



Islands Trust

STAFF REPORT

January 28, 2010

File No.: Project:
Affordable Housing

To: Salt Spring Island Local Trust Committee

From: Justine Starke, Planner 2

Re: Local Trust Committee Special Project: Affordable Housing

BACKGROUND

The Salt Spring Island Local Trust Committee has identified the need for affordable housing on Salt Spring Island as one of its top priorities. Previous Local Trust Committees have also pursued affordable housing. In 2004, a Salt Spring Community Housing Task Force was created to make recommendations on developing affordable housing. The Task Force completed their report in 2005. The "Community Housing Background Report and Recommendations" identifies the development of an on-going needs assessment of affordable housing on Salt Spring Island as a priority. The report also made a number of other recommendations, some of which were incorporated into the Salt Spring 2008 Official Community Plan Bylaw 434, and others which need to be considered as part of any land use bylaw amendments.

Islands Trust Housing Needs Assessment

The Salt Spring Island Local Trust Committee commissioned a Housing Needs Assessment in 2007; Phase I was completed in August, 2008 and Phase II was completed and received by the SSILTC in December, 2009. The needs assessment was produced by JG Consulting Services, with assistance from Judy Stevenson, of Minerva Research & Communications.

The entire housing needs assessment is thus comprised of two phases and provides a snapshot of the housing situation on Salt Spring Island.

Phase I provides a statistical analysis of island demographics, incomes, and housing prices. It found the available supply of housing in 2008 to be at least double the price that a household earning a median income could afford. Although housing prices declined in 2009, there is still a significant gap between housing prices and income levels. The study also projected a 30% population increase by 2036, with the largest increases expected to be among seniors.

The purpose of Phase II was to seek community confirmation about the findings of Phase I and provide an update of the housing market conditions. Key community stakeholders including service agencies, employers, non-profit housing providers, and prospective funders were consulted during Phase II of the project. This stage confirmed Phase I findings and provided recommendations for further action. Key findings include:

- The lack of affordable housing is affecting virtually all segments of the population - including seniors, families with children, single parent families, singles, couples and youth.
- The number of homeless people on Salt Spring has been increasing.
- There is a shortfall in the supply of housing for persons with special needs, especially for those who need supports for daily living.
- The most urgent need is housing for the homeless and those at risk of homelessness. The study found that the majority of those who accessed shelter during extreme weather already have housing – housing that is uninhabitable in very cold weather.
- Rental housing is in short supply and is often expensive and in poor condition. According to one study participant, “for some who are renting, the conditions are atrocious – mould and damp, plus maybe no heating ... Other places it’s mice and rats in the summer that are the worst thing ...”
- Interviewees felt that rental housing is the most realistic and appropriate tenure to meet the greatest needs, although there is interest in increasing the supply of affordable housing for ownership.
- There was strong support for the legalization of suites and cottages, provided there are conditions that ensure they remain affordable in the long-term, and the physical condition is maintained.
- The lack of affordable housing contributes to labour shortages and declining school enrolments, as families with children leave the island in search of more affordable options. Thus, affordability problems are leading to a loss of valuable diversity in the community.
- Interviewees observed that families who are newer to the island and/or have been traditionally renters have a greater need for affordable housing than those long-time residents who had the opportunity to get into the market when wage-earners could afford housing.
- Seniors are the most rapidly increasing segment of Salt Spring’s population, and many do not have sufficient incomes to afford the supportive housing available. Interviewees emphasized the urgent need for affordable rental housing for low income seniors, with reports of long-time resident seniors living in sub-standard housing.

When considering potential solutions, participants expressed interest in focusing efforts on increasing the supply of rental housing, locating housing close to Ganges or on a bus route, legalizing suites and cottages, and forming partnerships to deliver new housing. Areas for further investigation include amending land use regulations to enable the development of more affordable housing, as well as an affordable housing strategy based on community involvement. Hard copies of the Housing Needs Assessment are available upon request at the Salt Spring Office of the Islands Trust. The report can also be viewed on the website at www.islandstrust.bc.ca.

The Housing Needs Assessment emphasized the need for a **Local Affordable Housing Strategy**. Such a strategy would identify priorities for action, develop implementation plans, and establish provisions for monitoring and evaluating outcomes. The Salt Spring Local Trust Committee has been exploring this recommendation and is in the preliminary stages of seeking funding to develop a Local Comprehensive Affordable Housing Strategy that will involve broad public consultation and partnership with community agencies.

Review of Land Use Bylaw 355

The Salt Spring Island Local Trust Committee has initiated to draft a new land use bylaw. The current Land Use Bylaw 355 was adopted in June, 2001. Since that time there have been legislative amendments, new legal precedents and changes in terminology that influence the interpretation of the bylaw. Additionally, use of the bylaw since its adoption has allowed for identification of areas where further certainty or clarity of meaning of regulations can be established. Phase 1 of the OCP review has also provided some new policy direction that requires implementation in a revised LUB.

The work program to update the LUB has been broken into two phases. Phase 1 is now underway and includes housekeeping amendments and technical revisions to the LUB; Phase 2 will include the implementation of new policies now found in the recently updated Salt Spring Island Official Community Plan (adopted 2008). Phase 2 will also address other policy items including any applicable recommendations from an affordable housing strategy and to implement recommendations for land use and zoning changes for affordable housing.

CURRENT PLANNING STATUS OF THE PROJECT:

Islands Trust Policy Statement:

Support for affordable housing in the Islands Trust Policy Statement can be found in *Part V: Sustainable Communities*. The goal of this part is “to sustain island character and healthy communities.” The Policy Statement defines sustainable communities as “human communities that have achieved a balance between environmental, economic and social systems and which respect the carrying capacity of the supporting environment.”

Official Community Plan

The following policies from the Salt Spring Island Official Community Plan Bylaw 434 identify support and give guidance for how the Local Trust Committee can pursue a broad range of affordable housing options on Salt Spring Island. The policies are both broadly and specifically in support of affordable housing initiatives.

affordable housing – describes rental or owned housing that can be acquired with 30 per cent of the median gross income of families or individuals on Salt Spring Island.

- A.4.4.1 To ensure that our community continues to function as an authentic, resident-centred community in the face of internal and external pressures to change and grow; to ensure that growth, including the growth of tourism, is managed in a way that does not displace or detract from our community's important function as a home for its residents.
- A.4.4.3 To recognize the strength and exceptional value of the community's diverse human population - a population characterized by people of many ages and backgrounds who, through choice or circumstance, have a rich variety of lifestyles and livelihoods. To recognize the very real, if intangible, loss that is felt in the community when this diversity is diminished by external pressures and changes.
- A.4.4.4 To preserve and protect human diversity in our community by ensuring that the island's people are accommodated by a broad spectrum of appropriate and accessible housing and facilities, transportation choices, service opportunities and choices of livelihood, with a local focus to minimize transportation needs.
- A.4.4.6 To ensure the continued development of land use opportunities for non-traditional residential settlement. Opportunities that are based on the communal stewardship of land, conservation of resources and alternative forms of infrastructure are of special importance.
- A.4.4.7 To recognize that development should be managed to protect our sense of community and maintain our ability to absorb changes.
- B.2.1.1.1 To support a mix of housing types in appropriate locations without compromising protection of the natural environment.
- B.2.1.1.2 To develop zoning that allows many different types of housing and accommodates a diverse population.

- B.2.1.1.3 To acknowledge that a framework that limits growth may restrict housing choices as supply is limited; to respond to the challenge of fostering socioeconomic diversity within such a framework.
- B.2.1.2.1 Zoning changes should be avoided if they would likely result in a larger island population than is expected under the development potential zoned in 2008. Exceptions to this policy are to be few and minor and only to achieve affordable housing and other objectives of this Plan. *[Information Note: The expected island population under the development potential zoned in 2008 is 17, 000]*

B.2.2 Affordable, rental and special needs housing

B.2.2.1 OBJECTIVES

- B.2.2.1.1 To provide opportunities for the creation of affordable, rental and special needs housing.
- B.2.2.1.2 To integrate affordable, rental and special needs housing into appropriate residential areas where community services are most accessible.
- B.2.2.1.3 To provide, through zoning, the opportunity for island seniors to remain in the community, especially in their own or their families' homes.
- B.2.2.1.4 To recognize the value of maintaining existing manufactured home parks as an important source of housing within the community.
- B.2.2.1.5 To cooperate with senior governments, the Capital Regional District, housing industry, funding sources and community organisations to provide affordable, rental and special needs housing on Salt Spring Island.

B.2.2.2 POLICIES

General

- B.2.2.2.1 The Local Trust Committee will initiate a Housing Needs Assessment, to be updated regularly and on the basis of which the Local Trust Committee may establish priorities for consideration of affordable housing applications.
- B.2.2.2.2 The Local Trust Committee, in cooperation with the Capital Regional District and the community, should work to establish a target level for the percentage of rented and owned affordable housing units in the total housing stock, based on projected community housing needs.
- B.2.2.2.3 All rezoning applications for affordable housing projects should include evidence of:
 - a. need for the housing.
 - b. an adequate water supply for potability and for fire protection.
 - c. means of sewage disposal.
 - d. energy and water efficient building design.
 - e. not degrading a sensitive ecosystem.
 - f. not being sited in an area subject to hazardous conditions.
- B.2.2.2.4 The Local Trust Committee may consider amending the Land Use Bylaw to create a new zone for manufactured home parks.

Amenity Zoning

- B.2.2.2.5 Land for affordable housing is an eligible community amenity, which could be exchanged for a higher density of development as outlined in Appendix 3.

Inclusionary Zoning

- B.2.2.2.6 When the Local Trust Committee is considering a rezoning application involving a significant increase in residential density the Local Trust Committee should require that the application include provision of affordable housing.
- B.2.2.2.7 The Local Trust Committee may consider amending zoning to require that on-site staff accommodation be provided for larger new commercial developments.
- B.2.2.2.8 Zoning could be changed to allow small, affordable homes to be located above commercial buildings in villages. Existing zoning (that only allows two storeys) could be relaxed to allow such homes to occupy a third storey, provided that impacts on view corridors are taken into account.
- B.2.2.2.9 Where a lot has subdivision potential, the Local Trust Committee should consider rezoning applications that would allow the property owner to build (without subdividing) the same number of single family dwellings on the lot as could be built after subdivision. Such shared residential rezoning applications should be consistent with the guidelines in H.2.1 of Appendix 2.

Flexible Housing Units

- B.2.2.2.10 In zones where single family dwellings are presently allowed, the Local Trust Committee should consider changing local zoning to also allow (as an alternative to a single family dwelling), a flexible unit dwelling that:
- has a maximum of two storeys, and
 - has a maximum floor area, and
 - could contain between one and three dwelling units, depending on the needs and wishes of the property owner.

Flexible unit dwellings should only be allowed on lots larger than 1.2 ha or on smaller lots in village areas. If zoning is changed to allow flexible unit dwellings, design guidelines and zoning regulations should be developed to ensure the dwellings fit into single-family neighbourhoods.

- B.2.2.2.11 If flexible unit dwellings are allowed, they should be allowed in only a few zones on a trial basis to find out if they do supply needed housing without having a negative effect on neighbouring properties. Flexible unit dwellings should not be allowed in zones within the Watershed-Islet Residential Designation unless they are shown not to increase population or sewage generation over that expected in single family dwellings.
- B.2.2.2.12 Flexible unit dwellings could also be allowed in zones in the Industrial and Commercial Services Land Use Designation, where a property is primarily used for industrial and commercial services purposes.
- B.2.2.2.13 If flexible unit dwellings are allowed, they should not be converted into separate strata-titled dwelling units.

Boarding Houses

- B.2.2.2.14 Boarding houses, single family dwellings where rooms are available for on-going residential occupancy, should be allowed to operate as home based businesses in all zones where single family dwellings are allowed.

Secondary Suites

- B.2.2.2.15 The Local Trust Committee may give consideration to amending the Land Use Bylaw to allow secondary suites in dwellings as affordable housing under certain circumstances. Any initiative to allow suites should address the following criteria:
- a. A maximum of one suite is allowed per dwelling.
 - b. The owner occupies either the principal dwelling or the suite.
 - c. Suites should only be allowed in areas with an adequate supply of potable water.
 - d. Suites should not be allowed in areas that are community water system supply watersheds or in community well capture zones.
 - e. New construction of dwellings with suites in areas containing sensitive ecosystems or areas that are hazardous for development should be managed by development permit.
 - f. The use of suites will not be for short-term rental, in accordance with the Land Use Bylaw.
 - g. Regulations should limit suites to 40% of the floor area of the principal dwelling and no more than 90 m² of floor area.
 - h. Building safety and waste disposal issues are addressed through compliance with the B.C. Building Code and applicable health standards.
 - i. The Local Trust Committee will consider the use of housing agreements and other measures to ensure that suites are affordable and to address occupancy.
 - j. The Local Trust Committee will work with the Capital Regional Housing Corporation on the administration of housing agreements in order to implement this policy.
 - k. The Local Trust Committee should coordinate implementation of zoning changes with Capital Regional District Building Inspection and the Vancouver Island Health Authority.
 - l. The Local Trust Committee may also consider limits on the numbers and location of secondary suites to minimize dependency on private automobiles.
 - m. The Local Trust Committee will make zoning changes incrementally and monitor changes in order to have the effect of limiting the overall number of suites on the island.
 - n. The Local Trust Committee will consider an annual registration system in order to remain informed about the number and location of occupied suites.

Seasonal Cottages

- B.2.2.2.16 Seasonal cottages should continue to be allowed wherever they are allowed by current zoning. The Local Trust Committee may also consider amending the Land Use Bylaw to allow the use of seasonal cottages as full time affordable rental housing units in certain areas. In order to encourage housing for families, the Land Use Bylaw may be amended to permit cottages with a maximum floor area of 90 m² on lots 2 hectares or larger in area, while retaining the existing floor area limits on cottages on lots between 1.2 hectares and 2 hectares in area.

Any amendment to zoning to allow cottages to be used as full time residences should address the following criteria:

- a. Full time residence of cottages should only be allowed in areas with an adequate supply of potable water.
- b. Full time residence of cottages should not be allowed in areas that are community water system supply watersheds or in community well capture zones.
- c. New construction of cottages for full time residence should be not allowed in areas containing sensitive ecosystems or areas that are hazardous for development.
- d. The use of cottages will not be for short-term rental in accordance with the Land Use Bylaw.
- e. Building safety and waste disposal issues are addressed through compliance with the B.C. Building Code and applicable health standards.
- f. The Local Trust Committee will consider the use of housing agreements and other measures to ensure that cottages are affordable and to address occupancy.
- g. The Local Trust Committee will work with the Capital Regional Housing Corporation on the administration of housing agreements in order to implement this policy.
- h. The Local Trust Committee should coordinate implementation of zoning changes with Capital Regional District Building Inspection and the Vancouver Island Health Authority.

- i. The Local Trust Committee may also consider limits on the location of cottages to minimize dependency on private automobiles.
- j. The Local Trust Committee will make zoning changes incrementally and monitor changes in order to have the effect of limiting the overall number of full-time units on the island.
- k. The Local Trust Committee will consider an annual registration system in order to remain informed about the number and location of occupied cottages.

Multi-Family Dwellings

- B.2.2.2.17 Applications for strata conversion (strata titling) of existing multi-family dwellings that contain more than three units should be considered by the Local Trust Committee, especially if such a conversion is expected to increase the community's supply of affordable owned housing. The Local Trust Committee should not approve strata conversions that would replace affordable rental housing with non-affordable owned housing.
- B.2.2.2.18 Preference should be given to rezoning applications for multiple-unit affordable housing projects that:
- a. are based on the housing needs of existing residents and are not meant to be mainly marketed to off-island residents.
 - b. would provide owned or rental housing, possibly through non-traditional means such as co-housing, cooperative ownership, sweat equity projects or land trusts.
 - c. would create durable, and water and energy efficient housing.
 - d. provide walking, transit or cycling links to village services.
 - e. provide safe walking, transit, or cycling links to a school, if the project is designed for families.
 - f. include appropriate site and building designs, such as those outlined in Development Permit Area 1.
 - g. that are in or near island villages, except where the affordable housing would be linked to and support farming.
- B.2.2.2.19 The Local Trust Committee should consider changing the local zoning that applies to multi-family zones so that density is guided by floor space ratios as well as units per hectare. Such changes should be considered to provide more flexibility in the type of dwelling units that can be built.

Background Note: Currently, multi-family zones may not provide enough flexibility to allow single storey units to be constructed for seniors or for those needing barrier-free units.

Care Facilities

- B.2.2.2.20 Community care facilities will be allowed in zones that permit residential use, as outlined in the Community Care and Assisted Living Act.

Background Note: The Community Care and Assisted Living Act ensures that local zoning bylaws do not prevent Community Care facilities from locating in residential areas.

- B.2.2.2.21 The Local Trust Committee should consider changing local zoning to allow small care cottages to be temporarily placed alongside single family dwellings to accommodate those who are disabled or require family care. Temporary suites could also be allowed to serve the same purpose. Should the Committee amend zoning in this way, it should first have a system in place that will ensure the suites or cottages will be used as intended. Care cottages should not be permitted on properties where seasonal cottages or flexible unit dwellings are permitted.

B.2.2.2.22 The Local Trust Committee could consider other innovative strategies that would increase the community's supply of affordable housing, including, but not limited to, consideration of rezoning applications that would permit additional dwellings where the floor area of the dwellings is limited, energy and water efficient design is implemented, and sensitive ecosystems are protected.

Others are encouraged to support the objectives of this Section in the following ways:

B.2.2.2.23 The Local Trust Committee encourages and supports other levels of government and non-profit groups to work towards the establishment of a Housing Agency on Salt Spring Island.

B.2.2.2.24 Local service clubs, non-profit organizations and others that provide affordable, rental and special needs housing are encouraged to develop projects in keeping with the policies in this Section. Such groups are particularly encouraged to explore the potential for supplying a community pool of care cottages.

B.2.2.2.25 The Local Trust Committee will support the establishment and work of non-profit community land trusts and other organisations for the acquisition of land for, and construction and management of, affordable housing units.

Land Use Bylaw

The Salt Spring Island Land Use Bylaw 355 defines *affordable housing dwelling unit* as follows:

“dwelling unit, affordable housing” is a deed restricted and/or a rent controlled *dwelling unit* that is secured by a housing agreement registered on title, and may include *special needs housing* and *seniors dwelling units*.”

The Land Use Bylaw has been amended on occasion by application to rezone certain properties for affordable housing. For example, the Murakami Gardens project created zone variation R1 (a) to allow for 27 *multi-family affordable housing dwelling units*. While there are other affordable housing sites on Salt Spring, this is the only example where the land has been rezoned specifically for “affordable housing” (although there are a number of affordable housing proposals currently in process). Incidentally, the definition of *affordable housing dwelling unit* was added to LUB 355 as a result of the Murakami bylaw amendment.

Land Use Bylaw 355 also encourages community members to make application for the purpose of affordable housing in a number of places. Under Section 3.11 DWELLING UNITS, the LUB has an information note:

Information Note: Those wishing to have a legal secondary suite in a house on Salt Spring Island, may apply for a zoning amendment specific to their property, to allow the construction of a two-family dwelling. Provisions in the Salt Spring Island Official Community Plan recognize the value of secondary suites in order to provide affordable housing and to provide for those who need in-home care.

Under S. 3.14.6 SEASONAL COTTAGES, the LUB has another information note that might encourage application for affordable housing because of the size limit on seasonal cottages:

3.14.6 A *seasonal cottage* may only be used for *temporary* occupation by a person or persons having a permanent residence elsewhere and using the cottage for recreational or vacation purposes. A *seasonal cottage* may be used as part of a *bed and breakfast home-based business* as set out in Subsection 3.13.8, but is not to be used as a separate *commercial guest accommodation unit* that is not operated as a *home-based business*.

Information Note: Those wishing to use a seasonal cottage on Salt Spring Island as a legal full-time residential dwelling unit may apply for a zoning amendment specific to their property.

Policies in the Salt Spring Island Official Community Plan indicate such use can be considered, subject to available water supplies and neighbourhood consultation.

The Residential 3 zone in LUB 355 allows for 20 *dwelling units* per hectare but puts a 4.5 metre *height* limit on dwelling units in this zone. This is to permit the mobile home parks on Horel Road and at Brinkworthy Place which effectively function as a source of affordable housing by virtue of the form and size limits without zoning to explicitly require affordability through deed restriction.

It should also be noted that secondary suites and mobile homes are permitted, with conditions, as accessory uses in the Agricultural 1 and Agricultural 2 zones. Here LUB 355 permits:

One additional *dwelling unit* provided that it:

- a) is a *mobile home* consistent with General Order 1 #1622/83 of the B.C. Land Reserve Commission, or
- b) is a secondary suite no more than 85 square metres in total *floor area* that is consistent with Policy #043/98 of the B.C. Land Reserve Commission, or
- c) is a *farmworkers' dwelling unit* that has been specifically approved by application to the B. C. Land Reserve Commission.

*Information note: General Order #1622/83 of the B.C. Land Reserve Commission permits one additional dwelling unit in the form of a temporary mobile home to house family members or farm help, with specific conditions. Policy #043/98 of the B.C. Land Reserve Commission permits one secondary suite as part of the main dwelling unit, provided it meets specific conditions. Where the construction of a permanent detached farmworker's dwelling unit is proposed, this bylaw requires that an application be made to the B.C. Land Reserve Commission, through the Salt Spring Island Local Trust Committee. The need for additional farm workers to be housed on the property in a **permanent detached** second dwelling unit will be evaluated in the context of criteria developed by the Ministry of Agriculture and Food and the B.C. Land Reserve Commission.*

STAFF COMMENTS:

Policies in the Salt Spring Island Officially Community Plan Bylaw 434 enable the Salt Spring Island Local Trust Committee and wider community to pursue affordable housing from a number of different avenues. The Salt Spring Islands Trust will be amending the Salt Spring Land Use Bylaw #355 over the next term and has the opportunity to implement some of the policies proposed in the OCP. The SSILTC has also recently received a finalized Housing Needs Assessment to assess the degree and scope of affordable housing needed on Salt Spring Island. Over the past few years there have been a variety of studies done and reports written to help Islands Trust address affordable housing. The 2005 Salt Spring Community Housing Task Force Recommendations speak to many details of how provisions for affordable housing should be implemented. As staff and trustees embark on the next steps of creating a Salt Spring Island Community Affordable Housing Strategy and Land Use Bylaw amendments, it will be important to explore the affordable housing planning tools available to Islands Trust; to educate and consult the community about their uses and implications; and to ensure that other necessary pieces are in place should those tools get utilized through bylaw amendments.

Salt Spring Island Housing Agency: Meeting the Range of Needs on SSI

The 2009 Housing Needs Assessment emphasizes the range of community needs for affordable housing on Salt Spring. Some of these needs can begin to be addressed through Islands Trust land use authorities while other needs can only be addressed in partnership with other levels of government and with non-governmental organizations. While Islands Trust controls density and use through zoning, it does not have the ability to provide many of the services required in order to fully implement and administer affordable and special needs housing. The need for a Salt Spring Island Housing Agency has been identified in the past and was a major recommendation of the 2005 Salt

Spring Community Housing Task Force. Such an agency needs to have authority, funding, and the capacity to administer and manage a number of different roles. The creation of such a body should be a major focus of a comprehensive Community Affordable Housing Strategy.

Role of the Islands Trust: Land Use Planning Tools

Islands Trust is given land use authorities under Part 26 of the Local Government Act and under the Islands Trust Act. Within this legislation there exists provisions for a variety of planning tools that can be used to tailor land use regulations to accommodate affordable housing. In order to facilitate opportunities for affordable housing in the Trust Area, densities can be transferred, allowed out right, or granted in exchange for the amenity of providing affordable housing. Salt Spring's Official Community Plan offers a number of zoning tools that can be used by the LTC as well as offers support for affordable housing proponents making application to rezone for affordable housing.

LTC Initiated Strategies

The SSILTC can amend Land Use Bylaw 355 in a variety of ways to support and facilitate the construction of affordable housing. Below is a brief overview of the tools. Each of these tools can be explored in more detail by direction of the Local Trust Committee.

1. Legalizing Secondary Suites / Cottages

- Both market based approaches (based on floor area limits) and deed restricted approaches (through a housing agreement) to ensuring long term affordability have been discussed.
- See OCP Policy B.2.2.2.15 and B.2.2.2.16

2. Density Bonus

- Extra densities for affordable housing can be permitted outright by the Land Use Bylaw
- See "Flexible Housing Units" in OCP Policy B.2.2.2.10 - B.2.2.2.13
- These could be "conditional densities" that could only be realized by fulfilling certain conditions (for example: an affordable housing agreement, ecosystem protection, water and septic capacity, parking requirements, etc.) and controlled by a Development Permit Area.

3. Mixed Use Zoning

- Using the Land Use Bylaw to permit residential uses mixed with commercial uses
- See "Inclusionary Zoning" in OCP Policy B.2.2.2.8 and B.2.2.2.9

4. Cluster and Cottage Housing

- An important component of this tool is to determine density by a maximum area, not by number of units. It encourages small, compact housing over large mega-homes.
- Not explicitly addressed in OCP 434 but not seen to be in conflict with OCP objectives for affordable housing

5. Multi-Family Dwellings

- There is direction in OCP Policy B.2.2.2.19 to change multi-family zones so density is guided by floor space ratios as well as units per hectare in order to provide more flexibility in the type of dwelling units that can be built.

It is recommended that any LTC initiated changes to the LUB be coupled with design and location conditions that would facilitate affordable housing as a permitted use in a wide assortment of existing zones. Conditions may include:

1. An adequate water supply for potability and for fire protection.
2. Means of sewage disposal.
3. Energy and water efficient building design.
4. Not degrading a sensitive ecosystem.
5. Not being sited in an area subject to hazardous conditions.
6. Clustered buildings.
7. Either located on a public transportation route or enrolment in a car share program.

There may be additional design conditions identified through public consultation.

Community Initiated Affordable Housing Projects

There is much OCP support and guidance for affordable housing rezoning applications. The main planning tools identified in the OCP include:

1. Amenity Zoning

- Affordable housing is considered a eligible community amenity and can be provided in exchange for extra densities.
- See OCP Policy B.2.2.2.5

2. Inclusionary Zoning

- The Local Trust Committee should require affordable housing units to be provided by a proponents of rezoning applications that involve significant increases in density
- See OCP Policy B.2.2.2.6

Pursuant to OCP Policy B.2.2.2.3, all rezoning applications for affordable housing should include evidence of:

1. Need for the housing.
2. An adequate water supply for potability and for fire protection.
3. Means of sewage disposal.
4. Energy and water efficient building design.
5. Not degrading a sensitive ecosystem.
6. Not being sited in an area subject to hazardous conditions.

There are currently a number of rezoning applications in the system by proponents of affordable housing. Despite the OCP support for affordable housing rezoning applications, there is evidence that non-profit groups find it difficult to raise funds in order to fulfill the conditions of B.2.2.2.3 with the inherent uncertainty of a rezoning application. The Local Trust Committee can attempt to address this by initiating changes to the Land Use Bylaw and utilizing tools that would enable affordable housing projects to move forward as outright uses under specific location and design conditions.

While outside of Islands Trust direct authorities, the OCP does encourage a number of other approaches to affordable housing. These include:

- Mixed Tenure Options – Individual rental and ownership as well as co-operatives and co-housing arrangements
- Land Banks and Community Land Trust
- Alternative building forms and housing types
- The creation of a Salt Spring Island Housing Agency

The trustees may provide leadership in supporting community partnerships that respond to the above four recommended approaches.

Definition of Affordability

The Salt Spring Land Use Bylaw 355 currently defines affordable housing as a “a deed restricted and/or a rent controlled *dwelling unit* that is secured by a housing agreement registered on title, and may include *special needs housing* and *seniors dwelling units*.” The Salt Spring Official Community Plan 434 defines affordable housing as “rental or owned housing that can be acquired with 30 per cent of the median gross income of families or individuals on Salt Spring Island.” While these two definitions differ, they are not necessarily in conflict with each other. However, the OCP definition may not reflect the diversity of needs identified in the Housing Needs Assessment and could serve to create “affordable housing” that is still not affordable to many low income residents. On the other side, a definition of affordable housing that targets a lower income range will not meet the needs of middle income earners struggling with affordability on Salt Spring. Lastly, as is discussed below, relying on housing agreements to ensure affordability can be problematic due to the difficulty of finding an agency to administer the housing agreements.

Ensuring Affordability: Housing Agreements and Floor Area Limits

Although the Salt Spring Land Use Bylaw 355 defines affordable housing as a “deed restricted and/or a rent controlled *dwelling unit* that is secured by a housing agreement registered on title,” the Local Trust Committee does not have the capacity to administer housing agreements. It also does not have the authority to hold a housing agreement if the agreement requires provisions for the “first right of refusal” because under the Islands Trust Act, LTCs cannot hold property. The Islands Trust has been attempting to address this by creating a Memorandum of Understanding with the Capital Regional District Housing Authority to administer housing agreements until a local Salt Spring Island Housing Agency is created. Work on this is ongoing.

Currently, agencies such as BC Housing have agreed to administer housing agreements for larger sized developments. However, a housing agreement is not currently practical as a tool to control the rent or resale of small, individual units. It may become more realistic with the creation of a Housing Agency.

Other controls can be used to create a level of affordability in smaller units such as secondary suites, seasonal cottages, and flexible dwellings. Land use regulations that set floor area limits, height restrictions, and siting requirements are used in some jurisdictions as ways to keep the value and price of housing down. This approach relies on market forces to control price and carries with it no assurance that the units will provide a level of affordability identified as being needed by the community. Nevertheless, it would enable the Local Trust Committee to take action now and would be sure to provide some cushion of affordability through an increase in the supply of small units of rental and ownership housing.

Housing Agency:

As has been discussed, the creation of a local or regional Housing Agency is essential to the success of affordable housing in the Trust Area and on Salt Spring Island. The 2005 Salt Spring Community Housing Task Force Recommendations suggest that a housing agency might be charged with managing wait lists and qualification certificates for affordable housing; hold, monitor and enforce housing agreements; hold first right of refusal on affordable housing; monitor and update the Needs Assessment and set priorities based on need; and work with housing providers to establish a suitable mix of units and prices. The Housing Agency may be required to administer many small housing agreements for individual property owners as well as manage multi-family affordable housing projects. If this agency was formed in partnership with other agencies it could also perform other

functions as appropriate (for example, coordinating funding for addiction services, victim's services, and the staffing of special needs housing). In the longer term, a Housing Agency might also act as affordable housing developer or project manager/contractor and own or manage affordable housing.

The Capital Regional District

The Capital Regional District (CRD) may be the appropriate body to create a housing agency under one of its housing functions. The CRD Regional Housing Trust Fund Commission provides capital grants for the acquisition, development and retention of housing that is affordable to households with low or moderate incomes in the Capital Region. Also within the CRD is the Capital Region Housing Corporation (CRHC). CRHC is a non-profit provider of over 1200 rental units of affordable housing in Victoria, BC. The CRD also has a Housing Secretariat with 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 CRD residents. The Housing Secretariat facilitates the development of partnerships between non-profit housing organizations and private property owners and developers, and provides information around funding opportunities.

Community Housing Affordable Housing Strategy

Salt Spring Island is ready to embark on a Local Affordable Housing Strategy, as described by the Housing Needs Assessment. Such a strategy would identify priorities for action, develop implementation plans, and establish provisions for monitoring and evaluating outcomes. As emphasized above, it should also prioritize the creation of a multi-agency Housing Agency or Housing Commission to undertake implementation of the strategy. The Salt Spring Local Trust Committee has been exploring the preliminary stages of developing a Comprehensive Affordable Housing Strategy that will involve broad consultation with the Salt Spring community; it is currently seeking funding to pursue this. The strategy will offer a forum to consider the merits of a Salt Spring Housing Agency, enhanced agreements with the CRD, and/or an Islands Trust wide housing function coupled with work at the Trust Council level.

Land Use Bylaw Review

In considering revisions to the Salt Spring Island Land Use Bylaw 355, the Salt Spring Island Local Trust Committee should consider implementing some of the planning tools supported by the OCP that will contribute to affordable housing through LTC initiated zoning changes. Given the breadth and scope of change that is implicated by some of these policies, the LTC should make decisions based on best practices proven in other jurisdictions, based on feedback from its advisory committees and based on broad public consultation. Some key issues for consideration are:

- Which planning tools best suit the range of Salt Spring's needs and its environment?
- Which design tools best be employed to couple added density with conditions?
- Conditions on Secondary Suites and Cottages as prescribed in the OCP?
- Conditions on flexible units or density bonus schemes?
- Should the LUB 355 definition of *affordable housing dwelling unit* be amended to allow for different approaches to ensuring affordability?
- Does the OCP 434 definition of *affordable housing* meet the needs identified in the needs assessment or should it be amended to reflect the range of needs demonstrated by this report?
- Should there be a variety of approaches employed to ensure affordability over the long term? (housing agreements versus size and siting limits?)

Proposed Timeline

February – April 2010

- Staff to provide more detail on planning tools for LTC and Advisory Committee consideration
- Staff to make recommendations on three or more options for consideration by wider community

May - June 2010

- Public Consultation Process
- Public input integrated into staff recommendations

June – September 2010

- Local Trust Committee adopt recommendations in principle for LUB updates
- Recommendations drafted into Bylaw Amendments and included in LUB 355 revisions

RECOMMENDATIONS:

THAT the Salt Spring Island Local Trust Committee uses the findings of the Islands Trust Housing Needs Assessment by JG Consulting (Received in December 2009) to pursue a Community Affordable Housing Strategy that includes broad community consultation and has the objective of creating a collaborative, multi-agency Housing Agency.

THAT the Salt Spring Island Local Trust Committee direct staff to provide more detail on the available affordable housing zoning tools for review by the Advisory Planning Commission.

THAT the Salt Spring Island Local Trust Committee direct staff to make recommendations for amendments to Land Use Bylaw 355 that will enable the creation of affordable housing on Salt Spring Island.

Respectfully submitted by:

Date:

Justine Starke, Planner 2

January 28, 2010

Concurred by:

Date:

Leah Hartley, Regional Planning Manager

January 28, 2010
