

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Planning and Community Development Committee – June 8, 2017

AUTHOR: Yuli Siao, Senior Planner

SUBJECT: Referral Feedback and Comprehensive Review of Official Community Plans with Respect to Affordable Housing Policies

RECOMMENDATIONS

THAT the report titled Referral Feedback and Comprehensive Review of Official Community Plans with Respect to Affordable Housing Policies be received;

AND FURTHER THAT staff prepare Official Community Plan amendment bylaws to implement affordable housing policies for consideration at a future Committee meeting in Q3 2017.

BACKGROUND

On February 16, 2017, the Sunshine Coast Regional District Board adopted the following resolution:

080/17 **Recommendation No. 5** *Land Use Planning to Support Affordable Housing in Rural Areas*

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 Division work plan;

AND THAT the staff report be referred to the following agencies:

- *shíshálh* and Sk̓wx̓wú7mesh Nations;
- All Electoral Area Advisory Planning Commissions;
- Roberts Creek Official Community Plan Committee;
- District of Sechelt;
- Town of Gibsons;
- Sunshine Coast Housing Committee; and
- Pender Harbour Seniors Housing Society.

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

This report summarizes feedback from the referrals and findings of a comprehensive review of existing Official Community Plan (OCP) policies. Based on the findings and analysis, this report proposes new OCP policies to support affordable housing in the rural areas.

DISCUSSION

Feedback from the Referral Process

The previous report titled Land Use Planning Opportunities to Support Affordable Housing in Rural Areas was referred to various agencies and community groups. A summary of comments received from the referrals can be found in Attachment A.

Common Themes of the Referral Comments

Several common themes emerge from the referral comments:

- Local community groups and agencies are generally supportive of the effort and direction the SCRDC is taking.
- It is important to balance and integrate densification with existing neighbourhoods, rural character and the natural environment.
- Infill in existing lots is a viable option for enhancing affordability because of its versatility: increasing supply of rental units, generating income for property owners, accommodating family members to be independent or age in place, flexibility, integration with rural setting, preventing sprawl to agricultural and environmental sensitive areas.
- Utility servicing capacity, including sewage treatment and water supply, is a limiting factor in rural residential development, but more advanced and efficient systems may provide an opportunity to overcome the limitation.
- Smaller-lot subdivision, alternative construction and efficient building design are supported.
- Clustered residential development in village core areas is a good solution to providing affordable housing in affordable locations.
- Local governments can support the development of affordable housing by improving infrastructure and servicing and making the development approval process simpler, quicker and less expensive.

Review of Official Community Plans

Official Community Plans for Egmont / Pender Harbour, Halfmoon Bay, Roberts Creek, Elphinstone and West Howe Sound contain various policies related to affordable housing. A summary of key policies in these plans is provided in Attachment B.

Common Themes of Existing OCP Policies

There are a number of common themes among OCP policies:

- Infilling of auxiliary dwellings, duplexes or second dwellings on existing lots of substantial sizes (exceeding the threshold of 2000 m², 3500 m² or 4000 m²) is used as means of increasing the supply of housing which can benefit both the owners and renters. The table below shows the current number of lots in OCP designated residential areas of those 5 electoral areas, and the number of lots (in parenthesis) that have more than one dwelling unit based on a house number analysis.

Electoral Area \ Lot size	2000 m ² ~ 3500 m ²	Exceeding 3500 m ²	2000 m ² ~ 4000 m ²	Exceeding 4000 m ²
Egmont / Pender Harbour			485 (13)	317 (45)
Halfmoon Bay	317 (25)	126 (18)		
Roberts Creek	316 (19)	292 (75)		
Elphinstone	303 (21)	99 (12)		
West Howe Sound	126 (8)	77 (13)		
Total	1656 (191)		802 (58)	
Grand Total	2458 (249)			

This table indicates that there are approximately 2458 parcels eligible for building an auxiliary unit or second dwelling, yet only 249 (10%) parcels have such additional dwelling units. There is still an untapped potential of approximately 2209 units that could be built. When able, this potential should be utilized prior to creating development policies supporting housing on other lands and Crown lands.

- Cluster housing development is encouraged in certain comprehensive development areas and village cores which includes a certain number of designated affordable units through housing agreements.
- Sewage treatment capacity is a limiting factor in considering density increase. However, advanced sewage treatment technology may help overcome this limitation.
- Mobile home parks are being used as a means to provide affordable housing. However, the advance in design of small, modular, pre-fabricated or other types of buildings constructed on small lots can provide a more attractive, more permanent, higher quality and more efficient housing alternative to conventional mobile homes, yet retain or exceed the density and affordability of mobile home parks.

Opportunities for Improving Existing Policies

Emerging approaches to enhancing housing affordability are not included in current OCP policies, notably, small-lot development, alternative building design and advanced sewage treatment technology. Some of the technological advances today may hold the key to successful intensification. For example, compact and efficient building design and sewage treatment systems can make smaller, denser housing development in the rural areas possible and more affordable. New planning policies can be developed to encourage the development industry and home owners to embrace new technology and innovative design. Further consultation with Vancouver Coastal Health on this topic is needed to determine how and where this opportunity can be enable by such policies.

Additionally, there is a lack of consistency and coordination regarding affordable housing across the OCPs. Organization and details of existing policies differ greatly from plan to plan. Opportunities for enhancing consistency, where appropriate, can be explored.

Proposed New Policies

Building upon the above findings and analysis, this report proposes a set of common policies across the Official Community Plans where there are suitable areas for affordable housing, to strengthen and update existing policies. In formulating new policies, staff have also taken into account the local knowledge and recommendations of community groups and agencies received through the referral process.

In addition, there are areas in the zoning bylaws that can be updated to support affordable housing policies being proposed, for example, increasing the maximum size of an auxiliary dwelling beyond 55 m² can provide more living space for an affordable unit where it can be adequately accommodated; reducing the minimum building width of a dwelling below 6 m can offer more flexibility in developing smaller lots, designing efficient living space and facilitating the placement of additional units or structures where appropriate. Such updates can be incorporated into the Zoning Bylaw 310 review as it progresses.

Many factors influence the availability of affordable housing, including economic condition, social condition, demographics, public policy, technology and innovation, etc. Land use planning policies are one of these factors. They can help to create a condition perceived to be favourable for affordable housing, but they cannot guarantee the creation of affordable housing.

Common Policies

The following are new common policies on affordable housing proposed for the Official Community Plans of Egmont / Pender Harbour, Halfmoon Bay, Roberts Creek, Elphinstone and West Howe Sound.

Affordable Housing

Affordable housing is commonly defined as housing that costs no more than 30% of the gross income of a household. Affordable housing is essential for building a healthy and equitable community and benefits the quality of life for all residents. In a healthy community there are diverse housing options for all segments of the population. Securing affordable housing is recognized as a significant challenge for many communities of the Sunshine Coast. These

policies seek to create land use opportunities and favourable conditions for the provision of affordable housing.

Objectives

1. Integrate affordable housing within the rural context.
2. Increase the supply of housing units through infill development on existing eligible parcels.
3. Direct cluster housing development to affordable locations, such as village core areas.
4. Enhance affordability by improving infrastructure and servicing in targeted areas.
5. Reduce land cost through smaller-lot subdivisions with quality design and adequate utility servicing.
6. Encourage the use of advanced sewage treatment systems for small communities and individual lots that can accommodate higher-density development.
7. Encourage smaller, efficient and durable building design and construction that are cost effective over the life span of the development.
8. Use housing agreements to secure the provision of affordable housing in appropriate developments in specific areas.

Policies

1. Affordable housing shall be developed to integrate into the rural communities and strengthen their identity and character. This can be achieved by creating developments that are complementary to the scale, layout, building design, landscaping and view of neighbouring properties and the surrounding natural environment.
2. Infill development of auxiliary dwellings, duplexes and second dwellings shall be focused on eligible parcels in accordance with zoning bylaw parcel size requirements. There is an ample supply of eligible parcels within the Plan boundaries where additional dwelling units could be built. To fully utilize the infill potential of these parcels and prevent unnecessary sprawl of residential development to other rural areas, the existing parcel size requirements should be maintained until such time when the eligible parcels have been substantially built out. The Regional District shall continue monitoring the availability of such parcels before adjusting the parcel size requirements and relevant policies accordingly.
3. Affordable location is the key to higher-density cluster affordable housing development. Affordable locations are normally those at village cores or hubs where there are potential community sewage treatment facilities, convenient access to schools, services, amenities and employment, and good connection to public transportation. These areas shall be prioritized for multi-family residential development, which can take the form of small-lot strata housing, multi-plex, townhouse, low-rise apartment, and so forth. Mixed-use development that combines residential use with commercial, retail, service and office uses is also appropriate in such areas. This type of development complements the higher residential density and provides commercial and employment opportunities for residents, and thus enhances housing affordability.

4. The Regional District shall seek opportunities to improve infrastructure and servicing in affordable locations to further enhance their affordability, such as pedestrian connections, parks, trails, biking paths, community sewage treatment plants and transit service.
5. In areas not designated by any other policies of the Official Community Plan, a minimum lot size of 700 m² shall be considered for new subdivisions where there is a provision of a minimum of 20% designated affordable housing units secured by a housing agreement, and suitable water supply, sewage treatment facility and traffic circulation can be provided. Detached or semi-detached single-family homes can be built in such small-lot subdivisions. This type of development can reduce land cost and effectively blend into the rural landscape. Smaller lot size is an essential tool to increase residential density in rural areas without affecting their character.
6. Sewage treatment systems that do not require an absorption field occupy much less land than conventional septic systems, making higher-density development more affordable. They should be considered for small-lot or cluster housing developments subject to the approval of the Vancouver Coastal Health Authority.
7. Smaller buildings are more suitable for infill, small-lot and cluster development. They normally cost less to build and maintain. With the use of energy-efficient technology and durable building materials, they can be made more affordable over the long term. This type of construction should be encouraged wherever suitable.
8. A housing agreement pursuant to the *Local Government Act* shall be considered as a tool to secure the provision of affordable housing in appropriate areas, and enable site specific provisions to enhance long-term affordability of the development, which can include energy and resource efficient building design, durable construction, and innovative architectural and landscape design that is compatible with the character of the surrounding neighbourhoods.

Organization and Intergovernmental Implications

Communication and consultation with other levels of government (e.g. Vancouver Coastal Health) are essential during the process of reviewing proposed affordable housing policies.

Financial Implications

None at this time.

Timeline for next steps or estimated completion date

Upon receiving feedback and direction from the Committee, staff can proceed to drafting formal Official Community Plan amendments to incorporate new affordable housing policies.

Communications Strategy

The proposed OCP amendment will be referred to agencies as part of the bylaw adoption process. As the project moves forward one or more public meetings will be arranged and input will be sought from agencies, community groups and provincial/federal ministries with respect to their specific interests and 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

The subject of this report is also aligned with the following land use principles of the Regional Sustainability Plan: 'We Envision' for the Sunshine Coast:

- 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

Through the referral process, the previous staff report which identified opportunities to support affordable housing on the Sunshine Coast received general support from community groups and agencies. Various new approaches were also suggested by these groups. A comprehensive review of current Official Community Plans has identified viable common principles, as well as opportunities for improvement in existing policies. Based on this analysis and community feedback, staff propose a set of new policies to strengthen existing policies and incorporate new approaches. These policies can form the basis of OCP amendments to provide a consistent approach to affordable housing across applicable electoral areas. Further consultation through information meetings and referrals would occur as part of the bylaw adoption process.

Staff will report to a Q3 Committee meeting with recommended OCP amendments.

Attachments

Attachment A – Summary of Referral Comments

Attachement B – Summary of Key OCP Policies Related to Affordable Housing

Reviewed by:			
Manager	X – A. Allen	Finance	
GM	X – I. Hall	Legislative	
CAO	X – J. Loveys	Other	

Attachment A

Summary of Referral Comments

Egmont / Pender Harbour Advisory Planning Commission

- The land use area under consideration for affordable housing should be expanded to include Egmont.
- The APC does not consider foreshore areas suitable for affordable housing.
- This APC is in favour of increased density in the correct places and relaxing regulations on side yard, lot size, etc.
- Maintain commercial land base.
- Consider co-op housing and using Crown lands for affordable housing.
- It is not the Government's responsibility to fund affordable housing through taxes.
- Changing the zoning bylaw or making amendments to the OCP takes too long when developers apply to build affordable housing.

Halfmoon Bay Advisory Planning Commission

- The Committee fully supports the staff recommendations.
- Densification in Village Hub 1 (Secret Cove) is problematic because most of that area is served by an ocean outfall sewage system. There are also problems with coliform in the Lohn Road area.
- If Crown lands east of the school on Northwood Road ever became available, they would be a good location for row housing.
- Explore further the options of smaller units. There is a lot of interest in alternative housing such as container house, straw bale house etc. As part of the study SCRDC could look at alternative building types and sustainable building models.
- High transportation costs negate the possibility for affordable living in Halfmoon Bay. The bus service is a long way away from supporting residents with a regular schedule. If housing increases, transportation likely would follow.
- The OCP's mandate is 'rural by nature': balancing rural character with higher density hubs.
- There are very limited lands available for affordable housing.
- Mobile/modular homes or trailer parks are affordable and can be beautiful and very nice; they can be good additions to the community.

Roberts Creek Advisory Planning Commission

- The APC agrees that SCRDC should take a leadership role in exploring opportunities for affordable housing in rural areas of the Sunshine Coast and looks forward to seeing proposals as they come forth. The APC considers that this work should be a priority.
- Most of the people who live in the SCRDC come here because of their love for the natural beauty of the place and enjoy the relatively quiet, semi-rural living that it offers. This is

clearly stated in the Roberts Creek OCP vision statement. Affordable housing must be skillfully integrated into the community so that it remains compatible and comparable in character and size with existing structures in the village core, as outlined in the OCP.

- Affordable living on the Coast should include alternative income streams. The APC looks forward to the discussion of the short-term rental business and if this can be designed to contribute to affordable living for residents on the Sunshine Coast.

Elphinstone Advisory Planning Commission

- Provincial Health Ministry restrictions on residential development due to sewage treatment capacity should be considered when evaluating density increase.
- There is potential impact of increased density on privacy, views, drainage and neighbourhood character.
- It is important to have proper servicing in place before increasing density or size of auxiliary dwellings due to the impact on the drainage system. Do not permit increased size of auxiliary dwellings without the pre-condition of adequate servicing.
- Before increased auxiliary dwelling size is determined, regulations need to be reviewed to ensure auxiliary dwellings do not conflict with other buildings and uses.
- Consider the impact of short-term rentals on long-term rental availability.
- Low-cost rental housing is an opportunity not being met, but there should be criteria to ensure quality for low-coast housing.
- Consider co-housing and strata subdivision as options to provide affordable housing.
- More attention has to be paid to site coverage if density is to increase.

West Howe Sound Advisory Planning Commission

- “Affordable housing” needs to be clearly defined in the policies.
- Developer-driven development is generally not intended to provide affordable housing.
- Minimum lot size can impact affordability.
- Whereas home buying used to be for family habitation, it is now for investment. This will have a big impact on affordability.
- The SCR D should look at what other communities are doing, like Mission, Chilliwack, Abbotsford, Langley, and Islands Trust’s recent considerations related to options on housing and density issues.
- When doing densification, there has to be a plan to address sewage treatment, water, infrastructure and services.
- It is important to consider capacity for services: the number of units the Langdale well can support, the capacity of sewage treatment facilities in Langdale.
- Young families have been moving to the coast because of what is happening in the Lower Mainland. There will be a tipping point when density has to increase here. We have to decide on what we want densification to look like.
- A secondary suite or a coach house is an opportunity to invest in the property.

- Have a grant program for some of the new septic technologies that enable a smaller septic area, or encourage a community system. Using more efficient sewage facility can be a condition for increasing density.
- Access to a coach house would be tricky on a hill.
- A small-home village could be developed behind Langdale school.
- Consider densification on an agricultural property: permitting a number of small homes housing families that work on the farm.
- There is an increased demand in the community for small lots where a detached single-family dwelling could be built. An example is the Parkland subdivision in Gibsons.
- Land use policies and zoning need to change to meet the demand in a timely manner.
- For a Langdale comprehensive development zone, have a clear policy requiring new developments to have a certain number of affordable units.
- If the rules regarding required infrastructure are made more affordable (such as waiving the requirement for curbs), that passes on to the cost of the lot.
- One of the cheapest and fastest ways to densify: apartment buildings.
- Affordable housing seems to be a coastal issue. There seem to be a lot of regionalism, segmentation, and NIMBYism on the Sunshine Coast. We want to see a wider public engagement at a coastal level.
- Short term rentals affect affordability.

Roberts Creek Official Community Plan Committee

- The Roberts Creek Official Community Plan Committee recognizes the urgent need and strong demand for affordable housing, and notes that the following opportunities are directly supported by the Roberts Creek Official Community Plan:
 - Increased density in the community core
 - Cluster housing
 - Alternative residential developments
 - Affordable market ownership/non-market ownership
 - Innovative green building
- The Committee supports increased densification but not smaller lot sizes, and recommends the following:
 - Home owner incentive for densification
 - Increased land use flexibility
 - That Crown land within a certain distance (e.g., 2 km) to facilities be considered for affordable housing, including areas above the highway
 - Community sewage systems be supported

- More buildings on lots, such as suites and duplexes, be supported
- Alternative, green and off-grid building be promoted
- Affordable housing for individuals living below the poverty line be explored
- Affordable housing be accessible and not-for-profit based

Town of Gibsons

- Town council has a concern regarding the extent of the Intensification Opportunity Areas in the Elphinstone OCP area and that they may potentially compete with infill options within the Town boundaries.
- Two elements of the Town strategies of recent years could inform the SCRD efforts for new affordable housing options:
 1. The Garden Suite program has resulted in 4 approved and 4 potential applications. This program could be adapted to provide infill options for rental accommodation in the rural area.
 2. The Town's Zoning Bylaw introduced smaller lot areas and cluster development options that were first used in the Parkland subdivision in upper Gibsons. The Small Lot Cottage Residential zone has provided a new option for parcels of 280-400 m² in size, which offers a more efficient land development option than the conventional 700 m² lots. The SCRD could explore cluster zoning or smaller lot sizes for a rural context where sufficient sanitary treatment options are available.

Sunshine Coast Housing Committee

Overall this report is a positive step toward the feasibility of rural approaches to supportive housing. The Committee was particularly encouraged to see discussion of small lots, reductions to minimum widths of residential buildings and encouragement of clusters around village hubs. More flexibility in residential land use, where infrastructure (septic and water) allows, is a key positive rural strategy for addressing affordable housing, and one the Housing Committee is very supportive of.

Skwxwú7mesh Nation

No concerns.

shíshálh Nation

No comments received.

District of Sechelt

No comments received.

Pender Harbour Seniors Housing Society

No comments received.

Attachment B

Summary of Key OCP Policies Related to Affordable Housing

Egmont / Pender Harbour Official Community Plan

Existing OCP:

- Opportunities for affordable housing shall be made available through zoning providing for auxiliary dwellings, duplexes, mobile homes and full size second dwellings in most parts of the Plan Area subject to parcel size and other requirements.
- The introduction of cluster housing has several environmental and social advantages. The advantages include the reduction of private land consumption for housing, reduction of disturbed areas by construction, concentration of homes in the most desirable areas, and the retention of natural wildlife corridors, green space, and recreation areas for the general public. As an alternative to traditional large lot developments, cluster housing may offer an affordable option for renters, seniors and first-time purchasers.

Proposed new OCP:

- Parcel size designations in this plan have attempted to strike a balance between soil suitability for on-site sewage disposal, the community's desire for an affordable supply of land as well as protection of important environmental features, including the Plan area's lakes.
- To encourage the building of a range of housing types and opportunities to address affordable, rental, seniors and special needs housing.
- Opportunities for affordable rental, seniors and special needs housing shall be made available through zoning providing for auxiliary dwellings, duplexes, suites within houses, mobile homes, special rental housing, transition homes, and full size second dwellings in most parts of the Plan area subject to parcel size and other requirements.
- Provision for a second single family dwelling requires a minimum parcel area of 4,000 square metres in areas served by on-site septic disposal systems. A duplex, auxiliary dwelling or suite within a dwelling are supported for the provision of affordable housing options.
- Subdivisions with higher density will be considered, with an average parcel size of 1,000 square metres, in neighbourhood areas where there is an affordable housing component and a community benefit. High density developments shall be serviced by community water supply and approved septic treatment technology.
- Market restricted affordable housing may also be considered as part of a development approval for future multi-family developments.

Halfmoon Bay Official Community Plan

- A limited amount of land is available for future development, and development should be undertaken only if the land is developed in a way that meets the needs of a rural residential community and provides suitable amenities, such as park or trail dedication, access to the ocean and affordable housing.

- Existing hub areas are suitable for mixed land uses including affordable housing.

Roberts Creek Official Community Plan

- The Plan encourages the use of density bonus, housing agreement, community amenity and multi-family residential zoning to create land use opportunities for the development of affordable housing.
- The Plan supports higher density mixed commercial and residential developments and cluster housing developments in the village core area to create opportunities for affordable housing.
- The Plan encourages innovative design and construction methods, low energy use, smaller dwellings, green building materials and techniques to help to make housing more affordable.
- Opportunities for affordable housing shall be made available through zoning provisions to permit second dwellings, auxiliary dwellings, duplexes and mobile homes in most parts of the Plan area subject to parcel size and other requirements.
- The Plan identifies various types of affordable housing, such as rental, ownership, market and non-market pricing, life lease.
- Sewage treatment facilities required to provide affordable housing shall be designed and developed to Regional District standards and to Provincial requirements and subject to consultation with local residents.

Elphinstone Official Community Plan

- The Plan encourages mixed-use development with commercial and multi-family residential uses with the inclusion of 10% affordable housing for parcels exceeding 2 hectares via rezoning the property to a comprehensive development zone.
- The Plan encourages the provision of affordable housing options through auxiliary dwellings, duplexes and second dwellings on larger lots.
- The Plan permits in Comprehensive Development Cluster Housing Area 6 a minimum subdivision parcel size of 700 m² if there is a provision of 20% designated affordable housing.
- The Plan permits density increase to 20 units per hectare for Mobile Home Park land use designation if there is a provision of 20% designated affordable housing.

West Howe Sound Official Community Plan

- Affordable housing can be achieved through secondary dwellings on rural and residential parcels, infill development in residential areas, clustered housing and mobile homes.
- The Plan encourages the development of affordable housing in the Langdale Neighbourhood Village Centre through a mixture of smaller housing forms and smaller parcel sizes that have relatively low servicing costs.

- As part of the development approval consideration for the Comprehensive Development Areas, specific properties and dwelling units shall be designated as affordable and special needs housing.
- In planning for affordable housing, it is important to provide easy transportation accessibility to jobs, commercial services and amenities.
- Mobile home park development should have a minimum density of 15 units per hectare, a community sewage system, internal circulation and recreational space.