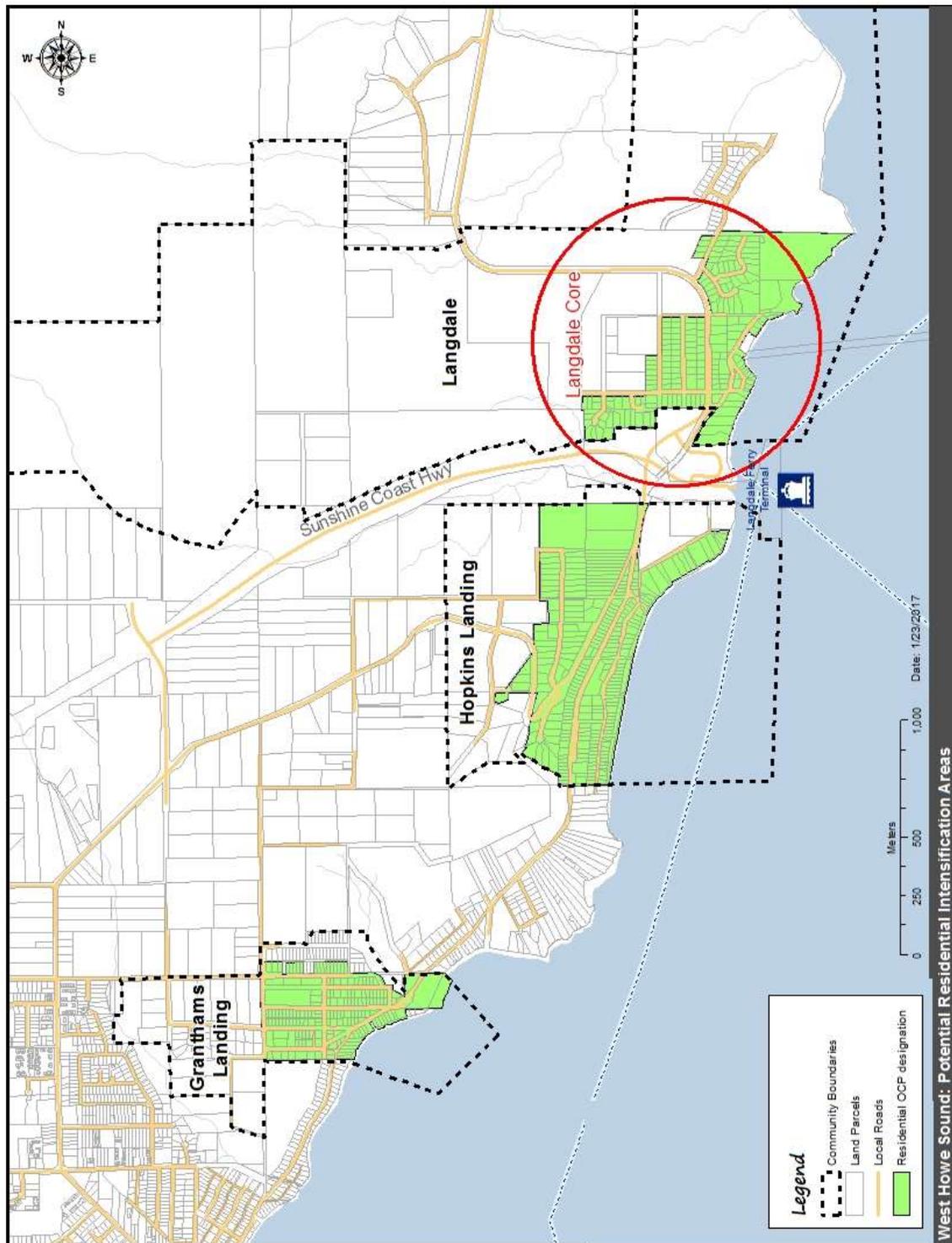
Attachment C – Roberts Creek OCP Residential Intensification Opportunity Areas

Attachment D – Halfmoon Bay OCP Residential Intensification Opportunity Areas

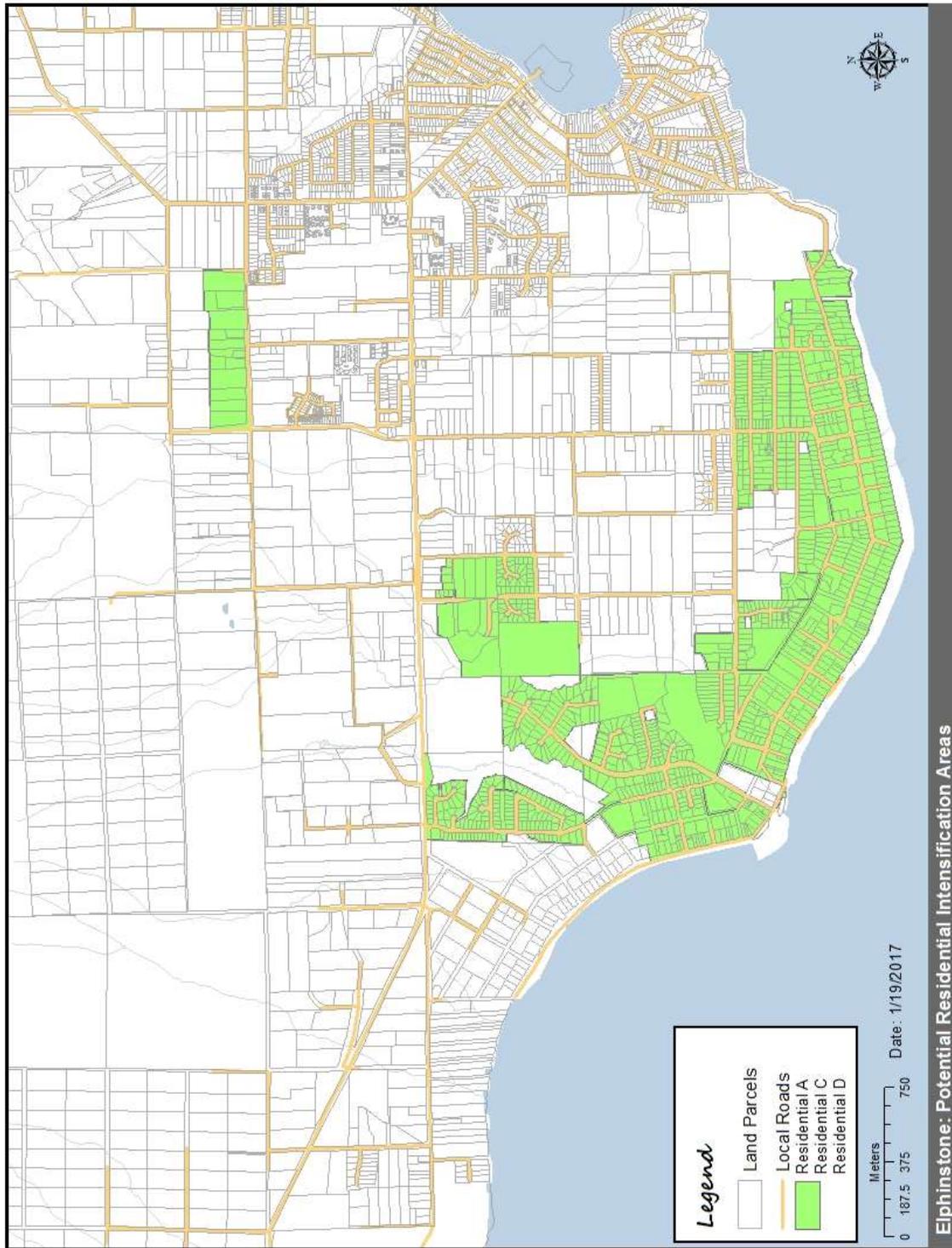
Attachment E – Egmont / Pender Harbour OCP Residential Intensification Opportunity Areas

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| Reviewed by: | | | |
| Manager | X - AA | Finance | |
| GM | X - IH | Legislative | |
| CAO | X - JL | Other | |

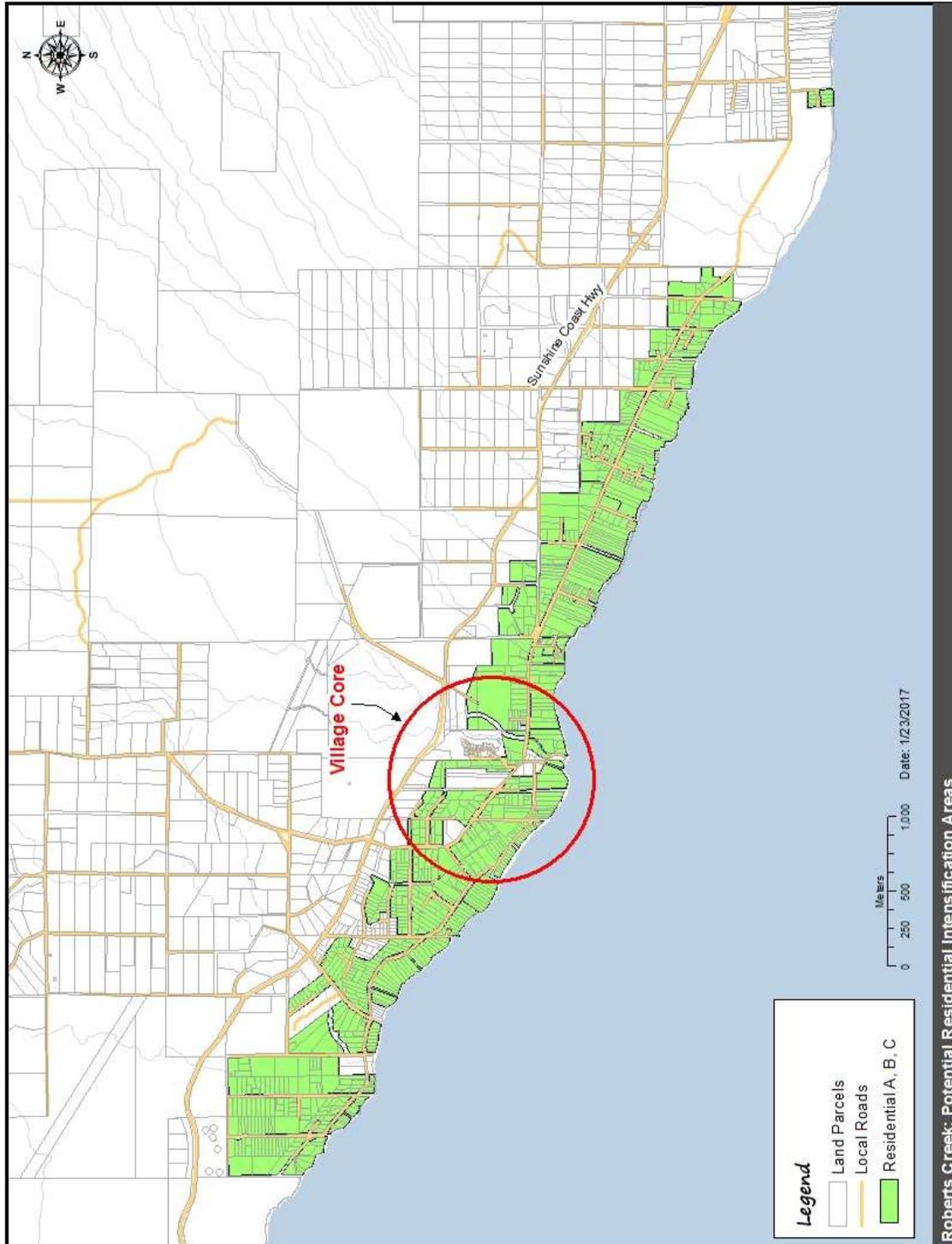
Attachment A – West Howe Sound OCP Residential Intensification Opportunity Areas



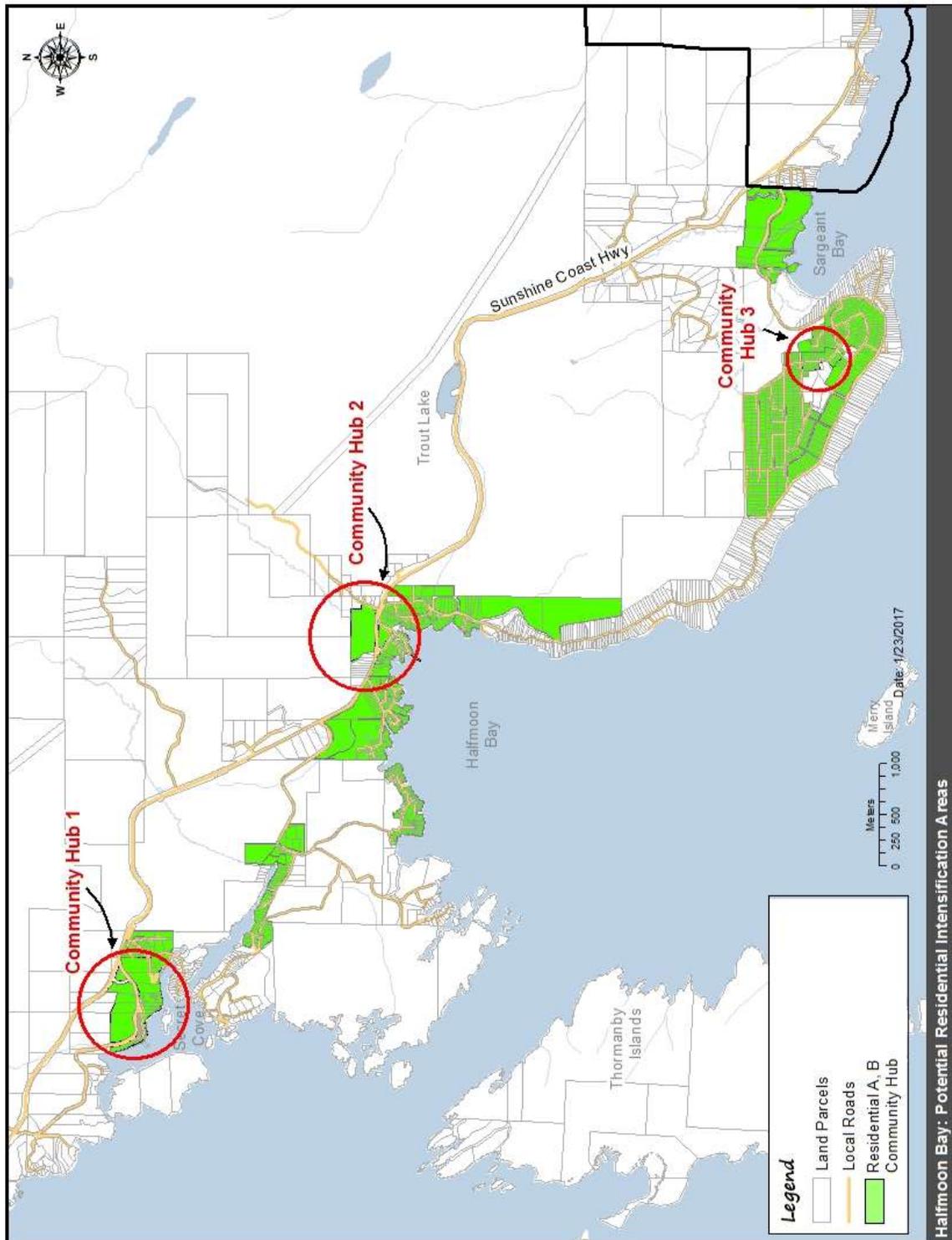
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