

MINUTES
HOUSING STRATEGY TASK FORCE
Saanich Municipal Hall, Council Chambers
Via Electronic Communications
November 19, 2020 at 5:00 p.m.

Present: Chair de Vries and Vice Chair Harper

Staff: Cameron Scott, Manager, Community Planning; Current Planning; Nadine Kawata, Planner, Community Planning; Gina Lyons, Senior Planning, Current Planning; Alanna McDonagh, Planner, Community Planning; and Tara Da Silva, Senior Committee Clerk

Facilitators: Lani Brunn, Lead Facilitator, CitySpaces; Julia Bahen, Facilitator, CitySpaces; Kevin Green, Facilitator, CitySpaces; Anna Zhou, Facilitator, CitySpaces;

Members: E. Dahli; S. Dutchak; C. Forester; C. Friesen; G. Gillespie; M. Holland; R. Kelley; M. Poirier; D. Posavad; J. Reilly; L. Spalteholz; J. Tarbotton; K. Wiseman; V. Wynn-Williams

Regrets: E. Gibson; L. Mari;

CALL TO ORDER

Chair de Vries called the meeting to order at 5:07 p.m.

CHAIR'S REMARKS

- A reminder was given that the meetings are being webcast and about Saanich's Respectful Workplace Policy. This meeting's focus is Community Amenity Contributions, Development Cost Charges, and the Criteria for the Prioritization Process.

ADOPTION OF MINUTES

MOVED by L. Spalteholz and Seconded by S. Dutchak: "That the minutes from the November 5, 2020 Housing Strategy Task Force meeting be adopted."

CARRIED

MOVED by M. Holland and Seconded by C. Friesen: "That the Task Force forward the proposed action items 33, 34, 35, 36, 37, 38, 39, 40, and 41 to the prioritization process and that the Task Force direct staff, facilitators, and the Council representatives to refine these actions based on the considerations from the Task Force."

CARRIED

Moved by G. Gillespie and Seconded by J. Reilly: “That the Task Force forward the following new action items to the prioritization process and that the Task Force direct staff, facilitators, and the Council representatives to refine these actions based on input from the Task Force:

- **Coordinate with other municipalities within the CRD to increase advocacy to higher levels of government for additional funding;**
- **Considerations for affordability for rental housing including defining affordability in both absolute and relative terms, as well as design guidelines that support affordable rentals;**
- **Look at affordable homeownership and long-term leases;**
- **Create a rental registry that the District can facilitate, where people with different rental needs can connect to address their distinct needs and co-benefits. One centralized database;**
- **Consider a staff team dedicated to housing;**
- **Devise a mechanism to capture the voice of future residents enable by new housing – qualitative and quantitative;**
- **Look at new ways to support land-use decisions that are more collaborative, constructive – reimagine fractious/adversarial processes (i.e. public hearings);**
- **Increase referrals to Business Improvement Associations, employment centres, student centres, and future residents;**
- **Partnerships directly between public organizations and private developers;**
- **Create a Saanich development corporation;**
- **Develop a toolkit for municipalities to consider in partnerships – a full range of options (advocacy to full participation);**
- **Engage university studio classes to increase public awareness for a project. Also, architecture or design competition for a particular site;**
- **Look into the Vulnerability Assessment Tool to make sure the people who need housing get it;**
- **Revitalize the role of the community associations; and**
- **Establish relationships with community partners to reduce barriers. Ensure streamlining beforehand, consider criteria they must meet ahead of time.”**

CARRIED

Moved by J. Reilly and Seconded by M. Poirier: “That the Task Force forward the following new action item to the prioritization process and that the Task Force direct staff, facilitators, and the Council representatives to refine these actions based on input from the Task Force:

- **Reduce barriers to renters in new strata developments.”**

CARRIED

COMMUNITY CONTRIBUTIONS & AFFORDABLE HOUSING PROGRAM

A. McDonagh, Planner, Community Planning, presented and highlighted to the Task Force:

- Council passed a motion that a Terms of Reference be created and that a consultant be hired to do the work on a Community Amenity Contribution (CAC) Policy and Inclusionary Zoning framework.
- The policy's purpose is to provide guidance and establish a fair, transparent and efficient process for communities to receive amenities. It will also ensure the balance between identifying community needs and securing new affordable housing, and providing direction on priorities, processes and anticipated levels of contributions when negotiating public benefit amenity.

- As a reminder, revenue sources such as Development Cost Charges (DCC) and other means like taxes help fund specific local amenities. Local governments can gain other community benefits by implementing CACs, density bonus zoning and/or inclusionary housing. The Saanich DCC project will inform program considerations such as analysis, targets, and approaches.
- The Official Community Plan (OCP) envisions continued growth which includes “Centres”, “Villages”, and “Corridors”.
- The purpose is to commensurate needs for public benefit amenities to create a complete community.
- CACs can be negotiated cash or in-kind contributions and either site-specific or fixed-rate target. They are a means to receive public benefit like affordable and supportive housing, daycare facilities, community facilities, park/plaza space, connections, public art, and the improvements to the public realm from new developments.
- Density bonus zoning is a voluntary system of exchange through density bonus provisions. Community amenities are secured through development with a defined increase in density and include a type and value of amenities expected in return for the added density.
- The purpose of inclusionary housing is to obtain affordable or special needs housing units through an incentive-based approach from new residential developments. The CACs for inclusionary housing identify the on-site priority or establish a target/percent of units.
- Density bonus zoning is structured with a specific density option.
- The CAC project objectives are: to have a policy that is transparent and predictable, layout the priorities (public benefits and housing), create a framework for the provision of amenities, perform financial and economic analysis, consider stakeholder interests, perspectives and margins, integrate with policy and land use directions in the OCP and LAPs, and have an approach that provides direct and retains its validity.
- The scope of work includes: determine priorities, financial and economic analysis, ensure viability, determine approach, identify parameters, process to evaluate and monitor, build community awareness.
- There will be a comprehensive and district-wide financial analysis to clearly understand the financial impacts and variable impacts of economics and market conditions.
- The project's consultation and engagement portion will consist of focus group discussions, a community survey, public open houses, outreach, stakeholder input, and working groups.

Comments from the Task Force:

- Whether the land needs to be rezoned or is pre-zoned will be an important factor and will affect the profit margin.
- One of the goals is to make it transparent and predictable, but on the other hand, site-specific negotiation is mentioned, which seems contradictory.

DEVELOPMENT COST CHARGES (DCC) REDUCTIONS BYLAW OVERVIEW

S.Heffernan, Urban Systems; presented and highlighted to the Task Force:

- DCCs are fees that help communities recover the costs of off-site infrastructure needed to support growth. They are based on the “benefiter pay” principle and regulated by the Province. The best practice is to regularly review DCC programs (i.e., major updates every three to five years).
- DCCs pay for capital upgrades to infrastructure (transportation, water, sewer, and drainage) required to support growth, parkland acquisition and park development costs.
- Subdivision approvals to create single-family development applications and building permits to construct multi-family, commercial, industrial and institutional development applications pay DCCs.
- In 2008, the Provincial Government enacted new legislation about DCCs to include municipalities' option to reduce or waive DCCs for affordable housing.

- There are two types of affordable housing categories where DCC waivers and reductions can be applied, Not-for-profit affordable rental housing and For-profit affordable rental housing.
- In January 2019, Council directed staff to develop a DCC reductions bylaw to reduce DCC fees for affordable rental housing.
- The DCC Reductions Bylaw, adopted on July 20, 2020, establishes definitions for both not-for-profit rental housing and for-profit affordable rental housing, corresponding rates of reduction, and requirements that must be met to obtain a DCC reduction.
- Based on Council feedback, staff brought forward 10% below market rent as the threshold for for-profit affordable rental housing.
- The Bylaw provides a 50% DCC reduction to not-for-profit rental housing and a 25% DCC reduction to for-profit rental housing.
 - Not-for-profit rental housing – housing development, including an assisted living development, owned by a public authority or a not-for-profit society incorporated under the *Societies Act*.
 - For-profit affordable rental housing – a privately owned rental housing provided at a minimum of 10% below the average market rent levels as defined by the Canada Mortgage and Housing Corporation.
- The DCC Reductions Bylaw for affordable housing is applied district-wide. It will include a housing agreement to ensure each unit that is provided with a DCC reduction will be used as affordable housing for no less than 20 years.
- The DCC Reductions Bylaw will be updated as required to support the District's long-term financial sustainability, which is responsible for making up for any foregone DCC revenue from secure alternate revenue sources as per the DCC Best Practices Guide.
- The impacts of the DCC Reductions Bylaw for not-for-profit and for-profit affordable housing is estimated to have a financial shortfall annually of \$250,000 to \$350,000.

PRIORITIZATION PROCESS

N. Kawata, Planner, Community Planning, presented and highlighted to the Task Force:

- The prioritization matrix is a decision-making tool that acts as a framework to justify decisions through a clear and transparent process.
- It evaluates, measures and objectively compares actions. It helps to rank complex and diverse actions with multiple objectives and determine the most critical actions.
- The key success factor is the experts collaborating to develop a relevant and objective assessment tool, resulting in a reduced bias.
- The first step in the matrix is identifying and quantifying criteria that align with the Housing Strategy and Focus Areas objectives. The criteria will be used to measure and rank actions.
- The next steps include reviewing the criteria and evaluating actions using the prioritization matrix.

REPORT BACK ON CACs

- People feel CACs are appeasement to the local community for new developments, but it is not easy to sell affordability to local communities. It can be challenging to address affordability this way; it would be better to focus on local areas' key needs and goals.
- CAC program would be most effective if it was leveraged with senior government programs.
- It can be challenging to engage with the public. Consideration should be given to more community education.
- CACs and DCCs are charges applied to new buyers; should this be paid for by the taxpayers or the new buyers?
- A transparent process that determines which specific amenities are required is needed. Amenity needs to be defined. A determination of the benefit recipient of the amenity needs to be clear, whether it is an individual or the community.

- A data-driven approach for determining the potential yield in terms of density bonusing, what is the capacity? Is it viable to get the level of contribution the District is looking for – about land lift analysis?
- How is the determination of how much bonus density is provided?
- The policy should refrain from rezoning and lean towards pre-zoning and bonus density zoning.
- Determine how to absorb the costs of CACs without unintended consequences. Set CACs in a range as specific as possible in terms of dollar value and must be taken into account for land value, will help mitigate opposition.
- Engage community groups to explore connecting the CAC money to the planning process.
- Need a locationality about where amenities are located. Prioritize projects based on nearby amenities. CACs might be priced differently in amenity-rich areas.
- Negotiated CACs are neither efficient, predictable or transparent.
- In-kind contributions decrease the amount contributed to the Affordable Housing Fund. However, if all CACs go into the Affordable Housing Fund, the immediate community may not see any direct benefit; what's the balance? The Township of Sidney's bonus density approach is very prescriptive.
- The local community organizations and local areas need to develop a wish-list, what they would like to see.

REPORT BACK ON DCCs

- The DCC bylaw is a pivotal opportunity to be a partner, offer incentives, and help all sectors build housing.
- It is recommended that a further reduction from 50%, perhaps between 75% and 100% for affordable housing.
- The current challenge is that it is a 50% reduction on a ten-fold increase; it hurts proforma. A 100% waiver for affordable and supportive housing is what is desired.
- Homeowners are less often in core housing need. The major need is for rental housing. It's easier to building ownership models. DCCs are one of the key incentives to ensure purpose-built rental comes forward, and rental provision is seen to be a community amenity.
- This bylaw helps support that housing projects hinge on government.
- What is affordable? What is 10% of CMHC rents? What is the methodology?
- CMHC stats for vacant unit rents are 20% higher than occupied averages.
- How do we determine market rent?
- Certainty is key.

REPORT BACK ON PRIORITIZATION CRITERIA

- What if scoring doesn't elevate what we feel is most important? It may not capture because it is more qualitative.
- A dual evaluation process may be needed, an impact score and an implementation score.
- Consideration should be given to a tagging approach – market tag, government tag, medium versus long-term tag, affordability, tag, and Task Force to identify top action in each area.
- There is concern that we are skewed towards the below-market. Focus area alignment is very crucial, and there is a high risk of conflicting conclusions.
- This criterion does not elevate what would bring the biggest bang for the buck for housing in Saanich.
- Identify a series of overarching objectives and then more ranking below those different objectives.
- Current criteria weighted toward non-market but market housing will bring more housing, consider critical game-changers.

- Criteria are based on desired outcomes, but Saanich needs to figure out goals first. The second half of the criteria is about management.
- We are charting a path before we know where we are going.
- Recategorize to ensure prioritization reflects three pillars and five focus areas.
- Proposed criteria speak very well to affordability, but supply and diversity are missing.
- In regards to certainty, high score - impacts are more by regulation or bylaw; the medium score is more about incentives, limited timeline, applies on a project by project basis; the low score depends on outside approvals. We are trying to get to actions that are concrete and certain in their outcomes.
- Weight criteria separate from scoring.
- Promote housing diversity – if an action supports more than one or a variety of housing tenures and typologies.
- The level of complexity or time needed and the required resources should be considered separately.
- What is our final deliverable? There should be prioritization within each category.
- Work from the bottom up. Prioritize within each area to see what rises to the top.
- Evaluation allows us to take a step back.
- Prioritization points risk cancelling each other out and have focus areas and levels of complexity competing against each other.
- Criteria amended “will this reduce barriers” and “will this speed up the process”.
- Increasing supply is an important element to consider when it comes to criteria.
- A list of criteria may be helpful to evaluate the whole strategy.
- Consolidate a list of actions and create strategic directions (key objectives) that speak to how they fit into needs and document by outlining actions not included and rationale of why. Then develop a draft list of actions passed on the qualitative process.

MOVED by M. Holland and Seconded by S. Dutchak: “That Saanich Staff and Council representatives work together to:

- **Draft a principle/values/context statement;**
- **Refine criteria based on the Task Force’s feedback for consideration at a future meeting;**
- **Draft three other documents:**
 - **A strategic direction document that outlines objectives, connecting actions, explains rationale strategic underpinnings (how they: relate, combine to yield results, address issues, and meet needs);**
 - **A document to outline actions omitted during the prioritization process with a clear rationale;**
 - **A prioritization chart and implementation plan; and**
- **Draft a consolidated list of actions organized by the five focus areas.**

These items will be brought back to the Task Force at a future meeting for their input, discussion, revisions, and decision.”

CARRIED

MOVED by G. Gillespie and Seconded by J. Reilly: “That the facilitators, Saanich staff and Council representatives collect the input from this meeting and organize and submit a summary for the Task Force’s consideration and discussion at the next meeting in regards to the referrals and to inform the revision of the criteria.”

CARRIED

The meeting adjourned at 8:28 pm.

CHAIR

I hereby certify these Minutes are accurate.

COMMITTEE SECRETARY