

MINUTES
MAYOR'S STANDING COMMITTEE ON HOUSING
AFFORDABILITY AND SUPPLY
Saanich Municipal Hall, Committee Room No. 2
Monday, December 9, 2019 at 8:35 a.m.

Present: Mayor Haynes and Councillors de Vries, Mersereau and Plant
Staff: Paul Thorkelsson, Chief Administrative Officer; Sharon Hvozdanski, Director of Planning; MaryAnn Greco, Senior Committee Clerk (left at 8:55 a.m.) and Jeff Keays, Committee Clerk (entered at 8:55 a.m.)

CALL TO ORDER

Mayor Haynes called the meeting to order at 8:35 a.m.

ADOPTION OF MINUTES

MOVED by Councillor Plant and Seconded by Councillor Mersereau: "That the minutes of the November 4, 2019 Mayor's Standing Committee on Housing Affordability and Supply meeting be adopted."

MOVED by Councillor Plant and Seconded by Councillor Mersereau: "That the fifth bullet on page 3 of the minutes of the November 4, 2019 Mayor's Standing Committee on Housing Affordability and Supply meeting be amended to replace the sentence "Approximately 1 in 6 or 1 in 7 homes currently have a suite." to "Approximately 1 in 2 homes currently have a suite."

CARRIED

MOVED by Councillor Plant and Seconded by Councillor Mersereau: "That the ninth bullet on page 3 of the minutes of the November 4, 2019 Mayor's Standing Committee on Housing Affordability and Supply meeting be amended to replace the word "best" with "recommended".

CARRIED

The Motion was then PUT and CARRIED

MAIN MOTION AS AMENDED

MOVED by Councillor Plant and Seconded by Councillor Mersereau: "That the minutes of the November 4, 2019 Mayor's Standing Committee on Housing Affordability and Supply meeting be adopted as amended."

NEW BUSINESS

1. Housing Needs Assessment – Suggested Stakeholders for Engagement.

The Manager of Community Planning stated:

- a. Participant in the regional planning group, DPAC.
- b. Regional Housing Needs Assessment joint funding application has been submitted to UBCM
- c. A key component of the needs assessment is stakeholder engagement.
- d. The purpose of the engagement is to both validate the hard data and provide the proper context in order to better understand the data.

- e. Engagement efforts will provide a full picture of the housing supply in context.
- f. Noting the importance of this conversation to the committee, staff are here to check-in and seek input on ensuring the right groups are a part of the process.
- g. The funding program and the legislation governing housing needs assessment is a much more focused exercise, not general public input.
- h. Key stakeholder groups in order to understand issues, and context in the region.
- i. Information arising from the needs assessment will be available to the broader public.
- j. CRD is looking to develop a regional housing information system in conjunction with the needs assessment, with the intent for the system to be updated regularly.

The committee made the following comments:

- a. Have staff developed a draft list for consideration, or are you looking for different set of stakeholders that would traditionally be engaged.

The Manager of Community Planning stated:

- a. There are examples from other municipalities that have undertaken needs assessments already.
- b. Saanich has not yet produced a formal list; however, examples staff are considering: business community, development community, non-profit housing providers, educational institutions, major employers i.e. Department of National Defence, agencies and groups serving at-risk and/or vulnerable populations, tenant associations.

The committee made the following comments:

- a. Faith based community and organizations should be included.
- b. Earlier discussions regarding the housing forum generated a number of business/employer stakeholders including: VIATECH, the Chamber of Commerce, UDI
- c. Interested in reaching more renters, such as Tenant Action Group (TAG); however, how to reach those tenants that are not being represented by umbrellas organizations is a challenge, accordingly it may be appropriate to put out an open call for participants from Saanich's renter community.
- d. Landlord BC could be considered represents the interests of landlords, but indirectly represents tenants.
- e. Lending, banking institutions and the role they play in enabling the development of more additional housing.
- f. John Reilly attended the October meeting of PTED to present on the needs assessment.
- g. This discussion would benefit greatly from John Reilly's presentation.
- h. It is understood that the stakeholder engagement aspect of the needs assessment is more of a data collection assessment.
- i. There are number of important data sets and indicators that are note in the scope of the assessment, and as a result some of the data is without context, or appears to skew results.

MOTION

MOVED by Councillor de Vries and Seconded by Councillor Mersereau: "That John Reilly be invited to attend the January 6, 2019 Mayor's Standing Committee on Housing Affordability and Supply."

CARRIED

The Manager of Community Planning stated:

- a. Having John Reilly attend the January meeting would not have an impact on the timeline for stakeholder engagement, which is targeted for May - September
- b. The Councillor is correct, the primary purpose of the exercise is to validate data; however, the context provided by the stakeholder engagement exercise will help minimize mistakes or errors in data interpretation and validation.

Mayor Haynes inquired:

- a. Do we want to discuss what our expectations for a needs assessment for Saanich (vs. what the CRD is doing) would and what would be an approach to identify Saanich specific housing needs as part of our conversations?

Committee made the following comments:

- a. This would be better left to a future meeting.

2. Update from staff on options to increase housing supply within existing single family neighbourhoods.

The Director of Planning stated:

- a. A summary of initiatives that both this Council and the previous Council considered to address this issue includes:
 - (i) The use of small lot zoning has been in place for a number of years and has been considered successful. A positive example of small lot zoning are the 3 homes that were built in the Uptown Douglas Corridor Area (UDC), at the west end of Cadillac Lane.
 - (ii) Additional applications coming forward in the future.
 - (iii) Question remains how small (the subject lot) is appropriate.
- b. Sidney, allows development on a RS1 Zone that is 250m² (Saanich is 300m²)
- c. Application coming forward that will bring the "too small" discussion to the Chamber.
- d. Existing Zoning Policy: Areas shaded brown on the OCP maps are designated as neighbourhood zones and allows:
 - (i) Duplexes, triplexes, four-plexes;
 - (ii) Town-houses (misnomer, more appropriately described as units that are connected by common walls)
 - (iii) Micro-units (potential use in the UDC transition area), apartments are also permitted, where appropriate (i.e. Shelbourne Valley Corridor, McKenzie).

The Mayor stated:

- a. Is it possible for staff to provide a summary of the actions and initiatives noted during our discussion?

The Director Planning stated:

- a. Staff will provide the committee with a summary of recent and pending actions, and attached hereto as *Schedule "A"*
- b. Micro units have been discussed with a developer for the UDC; anticipate an application will come forward.
- c. This type of housing would be appropriate for transition areas in and around all major centres, villages and corridors.
- d. Planning staff are drafting a report on the potential for micro units. The report is anticipated to arrive at Council in Q2 2020

The committee made the following comments:

- a. Has there been any analysis, Re: previously noted options for increasing supply, in terms of their impacts on affordability, and the type of product they are producing.
- b. Small lot zones, duplexes/triplexes are not effective in absorbing growth, or increasing supply and result in relatively expensive units regardless of lot side
- c. The residual value of a finished home development has a significant impact on the value of land (price goes up), small lots or otherwise, which in turn has an impact on the affordability of any associated development
- d. There are indications that our associated tools are not meeting the current needs, with regard to growth, demand, affordability of our community, as example, a finished quad-plex,

on a \$600,000 lot, will still have an approximate cost of \$690,000 per unit. This is alarming. The Director of Planning stated:

- a. The efficacy of certain building forms and a methodology to provide affordable housing is something that Planning has looked at in general.
- b. Since our last look, when we had a housing strategy, things have changed with regard to type and community expectation.
- c. The housing needs assessment should consider who are you wanting to house on the full spectrum, and what is the best method to do that.
- d. Your goals and objectives, and a sustainable methodology, for creating complete communities should be layered on top of that.
- e. In addition to exploring options to increase below market and rental housing in Saanich, the strategic plan identifies the development of a housing needs assessment and strategy for Saanich as strategic initiatives/actions for Council.

The committee made the following comments:

- a. Supply is about affordability across the entire spectrum.
- b. It is agreeable that those homes priced in the \$500-600k range may not be affordable for all demographics; however, they are attainable to those already living in the community who may wish to downsize while at the same time remain in their community.
- c. The end result of this development pattern is that homes are only attainable to those families/households earning over \$150,000+ per year, essentially cutting off a large segment of the population off from the majority of neighbourhoods, as a corollary, we are basically saying that those earning less should live in the noisiest, busiest and most polluted places. This is concerning.
- d. In our efforts to contain sprawl, Saanich has undermined our own efforts to support the development of affordable housing by constraining the majority of development to villages and centres, where growth is constrained by the availability of land.
- e. The development of a corridor model, similar to what has been developed for the Shelbourne Valley, should be given greater consideration going forward.
- f. Corridor development strategies can increase walkability, and support economic development and transit strategies.

The Director of Planning stated:

- a. The provisions and policies contained within the OCP is administered in an imperfect world.
- b. It is appropriate at certain points to look back to ensure its meeting the community objective.
- c. The current development pattern was developed at the regional level through the regional growth strategy.
- d. Certain areas are uncovered; however, this is to be considered against achieving the objective of developing where existing services are in place we have certain areas that are advantageous.
- e. Despite resulting in some residential lands being undeveloped, it is only Phase 1 of a multi-year plan that will accommodate and support all types of housing and densification along corridors, and in centres and villages.

The committee made the following statements:

- a. It appears that the notion of affordability is missing from the discussion, as we are seemingly only looking at supply. We should also be looking at affordability.
- b. Future discussions on affordability will demonstrate that our current growth patterns are not delivering the outcomes we want.
- c. The difficult conversation is what are we going to do about it?

The Director of Planning stated:

- a. It appears as though this discussion is really about the full spectrum of supply and affordability.

- b. Staff could bring a preliminary information to a subsequent meeting to facilitate the discussion.
- c. The item would be included on the February agenda for further discussions.
- d. The Garden Suites bylaw is currently under development, this will increase the supply of rental housing.
- e. The intent of the program is not short-term rental, but rather to direct the units to the market.
- f. Staff acknowledge that these suites insecure form of housing, as the owner may not decide to not rent out the unit.
- g. Staff directed by Council to look at potential of allowing secondary suites and garden suites at the same time, which turns a single family lot into a defacto three unit development lot. Report in 2020.
- h. Saanich already benefits from a number of lock-off suites in multi-family units, developers are routinely aware that this is an option that is available to them.

MOTION

MOVED by Councillor Plant and Seconded by Councillor Mersereau: "That the public be permitted to participate as per the Mayor's invitation."

CARRIED

A. Cooper, Abstract Developments stated:

- a. The townhouse development on Boleskine Rd. included a number of lock-off suites as mortgage helpers.
- b. Considering the option for other development sites in the District to see if there is an appetite for the amenity.
- c. Not all planners are aware that this is an option.

The Director of Planning stated:

- a. In response to Council direction with regard to increasing the housing supply, staff are developing the following repots:
 - (i) RA Zoning and the potential densification of these zones (2020)
 - (ii) Micro units to support supply and affordability (2020)
 - (iii) Local Area Plans for Cadboro Bay and Cordova Bay
 - (iv) Uptown Douglas Corridor Plan, densification along corridors and transitional zones including a pre-zoning pilot to support supply and affordability.
- b. Additionally, the Shelbourne Valley Action Plan (SVAP) includes provisions for increased housing/density.
- c. Outcomes from the both the RA Zoning and Micro suite discussion could be incorporated into the SVPA to support activities around densification.

MOTION

MOVED by Councillor de Vries and Seconded by Councillor Mersereau: "That staff provide the committee with an update on options to increase housing supply and affordability within neighbourhoods at the March meeting."

CARRIED

In a response to a question from the Mayor, the Director of Planning stated:

- a. The matter of permitting both garden suites and secondary suites is tentatively tracking for Q2 2020.
- b. The summary table that will accompany the minutes will also include and update regarding the approximate timing of items.

A. Cooper stated:

- a. Affordable housing providers will never build housing in a single family format, as it is impractical.
- b. In essence they are arguing that they are effectively shut out of developing affordable housing on the majority of residentially zoned lands.
- c. Although and the OCP identifies what might be considered (duplex, apartment etc.) in these zones; however, the process for getting approval for less-intrusive housing formats can result in significant delay when compared to a single-family development.
- d. Kelowna has program that allows residents and developers to select pre-approved off-the-shelf designs. Permits are issues by way of delegated authority.
- e. Council should give consideration to delegating some aspects of approval authority down to staff within the context of your discussions on affordability.

3. Update from staff on processes to consider and options to explore the potential for pre-zoning for rental housing as suggested by the Province.

The Director of Planning stated:

- a. Pre-zoning was recently discussed Urban Development Institute's December 3 luncheon, and has been previously discussed at UVIC with the UBCM housing group.
- b. Interested in the outcomes of the UDI session on pre-zoning for apartment rental, as there were a number of the development industry in attendance.
- c. The pilot project currently being considered in the UDC is not prescriptive to pre-zoning for a certain use.
- d. Should the pilot proceed it would serve as a valuable learning opportunity for Saanich.
- e. No further updates at this time. Additional information to be brought forward in January after staff have had an opportunity to consider the outcomes of the UDI seminar.

K. Witcher, UDI stated:

- a. The Residential Rental Tenure Zoning (RRTZ) legislation was developed by the Province and affords local governments with the authority to zone for residential rental tenure, and enact zoning bylaws (requiring new housing on residential areas to be developed as rental, and to ensure that existing rental is preserved).
- b. The industry believes that it will have a negative effects on the value of the land, as uses are restricted to single-use (rental).
- c. Considered by industry as "down-zoning."

A. Cooper stated:

- a. Speaking as UDI board member industry take-away was that when developers consider the purchase of land, they are generally looking lands suitable for the condo-project with the maximum density that generates maximum profit.
- b. According to the industry, pre-zoning for rental, without some form of bonus density, results in a decrease in the land value, and accordingly be perceived as negative by the land owner as they are losing their highest return, best use.
- c. A balance should be struck that encourages this use, while at the same time providing the industry with an opportunity to equalize the financial equation.

K. Witcher stated:

- a. The industry is not suggesting to not have this, but rather it be one tool that comes with both incentives and opt-in opportunities that make the numbers work.

A. Cooper stated:

- a. There is likely to be push back from property owner and the industry on the City of Victoria's plan to apply the RRTZ to all existing rental properties.
- b. Tool can incentivize development of rental, if balanced properly.

The committee made the following statements:

- a. The crux of the issue is affordability of land; however, policy and regulatory tools that temper the value of land can have potentially negative impacts on neighbourhood revitalization efforts.
- b. A balanced approach is required.
- c. Multiple affordable rental buildings are nearing the end of their useful lifecycle.
- d. We need to look at actions and strategies to address this issue.
- e. If conditions for renewal aren't supported there is the potential for a decrease in appropriate, affordable housing as maintenance costs increase.
- f. A staff facilitated discussion on policy tools and options for supporting the lifecycle renewal of Saanich's existing affordable rental stock should be brought forward to a future meeting.
- g. Additionally, a staff update on the options for developing a tenant relocation policy should also be brought forward.
- h. Mayor has met with tenant groups who have expressed their concerns with regard to maintenance issues and the specter of renovictions.
- i. The development/construction industry are developing technologies to extend the useful lifecycle of buildings, including building envelope remediation and structural wrapping.

The Director of Planning stated:

- a. Staff currently undertaking data collection that will help inform a future affordable rental lifecycle renewal discussion.
- b. Saanich does not currently have a tenant relocation policy.

MOTION

MOVED by Councillor Mersereau and Seconded by Councillor de Vries: "That a discussion on maintaining existing rental housing in Saanich be scheduled for the February/March 2020 meeting."

The Director of Planning stated:

- a. Staff will provide an overview of the UDI session with regard to the Residential Rental Tenure Zoning at the next meeting, no motion is required.

The Motion was then Put and CARRIED

MOTION

MOVED by Councillor Plant and Seconded by Councilor Mersereau: "That the topic of tenant relocation policy be scheduled for discussion at a future meeting."

The Director of Planning stated:

- a. It would be appropriate for this item to come forward at the same time as the discussion regarding maintaining existing affordable rentals in February/March.

The Motion was then Put and CARRIED

ITEMS FOR FUTURE MEETINGS

1. Staff update on options to increase housing supply and affordability within neighbourhoods (February)
2. Update from the December 3, 2019 Urban Development Institute Lunch: Exploring the Uncharted Territory of Residential Rental Tenure Zoning
3. Maintaining Existing rental housing in Saanich (February/March)
4. Tenant Relocation Policy for Saanich (February/March)

NEXT MEETING

January 6, 2019, 8:30 a.m. to 10:00 a.m., Committee Room No. 2

MOVED by Councillor Meresereau and Seconded by Councillor de Vries: "That the meeting be adjourned at 9:45 a.m."

CARRIED

CHAIR

I hereby certify these Minutes are accurate.

COMMITTEE SECRETARY