



STAFF REPORT

Date: July 2, 2013

File No.: DE 6500-20
(Review of Housing Policies)

To: Denman Local Trust Committee
For meeting of July 16, 2013

From: Seth Wright, Student Planner

CC: Rob Milne, Island Planner
Courtney Simpson, Regional Planning Manager

Re: Consultation on Secondary Dwelling Units

PURPOSE

The purpose of this Staff Report is to provide a Consultation plan to inform the revision of Denman housing policy in regard to secondary dwelling units and the definition of dwelling.

BACKGROUND

Objective

To identify, through public consultation, policy solutions to housing challenges on Denman Island pertaining to secondary dwelling units and definitions of dwelling units.

Overarching Project Goals

- To achieve broad and meaningful community participation
- To create a dialogue between the Local Trust Committee and the community whereby community needs and concerns can be effectively addressed
- To effectively focus and record dialogue so that it may inform the development of land use bylaws

Context

This project has been initiated by the Denman Island Local Trust Committee (LTC) pursuant to the Islands Trust Council Strategic Plan (2008-2011) objective 4.3 "Use land use planning tools and decisions to improve the availability of affordable/accessible/ appropriate housing." The Local Trust Committee is now prioritizing this objective in response to increasing community demand.

A 2008 '*Housing needs on Hornby and Denman Island*' report identified "at least 26 renter households and about 42 elder households on Denman Island are living in housing which is unacceptable according to nationally established standards." The report also highlights that 13.5

percent of households are in housing need with affordability of owning/renting a home as the main barrier. A narrowing age demographic towards older residents, a lack of rental options, and a deficiency of housing models able to accommodate a growing senior population also arose as common themes.

The 2010 *Seniors Housing Strategy* report also highlights the need for amendments to housing regulations to ensure that seniors can remain within their island community. The Local Trust Committee has also received various requests, over that past decade, to allow secondary kitchen facilities within visitor accommodation and bed and breakfast units.

Ultimately, the Denman Local Trust Committee has now identified secondary dwelling units and the definition of a dwelling unit as the primary driver for this consultation process, but recognizes that policy options should be generally agreeable to the community, suited to the Denman Island context, and effective within the jurisdictional framework of the Local Trust Committee.

The issue of additional density on the island has been identified as a critical and challenging question within the community. The Denman Island Official Community Plan (Part E.1 - Housing) proposes that density should be determined through environmental limits and existing zoning regulations, but that housing should also accommodate diversity (as quoted below).

RELEVANT LEGISLATION & POLICY

Residential Tenancy Act (2002)

The *Residential Tenancy Act* defines the terms and standard for all tenancy agreements, rental units and other residential property subject to rental for dwelling purposes. The Act, however, does not apply to co-op housing, student housing, vacation accommodation, emergency housing, care facilities or housing where the tenant shares a bathroom or kitchen with the owner.

Islands Trust Policy Statement (2003)

The Islands Trust Policy Statement contains the following directive policies relevant to housing:

- 5.8.6 Local trust committees and island municipalities shall, in their official community plans and regulatory bylaws, address their community's current and projected housing requirements and the long-term needs for educational, institutional, community and health-related facilities and services, as well as the cultural and recreational facilities and services.

Denman Island Official Community Plan Bylaw No. 185

E.1 - HOUSING

Some islanders are concerned that growth and development of Denman Island could produce an accompanying sharp rise in land prices and could lead to a decrease in the diversity of the population in coming years. Comments submitted during the development of this Plan expressed a desire for a wide range of housing options to limit this possibility. As a result, this Plan introduces alternatives to the current land use pattern. Nonetheless, single family lots will continue to make up the majority of the land base on Denman Island.

This community acknowledges the need for affordable and special needs housing to maintain a diverse population in the face of rising land prices and to encourage seniors to remain on the Island. Limits on these forms of housing are designed to address the possible negative impact of locally increased density. Initiatives to provide opportunities for affordable housing of various kinds are ongoing.

Guiding Objective

To encourage housing that accommodates the needs of a variety of families and individuals while protecting the natural environment, the social fabric and the rural character of the community.

Housing - Objectives

- Objective 1 To ensure that housing options are sensitive to ground water availability and sewage disposal capability, guard against contamination of ground water and preserve the rural nature of Denman Island
- Objective 2 To ensure housing options preserve human diversity in the community
- Objective 3 To set the maximum for the overall residential density of the Island as the residential density possible with the zoning regulations in place at the time of adoption of this Plan while providing flexibility for a range of dwelling types
- Objective 4 To support the establishment of affordable housing, rental opportunities and special needs housing and provide the opportunity for Island seniors to remain in the community, especially in their own or their families' homes

Housing – Policies

Use and Density

- Policy 9 In the Residential designation, unless otherwise permitted by Policy 29, zoning regulations should permit one dwelling unit per 1.0 hectare of lot area to a maximum of five dwelling units, provided that the land owner provides the Local Trust Committee with proof that adequate water supply is available for each dwelling unit without endangering the water supply of adjacent land owners. One dwelling unit should be permitted on lots that are less than 1.0 hectare in area.
- Policy 10 In the Rural designation, unless otherwise permitted by policies 16 and 29, zoning regulations should permit one dwelling unit per 4.0 hectares of lot area, provided that the land owner provides the Local Trust Committee with proof of adequate water supply for each dwelling unit without endangering the water supply of adjacent land owners. One dwelling unit should be permitted on lots that are less than 4.0 hectares in area.

- Policy 11 The overall residential density on Denman Island should generally not increase beyond that permitted by existing zoning on the date this Plan was adopted except that an increase of approximately 5 percent may be permitted to accommodate zoning amendments for special needs and affordable housing, including secondary dwelling units pursuant to Policy 16 or site-specific zoning amendment applications under Policy 29 of this Section.
- Policy 12 Landowners are encouraged to ensure that all dwelling units comply with the building safety and waste disposal regulations found in the B.C. Building Code and the applicable health standards.
- Policy 13 In the Sustainable Resource designation, unless otherwise permitted by policies 14 and 29, zoning regulations should permit no more than one dwelling per parcel.
- Policy 14 In the Sustainable Resource designation, unless otherwise permitted by Policy 29, on land in the Agricultural Land Reserve:
- one dwelling could be permitted per the minimum lot area permitted by Subdivision; and
 - additional dwellings could be permitted if they are required for full-time farm help.
- Policy 15 Landowners are encouraged to cluster houses and buildings accessory to a residential use to leave areas of undeveloped space.

Special Needs and Affordable Housing

- Policy 16 The Local Trust Committee should consider zoning amendment applications for site-specific zoning to allow small secondary dwelling units or secondary suites on lots of two hectare or more that are in the Rural or Sustainable Resource designation provided proof of adequate water is provided.

INFORMATION NOTE: A secondary dwelling unit on land in the Agricultural Land Reserve requires the approval of the Agricultural Land Commission.

- Policy 19 The Local Trust Committee should review the policies in this section once the final report is available for the Hornby and Denman Island Housing Needs Assessment, with a view to determining whether further opportunities for affordable housing are needed and what form any such opportunities should take.

DISCUSSION & STAFF COMMENTS

The June 4, 2013 Denman Island Local Trust Committee meeting received a staff report outlining a possible format and communications plan for a consultation on housing needs strategies. The LTC discussed the proposed plan at some length and made a number of suggestions to reframe the scope of the process:

- **Narrow scope to focus on secondary dwelling units and definition of dwelling units.** The LTC identified that Secondary Dwelling Units was the central issue and would be a feasible undertaking in the time available. Staff suggested that the inclusion of definitions of dwelling would allow for broader discussions regarding regulation of secondary kitchens, including both visitor accommodation and bed and breakfast facilities.
- **Include efforts of Advisory Planning Commission.** The LTC acknowledged that the APC has played a significant role in addressing this issue, and therefore, their relevant efforts, conclusions, and recommendations ought to be included. The LTC may wish to include the current APC in the consultation process and it was noted that efforts should be made to ensure participation of past and present APC members throughout the process.
- **Begin first consultation meeting with panel.** The LTC suggested that a panel could effectively frame the context of the ensuing discussion by identifying key stakeholders and central themes. Potential panelists indicated by the LTC include seniors needing care, renters facing housing challenges, an APC member, and a local trustee.
- **Engage public between meetings.** The LTC identified that a critical component to this consultation was maintaining contact with attendees and the public throughout the entire consultation process, and especially between the first and second meetings. Email, Denman Island's Facebook page, and written communication were suggested as appropriate media for such communication in addition to both written pieces and advertisements in the Grapevine and Flagstone.

The Local Trust Committee subsequently requested a revised plan to reflect the comments and suggestions put forward:

DE-033-2013 It was **MOVED** and **SECONDED** that the Denman Island Local Trust Committee request staff to redraft the Consultation on Housing Needs Strategies for the July meeting for discussion.

CARRIED

Pursuant to this resolution, this staff report revises the previous plan to reflect the feedback provided at the June 4th Local Trust Committee meeting.

Scope

In Scope	Out of Scope
<p>Primary Topics</p> <ul style="list-style-type: none"> ▪ Secondary suites and/or cottages – including visitor accommodation ▪ Reviewing definition of a dwelling unit <p>Secondary Topics</p> <ul style="list-style-type: none"> ▪ Temporary Use Permits ▪ Density Cap ▪ Relevant density and population growth concerns ▪ Desirable demographic diversity ▪ Long-term economic sustainability ▪ Bed and Breakfast accommodations ▪ Affordable Housing Agreements 	<ul style="list-style-type: none"> ▪ Density bank ▪ Density transfer ▪ Short-term vacation rentals ▪ Multi-unit projects (i.e. co-housing or senior housing)

Stakeholder Matrix

Stakeholder	Interests, expectations, concerns
<i>Islands Trust Executive Committee</i>	<ul style="list-style-type: none"> • Preservation and protection of the Trust Area ecosystems • The scale, rate and type of development in the Trust Area are compatible with maintenance of the integrity of Trust Area ecosystems • To sustain island character and healthy communities
<i>Homeowners</i>	<ul style="list-style-type: none"> • New housing permissions do not threaten rural character • New policies should be fair, clear, and respect needs • Policies should not significantly impact land values • Expect clear, proactive communication
<i>Renters</i>	<ul style="list-style-type: none"> • Greater availability of legal rental housing to meet housing need • Solutions that incentivize additional housing rather than penalize users of existing, potentially substandard housing
<i>Seniors</i>	<ul style="list-style-type: none"> • Housing that meets changing needs (e.g. caretaker suites)
<i>Community at large</i>	<ul style="list-style-type: none"> • Any additional density or population does not exceed groundwater supply, septic capacity, or threaten rural character • Additional housing should maintain and encourage demographic diversity

Engagement Plan

Task	Context	Cost	Target Date	Who
<i>Website updates</i>	Invitations to Consultations/Reports		ongoing	Staff

Task	Context	Cost	Target Date	Who
	Following			
<i>Trustee's Notebook & Trustee's Report</i>	Invitation to both meeting and outline of process		Ongoing	Trustees
<i>Facebook & Word of Mouth</i>	Prior to and following each consultation meeting		Aug. & Oct.	Trustees
<i>Posters</i>	Promote events at key locations		Aug. & Oct.	Staff/Trustees
<i>Newsletter Promotions</i>	Advertising (including insert) , calendar dates, and written materials in Grapevine and Flagstone	\$300	August & October	Staff
<i>First Meeting</i>	Provide a forum for discussion of key issues	\$250	August 2013	All
<i>Short Report for webpage and newsletters</i>	Summarize meeting, outline next steps, and invite participation		Sept. 2013	Staff
<i>Distill Discussion</i>	Examine content of first meeting and distill for second meeting		Sept. 2013	Staff
<i>Second Meeting</i>	Outline key concerns and opportunities for various approaches and narrow solutions	\$250	Oct. 2013	All
Total		\$800		

Resources

Staff is responsible for preparing and distributing communication materials, excepting Trustee Notebook and Trustee Reports. The LTC is asked to endorse this plan, but will not necessarily be given the opportunity to endorse future written materials due to time constraints between LTC meetings. By endorsing this Plan, the LTC is directing staff to prepare and distribute the listed materials and organize the meetings detailed above.

Format of Meetings

First Meeting

This meeting will provide a forum for the open discussion of factors that should be considered in relation to Secondary Dwelling Units and definitions of dwellings. Ideas, interests, opinions, and values about both housing needs and potential implications of possible housing policies will be encouraged. The discussion will be broad and diverse perspectives will be encouraged, but will be focussed within the defined scope of this broader review.

Small Group Breakout Discussions

Pursuant to discussion at the June 4th Local Trust Committee meeting and in light of the extensive work undertaken over the past decade on Denman's housing challenges and OCP policies, staff believe that a strategic evaluation process of potential housing approaches will provide the community with an engaging and meaningful way to discuss the pertinent issues. Up to five or six housing approaches can be set out as a framework for discussion. These approaches will provide the context to evaluate possible benefits and implications of various strategies in addressing Denman's housing needs and will provide the community with a thought process to assess what considerations should be included in the subsequent policy development process.

As way of introduction, a number of posters shall be produced to outline the various efforts and OCP policies pertaining to this discussion. By demonstrating the significant community demand for secondary dwelling units and definitions of dwellings, these frameworks will allow the community to connect these discussion frameworks with community needs. It should also be emphasized that these approaches are not pre-defined options, but simply a means for the community to discuss the various issues that deserve consideration.

1. **Open up the definition of dwelling and allow secondary dwelling units across the island.** This approach – the most permissive – would allow any form of rental unit permitted by other agencies (Vancouver Island Health Authority, Residential Tenancy Branch, etc.) to provide the greatest potential additional housing, to provide the greatest flexibility to landowners, and to provide the least cumbersome regulations. This approach would amend all zones that permit dwellings to allow secondary units as long as the landowner can demonstrate adequate septic and potable water capacity. Discussion should address how many additional units should be permitted per lot if there are multiple units (e.g. multiple bed and breakfast units, or visitor accommodation and a rental cottage).
2. **Permit a secondary dwelling unit on specific lots or specific areas.** This approach would allow secondary dwelling units on lots greater than a specified size or in specified areas (e.g. close to the village, along main roads, etc.). Evidence of sufficient water supply and septic capacity must be met. The Salt Spring Island Secondary Suite Bylaw provides a model of this approach.
3. **Allow secondary suites and secondary kitchens through Temporary Use Permits.** This would allow the Local Trust Committee to evaluate each request on a case-by-case basis, yet require a more onerous permitting process.
4. **Maintain the status quo and do not change Denman's current housing regulation.** This approach would see the prevailing model continue on indefinitely. It is recognized that illegal housing is occurring with an increasing frequency and that non-conforming housing is addressed on a complaint-driven basis.
5. **Another approach or two suggested from the community.**

Participants will be invited to join a group that most appeals to their interests or concerns. Each group will be instructed to explore the respective approach through a modified SWOT analysis.

This will provide an effective big picture perspective and illustrate the trade-offs involved in each approach.

Wall posters, as previously mentioned, can be used by small group facilitators to assist discussion along identified needs and challenges (i.e. how this approach supports or impedes senior housing need, affordability, tourism, etc.).

Participants will be asked to first brainstorm the strengths and weaknesses of the particular approach for 7 minutes. During this strengths and weaknesses assessment, they will be encouraged to think from an objective or neutral approach. For another 7 minutes, participants will be asked to discuss their needs and concerns about the respective approach. During the needs and concerns session, participants will be encouraged to consider the policy approach from a personal, subjective perspective.

Item	Time	Description
Introduction	5 minutes	<i>Denman LTC Chair Peter Luckham will outline current consultation/review process, discuss Islands Trust and LTC goals and policies, highlight the relevant Denman OCP housing goals, provide agenda, and invite open and inclusive dialogue.</i>
Panel	40 minutes	<i>Five panelists (an APC member, a senior, a renter, a B&B operator, and a trustee) will provide presentations (from 5 to 8 minutes each) discussing key challenges and outlining what issues need to be addressed as part of this consultation and longer-term policy development process.</i>
Small Group Breakout	1 hour total 15 min./group	<i>People will be invited to choose one of up to six approaches (outlined above). A facilitator (staff/trustee/volunteer) will be assigned to each group to keep discussion fluid and focused. Flipchart paper and felts will be used to record themes and issues discussed. Facilitators should encourage open dialogue and ensure all individuals are included. Participants will rotate to new groups after 15 minutes and have the opportunity to address three or four of the possible approaches. Each theme should have a note-taker to record the discussion.</i>
Reporting Back	15 minutes	<i>Each facilitator will speak about the most common themes discussed within their group and highlight.</i>
“Dot-acracy”	15 minutes	<i>The public will be provided with a number of coloured stickers to highlight what factors they see as most central while tea/coffee and cookies are served.</i>
Conclusion/Next Steps	7 minutes	<i>A trustee will thank all participants, volunteers and staff, outline future opportunity for involvement, and request ongoing participation.</i>

Potential Names for Meeting

The Local Trust Committee suggested the name Needs and Fears for the first meeting. This title, however, conveys a possible cause for alarm. A number of names are, therefore, suggested below as potential titles for the first meeting:

- Dwellings on Denman
- Cabins and Kitchens
- Cooking up Housing Policy
- Legalizing Secondary Dwelling Units: A Forum
- Secondary Suites and Curious Cottages

Distillation of Feasible Policy Solutions

Following the first meeting, staff will bring together public input and distill themes and issues into a summary document. This document will then inform the Trustees columns and the subsequent meeting.

Second Meeting

This meeting will provide a secondary forum where the community can provide input on the development of a number of possible housing policies. To begin, the trustees can outline past efforts and define the process and goals of the current review process. Planning staff will then present a distillation of factors raised during the first meeting and describe a series of policies that can be used to address those factors. For example, a concern about future subdivision potential of secondary dwelling units could be mitigated by a policy requiring that units share a single driveway and are within 20 metres of the primary dwelling. Such policies, once defined, can be workshopped in small group roundtables to determine how such policies should most effectively and appropriately respond to community needs and desires. The public can rotate through the small groups to enable an opportunity to contribute to each area. The meeting should conclude with a reporting back of small group discussions, highlighting key points, and outlining the next steps.

This meeting will effectively inform staff on the development of a series of policies that should comprise a proposed housing bylaw.

NEXT STEPS

This consultation process will be undertaken over the summer and fall beginning with the first meeting, which has been scheduled for the afternoon of August 25th at the Back Hall. By January 2014, staff will aim to provide the Local Trust Committee with a draft bylaw based on LTC direction and consultation discussions. The final bylaw should be adopted by October 2014 at the latest.

RECOMMENDATION

THAT the Denman Island Local Trust Committee endorses the Consultation Plan for the Secondary Dwelling Units project in the July 5, 2013 staff report.

Respectfully Prepared and Submitted by:

Seth Wright

July 5, 2013

Seth Wright
Student Planner

Date

Concurred in by:

Courtney Simpson

July 8, 2013

Courtney Simpson
Regional Planning Manager

Date