

Galiano Island Advisory Planning Commission

Referral Report: Affordable Housing

September 2018

MOVING FORWARD WITH MORE
AFFORDABLE HOUSING FOR GALIANO ISLAND

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EXECUTIVE SUMMARY

What We See:

- There is no purpose-built affordable rental housing on Galiano Island.
- Over half of the homes on Galiano Island are not lived in full-time and many of these homes are not available for rent or purchase.
- Most rental housing options are repurposed summer homes, cottages or other structures that are not currently being used by the owners; these are often not available year-round or long-term and many are not adequate in size, not well-winterized or in need of major repairs.
- Insecure housing has ripple effects in our community—from instability for families to unpredictable participation in the workforce, the school and the community with increasing numbers of people living precariously in unsafe structures or situations.
- Economic factors, combined with increasing destination tourism in the Southern Gulf Islands, has encouraged the use of properties for investment purposes and for commercial use as Short Term Vacation Rentals (STVRs).
- Galiano Island has a seasonal tourism-based economy; seasonal workers have fewer options to access affordable rental housing or home ownership markets.

What We Need:

- There is a need for increased awareness and ongoing education on the topic of housing affordability in the Trust area, within the Islands Trust and other Government Agencies.
- There is a need for a Trust Policy statement that supports access to affordable community housing for residents of the Trust area as a guiding principle in land use decisions.
- There is a need for a comprehensive Trust-wide working definition of “affordable housing” to guide land use planning.
- There is a need for the Islands Trust to be able to hold housing agreements on behalf of Local Trust Committees.
- Affordable housing approaches are needed that reflect the diversity in the community and that are integrated widely within various neighbourhoods throughout Galiano.
- A lens of affordability needs to be integrated into land use planning processes for all rezoning and subdivisions in order to better balance the needs of the applicant with the community’s needs.

- Planning for affordable community housing needs to be based on the ability of groundwater regions and ecosystems to support the development.
- Comprehensive up-to-date data and tools are needed in order to have better options for monitoring and controlling the amount of Short Term Vacation Rentals (STVRs).

What the Local Trust Committee Can Do:

- Add a statement to the Galiano Official Community Plan (OCP) Principles section that supports affordable year-round housing as a basic principle for the sustainability of our Island community.
- Review and update OCP policy to highlight an objective of increasing the stock of affordable housing and update existing relevant OCP policies and Land Use Bylaw (LUB) regulations to ensure that issues of affordable housing are addressed in all development applications.
- Update and add to the Subdivision and Development Regulations in the LUB(Section 13) to require a percentage of smaller, more affordable lots be created through subdivision rather than allowing the maximum number of view or oceanfront lots for the higher-end real estate market.
- Add policy that would ensure that any future rezoning for commercial visitor accommodations provides some on-site housing for non-resident seasonal staff.
- Add to the OCP Community Housing Policy, Section 1.6, to include additional models or designs of affordable housing, integrated within neighbourhoods, and that are close to utilities and infrastructure.
- Support initiatives that would enable Local Trust Committees (LTCs) to use licensing as a way to manage and limit the number of STVRs operating in each Local Trust Area.
- Implement efficient ways to better assess applications for STVRs based on the carrying capacity of groundwater regions, existing density of other visitor accommodations in that region and the impact on health, safety and community services.
- Advocate for, and encourage, the creation of an Islands Trust “Housing Land Trust” to hold donations of land for affordable housing modelled on the current Islands Trust’s Land Conservancy Trust which holds donations of land for conservation.
- Advocate for, and work with other government agencies, to create tax policies that allow property owners to receive tax relief in exchange for providing affordable rental housing. An Affordable Housing Reserve (AHR) could be created based on existing models such as the Agricultural Land Reserve (ALR) or Private Managed Forest Land (PMFL) which provide tax relief in return for retaining and protecting agricultural land or forest lands.

1.0 INTRODUCTION:

This report is intended to describe the recommendations of the Galiano Island Advisory Planning Commission (GIAPC) to the Galiano Island Local Trust Committee (GILTC) regarding options for addressing the lack of long-term affordable housing in our community. These recommendations are guided by the Southern Gulf Islands Housing Needs Assessment (2018), APC research, Galiano Island's OCP, and the contributions of community members.

Our Official Community Plan (OCP) describes our Residential Objectives as:

"1) to maintain the rural character, minimize impacts to ecosystems and services they provide and support social diversity of the Galiano Island Local Trust Area, and

2) to encourage affordable, rental and special needs housing."

The GIAPC has kept these goals, among others set out in the OCP, in mind as we have developed the recommendations set out in this report. In addition, protecting groundwater resources is an important policy area central to all land use decisions, but especially important in cases of increased density.

2.0 SOUTHERN GULF ISLANDS HOUSING NEEDS ASSESSMENT- FEBRUARY 2018

The GIAPC reviewed and considered the findings of the *Southern Gulf Islands Housing Needs Assessment* ("HNA") by Janis Gauthier of JG Consulting Services Ltd which was submitted to the Capital Regional District (CRD) in February 2018.

The GIAPC agrees with the following summary contained in the report:

"All evidence clearly points to serious shortages in secure, appropriate and affordable housing for low to moderate income earners. Renters are particularly impacted as their incomes are insufficient to enter the homeownership market, and the limited number of rental properties is increasingly vacant seasonally or placed in the vacation rental market. Community members strongly described the housing situation as bordering on crisis, and as having serious impacts on themselves and their families, community well-being and economic sustainability" (Executive Summary – Page 1).

The GIAPC worked with the following definition of "housing affordability" taken from the HNA report which summarized the measures, often cited, to determine what constitutes affordable housing:

"Measuring housing affordability involves comparing total shelter costs with a household's ability to meet them, given their income. Shelter costs are considered to include basic utilities for renters, and for homeowners, this generally also includes taxes and insurance in

addition to mortgage payments. Typically, affordable shelter costs target 30% of a household's income.

For affordability calculations, housing is generally characterized as 'acceptable' if it is in good condition and is an adequate size for the household size and composition. While this is a somewhat subjective measure, Canada Mortgage and Housing Corporation (CMHC) defines acceptable housing as having three key features:

- *Adequate condition (not needing major repairs),*
- *Suitable size (given the size and composition of the household members), and*
- *Affordable (shelter costs less than 30% of before-tax household income).” (Page 20)*

The GIAPC reviewed the report and the following information, for Galiano Island and the Southern Gulf Island (SGI), was helpful in its deliberations:

Table 2-1: Notable Details from SGI Affordable Housing Report

Population 2016- Galiano Island	The total population is 1,040: 285 people are between ages of 25 to 54, and 580 people are between ages of 55 to 84. The population of our community is older than the general population in the CRD and in BC. (Tables 1 and 2 Pages 7 and 8)
Population Changes- SGI and Galiano Island	The population on Galiano has decreased from 2001 to 2016 by 3%, despite an increase of in-migration throughout the SGI. (Table 3-6 Pages 8-10)
Affordability by Household Type- Galiano Island	Household is defined in the HNA report as “a family”, “a group of unrelated persons living together” or “a single person”. The household is the “most relevant grouping for the analysis of housing affordability, as their composition and incomes are strongly related to housing need and affordability”. On Galiano Island there are 565 households that are used as main residences. Of these, 205 are families without children and 240 are one-person households. There are 55 households of families with children and 40 households with lone-parent families. (Table 8 Page 11)
Accessibility by Household Type and Income-SGI	It is appropriate to look at what is affordable by the type of household. For example, one-person households (35% of the population in the SGI) have the lowest median income (\$30,528), which would enable this person to pay rent of \$763 or to purchase a home in the range of \$145,000. Similarly, families with children (10% of the population in the SGI) have a median income of \$74,069 allowing for the payment of rent of \$1,852 or the purchase of a home in the range \$420,000. Looking at low-income earners, less than \$29,999, 575 units are needed at a rental rent less than \$625 across the SGI. (Tables 22-23 Pages 21-22)
Rentals and Ownership Data-Galiano Island	In 2016, of the 560 households reporting to Statistics Canada, there were 430 homes occupied by the owner and 130 home being rented on Galiano Island. According to this statistic, 23% of the households are rental units. Within this grouping of 560 households, there are 240 single-person households and 240 two-person households. (Tables 9-13 Pages 12-13)

Regional Income Disparity-SGI, CRD and BC	As noted “(H)ousing income is the best income indicator for evaluating housing affordability, because it relates to all persons residing in a single dwelling”. Generally, those living in the SGI have lower median incomes than their counterparts in the CRD and BC. In the SGI, there is a concentration of incomes between \$20,000 and \$49,999. Generally, there are a higher number of residents with very low incomes compared to the CRD and BC. There are also a higher number of children and youth living in low-income families as compared to the CRD and BC. The number of low-income seniors living within the SGI is similar to those living in the CRD and BC. (Tables 14-17/20 Pages 14-17)
Data Discrepancies on Housing Costs-Galiano Island	In 2016, Statistics Canada reported that 54% of renters on Galiano Island spent more than 30% of their income on housing. However the resident survey, included in the HNA report, reflects that more of the renters may be paying much higher rents than reported through Statistics Canada. Similarly, 23% of those who own their own homes are paying in excess of 30% of their income on housing costs. (Tables 53-57 Pages 40-42)
Income Sources-SGI	In 2016, 19% of the population of the SGI received their incomes from government transfers, 37% received income from private investments and 44% received their incomes from employment. (Table 19 Page 17)
Projected Regional Population Growth-SGI	It is anticipated that, between 2016 and 2041, there will be an increase in population growth of 15.8%, distributed within the SGI. Based on the average household size of 1.9 persons, this population growth rate should help determine the number and types of future housing units needed. It was noted that, for a variety of reasons, seniors might not remain within their communities “due to the lack of appropriate supported housing options as they age, and/or the lack of appropriate housing for support workers”. Determining the number of dwellings, and the type of dwelling, is complex and changes over time. (Table 21 Pages 18-20)
Housing Types and Quality-SGI and Galiano Island	The majority of homes in the SGI are single-detached dwellings. In 2016, Statistics Canada reported that 9% of the “housing stock” on Galiano Island, taken from a sample of all dwellings, required major repairs. Generally, renters in the SGI resided in homes that required significant repairs and lived in unhealthy conditions. (Tables 25-27 Page 24)
Construction and Renovation-SGI and Galiano Island	The building of new homes on Galiano Island has declined since 1981. Generally, within the SGI, renovations have also declined. This has an adverse impact on the local economy in terms of those who work in the construction industry and the contributions such workers make to the local economy and services. (Tables 30-33 Pages 25-27)
Non-resident Ownership-Galiano Island	Non-resident ownership may have an adverse impact on the community, both in terms of the housing stock available for year-round rentals and on such things as school enrollment, volunteerism and the availability of employees. Between 2006 and 2016 the number of dwellings occupied by “usual” residents declined. (Table 35 Pages 28-29)
Data Discrepancy on Rental Rates-SGI and Galiano Island	There is no central system of rental listings in the SGI. In 2006, on Galiano Island, there were 130 rental units available and a similar number available in 2016. Generally, in the SGI, the rental stock has declined. Statistics Canada reported that on Galiano Island the rental rate in 2006 was \$615 and in 2016 this had increased to \$674. However, the resident survey reflected that actual rental rates were higher. (Tables 37-39 Page 30-31)

Housing Subsidies-Galiano Island	There are 22 social housing units on Galiano Island (reported as of 2018), 6 of which are provided through rent subsidies. (Table 40 Pages 31-32)
STVR Impacts-SGI and Galiano Island	Short-term vacation rentals (“STVRs”) have had, and continue to have, an adverse impact on the availability of affordable rental housing. STVRs increase during the summer months and generally decline in the fall and winter months. (Table 44 Pages 33-34)
Unattainable Home Ownership-Galiano Island	Statistics gleaned from the MLS listings reflect that homes with lower prices are in higher demand. However, given the median cost of a home, as it relates to the median income of those residing on Galiano Island, home ownership is unattainable. (Tables 45-48/59-60 Pages 35-37/42-43)
Housing Supply Gaps-SGI and Galiano Island	It is important to identify the gaps in the housing supply (<i>“the difference between the existing supply of both rental and homeowner housing, and what would be affordable to residents based on their incomes”</i>) to determine housing priorities. Those with different levels of income face different challenges, which might necessitate differing responses. Such responses might include accessing government rent subsidies, focusing on entry-level low cost (less than \$180,000 to \$235,000) purchase housing, developing multi-family style dwellings and townhomes and increasing density (Pages 48-51)

Included in the HNA report was information gathered from community consultations, including through resident and employer surveys, discussions and correspondence. This information confirmed the gathered statistics that there is a shortage of affordable rental housing in the SGI, that this impacts the local economy, the retention of employees, and that young families and those at the lower end of the income scale are the most affected.

There is a concern that seniors will be unable to age-in-place given the increasing shortage of workers to assist with home maintenance and their personal care.

STVRs are seen as putting strong pressure on the availability of long-term affordable rental accommodation.

Eight hundred and sixty-five households in the SGI responded to general survey. Of these, 163 were from Galiano Island. Employers also completed a separate survey, 6 of these employers were located on Galiano Island. The information gathered for Galiano Island was not separately set out. We summarize some of the general responses here:

Table 2-2: SGI Survey Results Summary

Housing Situation-SGI	Seventy-three percent of the respondents own their own homes, 17% live in rental accommodation, 78% reside in single-family dwellings, 13% reside in a cabin or cottage, and 4% reside in mobile homes and/or suites. (Survey Results Tables 14-15 Pages 7)
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Housing Preferences-SGI	Although many respondents preferred to live in single-family dwellings, many would accept living in a duplex, townhouse, apartment or secondary suite. (Survey Results Tables 29 Page 13)
Housing Difficulties-SGI	Fifty percent of renters reported paying more than 30% of their income on rent. A greater number of renters were unsatisfied with their housing, with unhealthy condition being ranked as the highest concern, followed by affordability, availability, location and security of tenure (Survey Results Tables 19/21-23 Pages 9-11);
Housing Solutions Ideas-SGI	Fifty-five percent of the respondents provided suggestions for solutions to the housing issues, which included the building of smaller housing units, building purpose-built rental housing, tax and regulatory incentives, and addressing issues with STVRs including regulating them. (Survey Results Table 30 Page 14);
Long-term Housing Viability-SGI	Seventy-two percent of the respondents, who said that they might not remain living in the SGI, cited housing as being a factor in their decision. (Survey Results Tables 25-26 Page 12); Seniors, 65 and over, responded that they are certain or very likely to remain living in the SGI, with housing being a factor in their decision to remain in the SGI as they age. (Survey Results Tables 27-28 Page 12);
Income and Employment-SGI	Sixty-one percent of the employee respondents had one job, 29% had two jobs, and 10% had three jobs. 15% of the employees work in the trades, construction, real estate and property services. 62% of the jobs are year-round and 19% are seasonal. (Survey Results Tables 11-13 Pages 6-7); Employees were grouped in age between the ages 45-54 (the largest) and ages 35-44 (second largest). Most of those employees under 35 were employed on a seasonal basis. Those between the ages 35-54 had year round employment. (Survey Results Tables 37-38 Page 17)
Employer Survey-SGI	A majority of the employers in the SGI said that the availability of housing adversely affects their ability to hire the “right number of suitable employees” (43% responded yes and 36% responded sometimes). A majority also said that if there was more affordable housing they might expand their business or hire more staff. (Survey Results Tables 35-36 Pages 16-17) Some employers reported a willingness to work with others to develop solutions to the housing issues. When asked what solutions might be appropriate, their responses included removing regulatory barriers to development, providing tax incentives, building tiny homes and cabins and reducing and/or regulating STVRs. (Survey Results Tables 48-50 Pages 21-22) Seventy-six percent of the employers who responded do not provide housing for their employees and some reported their employees having difficulty finding affordable and appropriate accommodation. Some employers reported the loss employees due to the unavailability of affordable housing. (Tables 41-45 Page 19-20)

The GIAPC met with groups and individuals from the community, including delegations from Page Drive’s Galiano Housing Society, Galiano Community School Parents Advisory Committee and the SGI Community Economic Sustainability Commission. Information provided by community representatives who appeared before the GIAPC was generally consistent with the findings of the HNA report.

3.0 PROVIDING A FRAMEWORK FOR VIABLE AND SUSTAINABLE COMMUNITY HOUSING PROJECTS IN OUR RURAL COMMUNITY

3.1 Framework Policies and Commentary

The GIAPC recommends that strong policy be in place and respected during any land use decisions, the most critical of which is groundwater protection. OCP policy should be referred to for guidance about the size, location and design of future affordable housing development.

Galiano OCP Community Housing Policies do address a lot of what we agree is important. However, we have found a few areas that could be improved upon, and these are set out in the recommendations section 3.3 below.

3.2 The Need for more Seniors and Special Needs Housing in our Future

As noted in the HNA report, in 2016, 19% of the population of the SGI received their incomes from government transfers. It can be assumed that some, if not the majority, of the income is paid to seniors residing in the SGI.

Further, given it is anticipated that there will be a 15.8% increase in population between 2016 and 2041, it can be assumed that some of this growth will be within the senior population. The HNA report noted that, for a variety of reasons, seniors might not remain within their communities “due to the lack of appropriate supported housing options and they age, and/or the lack of appropriate housing for support workers”. However, in the resident survey completed and included in the HNA report, seniors 65 and over responded that they are certain or very likely to remain living in the SGI but housing remains a factor in their decision to do so.

3.3 Recommendations

3.3.1 The GIAPC recommends that all housing proposals and related policies contain strong principles which support diversity and integration of all families and individuals within our community.

3.3.2 The GIAPC recommends that new proposals for affordable community housing be developed based on aquifer and groundwater regions.

3.3.3 The GIAPC recommends that new proposals for affordable community housing for working families and individuals need to stay small in scale, be low impact and be dispersed island wide, within proximity of public road and hydro service as opposed to trying to keep it all at the south end.

3.3.4 The GIAPC recommends that new proposals for affordable community housing projects specific to Seniors or Special Needs housing may need to be located somewhat closer to the services at the south end of the Island.

3.3.5 The GIAPC recommends that new proposals for affordable community housing projects be designed to integrate within existing and new residential areas and fit in with Galiano Island's rural identity.

4.0 SUSTAINING GROUNDWATER AQUIFERS WHILE INCREASING DENSITY FOR AFFORDABLE COMMUNITY HOUSING

The GIAPC has included a detailed section on groundwater in this report. This is because, while affordable housing for our community is critically important to its diversity, cultural and economic sustainability, maintaining the health of our aquifers is equally critical to the long-term viability of our community.

“Community Housing”, the term used in the Galiano Island OCP, is defined in this section as purpose-built, rental and other affordable housing which increases density and intensity of land use.

Affordable community housing development intersects directly with Islands Trust Directive Policy 4.4.2 which states, *“Local trust committees and island municipalities shall, in their official community plans and regulatory bylaws, address measures that ensure: neither the density nor intensity of land use is increased in areas which are known to have a problem with the quality or quantity of the supply of freshwater, water quality is maintained, and existing, anticipated and seasonal demands for water are considered and allowed for.”*

The Crown's responsibility for groundwater is divested through several provincial and regional agencies that share management of water sources and supply. These include the Ministry of Forests, Lands, Natural Resource Operations and Rural Development (FLNRO), Vancouver Island Health Authority (VIHA) and the Capital Regional District (CRD). The Islands Trust is responsible for the protection of groundwater from the effects of land use and must consult with a number of referral agencies, including First Nations. It does not have a role in approving water supply and systems.

The Waterline Galiano Groundwater Study of March 31, 2011 (Waterline Galiano 2011) and Galiano Groundwater Regulations Review of May 10, 2012 (Galiano Groundwater Regulations

2012) provide the most current review of groundwater conditions and guidance for land development that increases density and intensity of land use.

New BC water laws, evolving groundwater science, the public interest in groundwater protection, water supply regulations and the number of agencies involved all combine to create a daunting process for developing community housing proposals.

4.1 Expanding and Sharing Knowledge of Groundwater Resources:

A coordinated approach to groundwater protection is needed.

FLNRO, VIHA, the CRD and the Islands Trust need to increase collaboration; information needs to be shared across agencies. Criteria used by approval agencies to determine community housing water demand should be reviewed, updated and coordinated where possible. This is especially important given the increasing development pressures and demand for water, as well as environmental stressors such as lengthening periods of seasonal drought.

4.2 Groundwater Protection in Community Housing Rezoning Applications

The OCP's Water Supply section states this Objective as related to land development: *"to ensure that the local trust area develops only in a manner that utilizes the precautionary principle and the best information available regarding water resources, so that the resource will be preserved for current and future use"*

Community housing should be developed in reference to groundwater regions and the aquifer's capacity to support the number of dwelling units proposed. The Waterline Galiano Groundwater Report of 2011 provides a useful guide. Mapping shows groundwater recharge areas (Figure 2); areas where aquifers are stressed through overuse and saltwater intrusion (Figure 5); areas where water quality and well chemistry is a concern (Figure 9); and areas of the island where aquifers are rated at moderately high or at high risk of groundwater contamination (Figure 10).

Water supply should be the basis for planning community housing. Groundwater capacity should be confirmed prior to final adoption of rezoning bylaws. Where an unqualified statement cannot be made regarding the quantity and quality of groundwater available, there should be a "phased-in" approach to the number of dwelling units built. This would allow for groundwater capacity to guide land use. The option of controlling occupancy (density and intensity of land use) through legal mechanisms such as an affordable housing agreement or a restrictive covenant is not recommended because the Trust does not have a legislative tool to enforce occupancy.

Rainwater catchment is an effective and important conservation strategy and is recommended for supplementing non-potable water uses but should not be the prime, or sole, source of potable water for community housing. Current VIHA and CRD regulations for converting rainwater to potable water require engineering and other resources not easily available or affordable at this time.

The Galiano Groundwater 2012 recommends introducing a "Proposed Critical Groundwater Protection Development Permit Area (DPA)" in order to better plan land development and subdivision.

A groundwater DPA would provide clear guidelines for development of community housing in relation to the aquifer. It would also recognize the needs of ecosystems that rely on freshwater, promote measures that maintain groundwater recharge and protect the subsurface against possible pollution from land use activities.

4.3 Strengthening Governance of Aquifers

Groundwater is a natural resource that the Crown and its authorized agencies protect for the benefit of the public through a public trust framework. Groundwater cannot be alienated from the public interest for private and exclusive possession or purposes. *“Sustainability requires that decisions about groundwater are made transparently, through fully informed public participation and with full account taken of ecosystem needs, intergenerational equity, and the precautionary principle.”*—Linda Nowlan, Program on Water Governance, UBC.

The Islands Trust preserves the public’s interest through policy directives that require land development not cause damage to the groundwater resource. In the Trust area, land development is applicant-driven. A proposal is shaped with the applicant through a series of staff reports. The process allows for proposed land use bylaws and amendments to be included and presented almost simultaneously to Trustees and the public at public LTC meetings. This approach does not consider wider consultation and the sharing of knowledge in the early stages, or discussions and adequate review by Trustees prior to public presentation. Staff report recommendations are generally designed to keep the application moving forward. The process for engaging the community is at a public hearing that occurs towards the end of the process. At the close of public hearing, no further information may be heard by, or discussed with, the Trustees. Bylaws then receive final reading and approval. It is rare for bylaws to not be approved at this stage.

This process ensures orderly progress for the application but has obvious disadvantages. Gathering public comment at the end of a process does not achieve community engagement or adequate consideration of the public interest in community development and groundwater protection.

While the application process provides clear steps for a proposed development, there is no equally clear process for valuing ecosystems. “Cost-benefit” analysis is necessary for aquifers, otherwise the application process will tend to favour socio-economic interests over ecosystems and groundwater.

In light of these concerns the application process should be reviewed and amended.

4.4 Recommendations:

4.4.1 The GIAPC recommends that the GILTC request the Islands Trust engage in a review of Trust-wide groundwater protection policy to ensure that:

4.4.1.1 planning decisions are based on the best available groundwater data and best practices are in place for land development proposals, including community housing;

4.4.1.2 there is effective information sharing among agencies and clarity of water supply regulations for proponents of community housing;

4.4.1.3 groundwater mapping is updated and ongoing monitoring technology is expanded; and

4.4.1.4 groundwater data such as mapping and current research is made easily accessible to community organizations and persons involved in developing community housing proposals and the public commenting on those proposals.

4.4.2 The GIAPC recommends that the GILTC be briefed by the Hydrogeologist-on-staff regarding current groundwater research and issues on a regular basis so that the Trustees have the best available information on Galiano Island groundwater. This will enhance decision-making.

4.4.3 The GIAPC recommends that the GILTC require any site considered appropriate for community housing that allows increased density compared to the neighbourhood be located on land that has the carrying capacity for the number of dwellings proposed, and be able to provide adequate quantity of groundwater that will not endanger the long-term sustainability of the aquifer.

4.4.4 The GIAPC recommends that the GILTC require community housing not be located in groundwater regions where there is high risk for contamination of groundwater due to the characteristics of the aquifer, based on the “Galiano Island Intrinsic Groundwater susceptibility” map, Figure 10, page 22 of the Waterline Galiano 2011.

4.4.5 The GIAPC recommends that the GILTC require that where there is uncertainty of aquifer capacity due to factors beyond the scope of a hydrogeologist’s assessment, that the OCP’s precautionary principle be followed to require a “phased-in” approach to zone density and build out, with additional dwelling units added when groundwater monitoring evidence permits.

4.4.6 The GIAPC recommends that the GILTC review and adopt the Waterline Galiano 2011 recommendation that hydrogeology assessments for land development proposals that increase density and intensity of land use include cumulative, long-term (longer than 100 days) projections for groundwater withdrawals in order to address climate change impacts, in particular, lengthening periods of seasonal drought.

4.4.7 The GIAPC recommends that the GILTC require hydrogeology assessments include ongoing groundwater monitoring for contamination, overuse or failure to recharge.

4.4.8 The GIAPC recommends that GILTC adopt the Galiano Groundwater Regulation 2012 recommendation to introduce a Proposed Critical Groundwater Protection Development Permit Area (DPA).

4.4.9 The GIAPC recommends the GILTC review and amend the application process for land development, including community housing, before proposed bylaws are developed by staff, in order to:

4.4.9.1 support a consultative, collaborative approach and engagement of the public interest in community development and groundwater protection;

4.4.9.2 enhance decision-making through more timely, comprehensive information sharing with the GILTC and the public; and

4.4.9.3 include an assessment process for valuing ecosystem services (cost-benefit analysis) in order to address and balance socio-economic needs with sustainability of groundwater resources.

4.5 Conclusion:

Land use planning for community housing should be based on groundwater regions and aquifer capacity. Planning should be guided by best practices to protect groundwater. The application process should be refined to allow for more consultation and collaboration in the early stages of development proposal to support the public's interest in groundwater protection and community development.

Section 4 Notes:

The groundwater recommendations listed above are found in the Waterline Galiano 2011 and the Galiano Groundwater Regulation Review 2012 and are in accordance to standard hydrogeological practices.

The substance of Section 4.3 and recommendation 4.4.9 is based on a brief by the POLIS Water Sustainability Project – The Future of Water Law & Governance series, Legal Issues Brief 2010-1 by Oliver M. Brandes and Randy Christensen, in partnership with University of Victoria, and with the Program on Water Governance, Institute for Resources, the Environment and Sustainability and the Department of Geography, UBC.

5. PLANNING FOR AFFORDABILITY AND COMMUNITY HOUSING

5.1 Aiding the Acquisition of Land for Purpose Built Affordable Rental Housing:

5.1.1 Land Development as a Source

In the past, there have been efforts made to balance the need for community housing with development proposals for Forest zoned parcels. The first attempt was within the OCP Heritage Forest option. That land use option, now discontinued, allowed for a small percentage of the original Forest parcel area to be converted from Heritage Forest to affordable or seniors' housing. Since that option's removal, GILTCs have continued to support community housing through what is generally referred to as the 25/75 option for development on Forest land. In this type of proposal, modelled after the Heritage Forest concept, approximately 25% of the land goes to Residential zoning (RR) and 75% is protected from future development and kept as forestland. The GILTC's have allowed one extra serviced lot to be created from the 75% to be protected, and then sold by the applicant but the profits, after costs, are contributed to a community housing society on Galiano Island.

The GIAPC considered a variation on what has been done in the past. Instead of the applicant donating the profits from the sale of a newly developed extra lot, they could simply provide the serviced lot itself, by donation. The donated lot could be transferred directly to a community housing society and rezoned by the GILTC to a site-specific community-housing zone, or held in a holding zone for future use.

In another variation, the applicant is required to sell the extra serviced lot to the community housing society at cost. This way the applicant would not have any extra costs for the servicing infrastructure of a community housing lot. However, the disadvantage in this model is the possible delay until the land is transferred to a community housing society if funds to buy it need first to be raised.

Both these variations would serve to reduce the land and infrastructure costs for a community housing society. The housing society could then focus on raising funds for the construction of the dwelling or duplex on the lot, designing it to integrate or blend with the new residential neighbourhood area situated within Forest land.

5.1.2 Zoning to Designate and Hold Future Community Housing Land

The notion of creating a special zone in which to hold land for future use for community housing was discussed by the GIAPC. The consensus was that it might help to enable donations of land from all possible sources in support of community housing and to ensure it remained available for that purpose.

OCP policies would need to be developed to establish a set of criteria for suitable land donations for affordable housing. These criteria should include close proximity to an open public road, and to hydro and communications infrastructure. They should also include (and as per Section 4 of this report) a requirement that they NOT be in an area already identified to have groundwater quality or supply problems, or have highly susceptible aquifers.

The GIAPC agreed that a means by which donated land could be safely held in trust, until such time as a community housing project was funded and ready to proceed, would be extremely helpful. Lands held in trust for community housing could also be zoned accordingly in our LUB. Whether a donation of land arises from a rezoning for development in the Forest zone, or from some other private land source, it would be helpful to be able to accept the donation as a charitable donation. It was agreed that the Islands Trust should be encouraged to establish a Community Housing Land Trust with charitable status, and that the GILTC should create a zone for land held by such a land trust.

A rezoning process to put land into a zone for future affordable community housing projects is needed. Projects, when ready to proceed, would then need to be rezoned to a site-specific Community Housing zone.

5.2 Design Options to Reduce Development and Building Costs:

The GIAPC discussed and considered various housing type options that could increase affordability. The HNA report discussed these as well and those surveyed made suggestions for addressing housing options.

These housing options included tiny homes, cabins, co-op housing, co-housing, mobile home parks, employer-built accommodation for seasonal workers, purpose-built rental housing and secondary suites.

The OCP and LUB already allow secondary suites as an alternative to the cottage provision.

The current OCP Community Housing Policies for community housing proposals permit co-housing, co-op housing, clustered detached dwellings, duplexes or attached ground-oriented housing. Tenure can be by rent, lease, sale or shares but with fixed amounts below average rates within the region.

Mobile home parks specifically are not permitted. However, there could be exceptions in the case of community housing projects.

Tiny homes on wheels are not mentioned in the OCP. These should be considered for community housing and/or affordable rental housing purposes. The GIAPC considered whether, by special license (if and when the Islands Trust achieves that legislated tool), a tiny home on wheels could be permitted for a term of use if it met health and safety requirements. Such licensing could also be used in the case where recreational vehicles or travel trailers are being used for full time housing.

5.3. Creating Affordable Opportunities for Entry Level Residential Land Ownership

Under our LUB new subdivisions are expected to meet density of the lands zoning. Most residential zones have a lot size average and minimum lot size. There are also subdivision regulations in place for lot proportions.

However, if the Galiano Island community wants its residential lands to provide a diverse range of housing to reflect the diversity in its population, the community may need to guide the development processes of rezoning and subdivision with that goal specifically in mind. The subdivision regulations could direct that new lots be designed in a variety of sizes and values. At present this is an option, and possible, but not required.

Land development seeks to maximize profits by using attributes such as waterfront and/or views to the best advantage. Usually lot layout is designed so all lots benefit from higher valued attributes. Naturally, this influences the price. If the Galiano Island community wants to ensure some lots will be kept more affordable, OCP policy and LUB subdivision regulations could be revised to ensure a percentage of newly developed lots will be specifically designed for a lower price. This would mean requiring that some smaller lots be created within the permitted density average, and, if applicable, kept back from waterfront or views.

To ensure these newly created smaller lots remain more affordable over time, covenants could be used to restrict the size of dwelling and accessory buildings. This concept balances the needs of the proponent with the needs of the community. The impact on the profit margin may not be too significant as the lot averaging would mean that other lots with a view or waterfront would be larger and bring a higher price.

5.4 Dwelling sizes and affordability

The construction of excessively large homes in the Islands Trust region seems counter to many Islands Trust and local OCP provisions aimed at preserving the environment, the viability of communities and the affordability of housing for residents of the Trust Area. Now would be a good time to consider implementing an upper limit to the size of dwellings in the Galiano Trust Area.

But more directly relevant to affordable land and housing would be the addition of a means to have covenants on new lots that are developed to be more affordable, to limit the size of dwelling and accessory buildings. This measure could help preserve a base of more affordable starter homes in our residential land base.

5.5 Recommendations

5.5.1 The GIAPC recommends that the GILTC review and amend the OCP and LUB to direct that new subdivision proposals include a percentage or number of lots, to be donated, or sold at cost neutral, to an affordable housing society for building affordable rental housing.

5.5.2 The GIAPC recommends OCP 1.6 Community Housing be amended to allow mobile homes parks in the case of affordable community housing developments, provided scale and spacing are suitably limited to fit the rural characteristics of Galiano Island and that the LUB Prohibited Uses section 2.3.2 be amended to add an exemption for Community Housing.

5.5.3 The GIAPC recommends that the GILTC create policy and regulation directing that a percentage of any new lots being created must be designed to be more affordable, both in land price by way of NOT being waterfront or view, and/or by being on the smaller end of lot size for the average in the zone.

5.5.4 The GIAPC recommends that the GILTC consider using registered covenants to limit the building size/footprint on the required percentage of smaller, more affordable parcels as per recommendation 5.5.3.

5.5.5 The GIAPC recommends that the GILTC consider altering the lot proportion requirements for view and waterfront to improve the chances of an applicant keeping a percentage of new lots inland and more affordable.

5.5.6 The GIAPC recommends that the GILTC consider implementing policy and regulation to cap the size of dwellings, Island wide, proportionate to zoned lot size average.

5.5.7 The GIAPC recommends that the GILTC establish a special zone for land held in trust for future use as community housing.

5.5.8 The GIAPC recommends that the LTC advocate to Trust Council that the Islands Trust establish a Community Housing Land Trust with charitable status for the purpose of accepting land donations for community housing.

5.5.9 The GIAPC recommends that, as soon as licensing is available, policy and guidelines be made available to permit moveable tiny homes, motor homes or travel trailers to be used as affordable housing, and be subject to a term, and basic safety and health standards.

6. PLANNING FOR THE IMPACT OF COMMERCIAL ECONOMY, INCLUDING TOURISM, ON AFFORDABLE LONG-TERM RENTAL HOUSING AND COMMUNITY HOUSING.

In the Employer Survey, included in the HNA report, a majority of the employers in the SGI said that the availability of housing adversely affects their ability to hire the “right number of suitable employees” (43% responded yes and 36% responded sometimes). Seventy-six percent of the employers do not provide housing for their employees and some reported their

employees having difficulty finding affordable and appropriate accommodation. A majority of employers said that if there was more affordable housing they might expand their business or hire more staff.

Many of our local businesses are tourism-related and therefore seasonal. The peak demand period of June through September generates demand for seasonal workers, which is often only partly filled by local residents. Some businesses require additional staff and casual workers beyond what the Island resident community can provide so non-resident seasonal and regular employees are brought to the Island. This may put added pressure on our local long-term affordable rental housing resources during tourist season.

As noted in the survey, some employers reported a willingness to work with others to develop solutions to the housing issue.

6.1 Recommendations:

6.1.1 In all future rezoning or redevelopment tourism-related applications which create the need for off-island seasonal employees that the provision of staff accommodation should be a requirement.

7. CONSIDERATIONS FOR INCREASING THE AVAILABILITY OF LONG- TERM HOUSING RENTALS

The GIAPC considers STVR use of residential properties in the Galiano Trust Area to be a major contributing cause in the short supply of long-term rental opportunities in our community. While the shortage has been often felt over many years, it has seemed worse of late. The current provisions in our OCP and LUB have legalized STVR use as a home occupation, and made STVR uses by non-resident property owners possible by Temporary Use Permit (TUP). In the first five years of their use TUPs seem to have led to increased housing shortages. It seems to us that for the GILTC to take the housing shortage seriously it must take a closer look at STVRs and find ways to closely track, manage, and limit them.

Cottages were originally permitted as “guest cottages” only. Changes were subsequently made to our LUB to allow an increase in cottage size and also to legalize full time occupancy with the goal of increasing the affordable rental housing inventory. Further increases in the allowable size of cottages have since been made largely on the premise that this made a cottage more livable long term for a couple or even a small family. Increasing their appeal in the STVR market was never stated as a goal.

In 2013 further changes to our OCP and LUB made the use of cottages as STVRs legal as a home occupation. This seems to have coincided with an upswing in on-line advertising services such

as Airbnb. Online vacation rental sites have allowed property owners to access a large pool of tourists increasing their ability to offer STVRs with greater ease. This provides greater incentive to remove such properties from the general rental pool and, in particular, the more affordable rental cottages.

There are economic benefits to those operating STVRs. In some cases, STVRs allow property owners to enhance their incomes in the face of increasing costs and affordability. This may serve to infuse income into the Galiano Island economy both from tourists and/or from owners. However, this adversely affects the availability of long-term affordable rental housing. Many leases are now only available for off-season rentals of nine or ten months. (*Options for Affordable Housing: New Solutions to the Housing Crisis in the Islands Trust Area, Victoria 2013*). Our close proximity to large urban areas makes Galiano a convenient STVR destination. However, there is an urgent need to get control of STVR numbers and distribution before irreversible harm is done to our community diversity and culture.

The issue of availability of affordable, long-term rental housing is not a new issue on Galiano Island. Most of the members of the community, who made presentations to the GIAPC, noted that STVRs are having an adverse impact on the affordable and acceptable rental stock.

There are anecdotal stories of tenants being evicted, once the summer holiday arrives, as properties are rented for more money during peak tourist season. This anecdotal information was supported by the findings contained in the HNA report.

With increased tourism STVRs have increased in the recent years. However, affordable housing for those who work in the tourist industry has not increased. As noted in the HNA report, there is a shortage of seasonal rental accommodation.

In early 2017 the GIAPC considered the issue of STVRs in other referrals to it by the GILTC. The discussion of this issue continued in this referral. Our discussions and reports included the following observations:

- There has been no cumulative analysis of the impact of STVRs on the availability of affordable rental housing on Galiano Island.
- Data is required regarding the number of STVRs and where they are located on Galiano, and how many STVRs are operating without permit and in what areas.
- All STVRs should be licensed.
- To reduce impact on affordable rental housing, the GILTC may need to limit the number of STVRs generally and in specific areas. The GILTC should take steps to create maps illustrating the locations of all STVRs, which would provide the opportunity to regulate STVRs. The applicant for a TUP would be required to provide notice to neighbours of their application to operate a STVR. The purpose of limiting STVRs is to maintain the primary use of Galiano Island's residential zones.

- A complaint driven process to address STVR regulatory infractions is a problem. Galiano Island needs a proactive and funded system to investigate and enforce compliance.
- Owners of STVRs do not pay a commercial tax although they are using their dwelling(s) as a type of hotel accommodation. This is different from bed and breakfasts which are operated with the owner living in the dwelling.
- The GILTC should consider providing tax relief and/or financial incentives to owners providing long-term affordable rental accommodation similar to owners that keep natural areas or agricultural land intact.
- If there are two dwellings on one property, one dwelling is to be used as a residence, whether by a full-time renter or owner.

7.1 Recommendations

Our OCP contains Home Occupation Objectives. The second is *“to preserve the residential character of neighborhoods”*. In addition, our Commercial Objectives include *“3) to protect the character and integrity of quiet, residential and rural neighborhoods.”* The following recommendations strive to achieve those objectives by setting appropriate limits for STVR use of residential lands.

7.1.1 The GIAPC recommends that the GILTC immediately undertake a review and amend the current STVR TUP and Home Occupation STVR provisions.

7.1.2 The GIAPC recommends that the GILTC find means of establishing limits on the number of all types of STVR; and that the limits include a cap for the Galiano Trust Area, to ensure limits apply specifically to different neighbourhood areas, groundwater regions and Water Management Areas:

7.1.2.1 Limits could be established based on percentage of number of residential dwellings in Galiano Trust Area, set for a term (eg. 5 years , and reviewed at the end of that term;

7.1.2.2. Lower limits would be especially important in Water Management Areas and other areas that have water issues identified by the GILTC, the Galiano Waterline Study 2011, or by the community;

7.1.2.3 When an existing TUP expires the GILTC should not permit a renewal unless the total number of other STVR TUPs is under the cap set for the region or the island as a whole; and

7.1.2.4. A limit on the total number of years a given property can be used for STVR should be considered to give opportunities to other owners.

7.1.3 The GIAPC recommends that in order to monitor, gather data and enforce limits on STVRs, the GILTC consider requiring TUPs for ALL STVRs, including bed and breakfast accommodation until licensing becomes an option. (see for example the City of Nelson annual licensing and regulations).

7.1.4 The GIAPC recommends that the GILTC find resources to proactively enforce compliance with STVR limits and regulations. Fines should be sufficiently high to ensure compliance and/or act as a deterrent to others (for example the City of Nelson imposes fines of \$5000/day).

8.0 TAX INCENTIVES, FUNDING SOURCES AND SUPPORT

The GIAPC noted that STVRs provide an opportunity to homeowners to enhance their incomes. The GIAPC discussed that perhaps some form of tax incentive should be provided to those homeowners who provide affordable rental housing. In the surveys results reported in the HNA there was support for tax incentives to help improve the availability of affordable homes by providing home-owners with greater income. One community member made this suggestion in his presentation to the GIAPC. It was his view that this is a more effective approach than imposing penalties and may lead to a more stable and affordable rental housing market.

In the HNA Employers Survey, employers suggested that some options to address the shortage of affordable housing would be to both reduce regulatory barriers to development and to provide tax incentives to those providing affordable housing, including rental housing. The GIAPC noted that the “regulatory barriers to development” are not specified by these employers’ comments. Most regulations that apply to subdivision and development have a purpose linked to broad public interest.

An Affordable Housing Reserve (AHR) could be created. An AHR could provide tax incentives for landowners providing long-term affordable rental housing, similar to the way the Agricultural Land Reserve (ALR) and Private Managed Forest Land (PMFL) provide tax relief in return for protecting agricultural land or growing and harvesting timber on forest lands.

Tax breaks do exist already for non-profit societies that own and manage affordable or seniors housing. The GIAPC learned that they do not pay land taxes.

Community input received by the GIAPC informed us that:

- Having access to low mortgage rates for either improvements to, or purchasing of, affordable housing would be helpful.
- Creating a “Community Mortgage Investment Corporation”, would raise funds in the community that would be available to those on the island for the purchase of a home and/or for the building of affordable rental housing units.

- The CRD has a Regional Housing First Program in place and is working with other government agencies on funding new housing for the homeless.
- Creating a housing trust/society (or a similar type structure) may assist in protecting existing rental housing stock that is for sale.

The GIAPC also discussed establishing a “housing agency”, which would assist those both looking for, and those providing, affordable rental housing.

The GIAPC discussed the need to create an affordable housing society that could oversee the construction and management of affordable housing rental units and take advantage of available government funding. However, the difficulty is that Galiano Island is already heavily burdened with demands on our volunteer base for many of the community’s important functions. There is a concern that finding human resources in the community to keep affordable housing projects going will be difficult.

The GIAPC discussed the need for the Islands Trust to create an Islands Trust Community Housing Land Trust. This would affirm the principle that affordable housing is the basis for sustainable communities. It was also the first recommendation of the “Community Housing in the Trust area 2016-Final Recommendations” report.

8.1 Recommendations:

8.1.1 The GIAPC recommends that the GILTC support Trust-wide initiatives and Provincial tax incentives that benefit property owners who provide long -term affordable rental housing to residents.

8.1.2 The GIAPC recommends that affordable community housing projects or proposals should be designed to meet requirements to qualify for available CRD, Provincial and Federal funding support for affordable housing.

8.1.3 The GIAPC recommends that the GILTC explore taxation initiatives that would ensure STVR operators are taxed at a rate appropriate for the commercial use of their residential lands.

8.1.4 The GIAPC recommends that the GILTC advocate for the creation of an AHR – Affordable Housing Reserve. This would provide an incentive for landowners to rent long term affordable housing based on the models of the ALR and PMFL which provide tax relief for the protection of farmland and forest lands.