REVIEW OF RURAL HOUSING SOLUTIONS
FINAL REPORT

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1.0 Introduction

The purpose of this report is to present strategies and solutions the qathet Regional District (qRD) can use to mitigate the current shortage of housing in rural areas. While there are many actors in the housing system, this report focuses on the tools local governments can use to influence the housing supply in their communities. This report considers best practices of other local governments, which types of housing have been most successful, provincial legislation, and health regulations that affect development.

Section 2.0 of the report discusses housing need, both broadly and specific to the qRD. Section 3.0 describes the different actors involved in providing housing. Sections 4.0 and 5.0 delve into the tools and resources available to local government, and how other regional districts are implementing these tools. Finally, Section 6.0 summarizes the provincial regulations and best practices that affect housing development in rural areas.

2.0 Housing Need

Adequate housing is a fundamental human right recognized by national and international law. This right is enshrined in the *National Housing Strategy Act* of 2019*,* which recognizes that the right to housing is a fundamental human right essential to the inherent dignity and well-being of the person and to building sustainable and inclusive communities.[1] The right to housing is also recognized in Article 25 of the United Nations' Universal Declaration of Human Rights and Article 28 of the Convention on the Rights of Persons with Disabilities.[2]

This section describes what constitutes adequate or acceptable housing, the range of housing options needed to ensure everyone has access to acceptable housing, and the qathet Regional District's housing need identified in the most recent housing needs report prepared by Patricia Maloney Consulting.

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[1] *National Housing Strategy Act*, S.C. 2019, C. 29, s. 313. https://laws-lois.justice.gc.ca/eng/acts/n-11.2/FullText.html

[2] United Nations. 1948. "Universal Declaration of Human Rights." https://www.un.org/en/about-us/universal-declaration-of-human-rights

2.1 Core Housing Need

Housing significantly affects individuals, communities, and the broader economy.[3] Unacceptable or unaffordable housing negatively impacts our mental, physical and financial well-being.

The Canada Mortgage and Housing Corporation (CMHC) uses three indicators or standards to determine if housing is acceptable:

1. **Adequate** – housing that does not require major repairs. Major repairs include defective plumbing or electrical wiring, or structural repairs to walls, floors or ceilings.

2. **Suitable** – there are enough bedrooms for the size and make-up of resident households. Suitability is determined by the National Occupancy Standard, which recommends a maximum of two people per bedroom, depending on age, sex, and relationship status.

3. **Affordable** – housing costs less than 30% of a household's pre-tax income.

Housing is considered acceptable if it meets or exceeds all three standards.

CMHC considers a household to be in core housing need if it meets two criteria:

1. A household is below one or more of the adequacy, suitability and affordability standards

2. The household would have to spend 30% or more of its pre-tax household income to access local housing that meets all three standards.

Those that spend 50% or more of their pre-tax income on shelter are considered to be in severe housing need.[4]

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[3] Steve Rolfe et al. *Housing as a social determinant of health and wellbeing: developing an empirically-informed realist theoretical framework*. BMC Public Health 20, 2020. doi:https://doi.org/10.1186/s12889-020-09224-0.

[4] Canada Mortgage and Housing Corporation. 2019. *Identifying core housing need.* August 14. Accessed September 2023. https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-research/core-housing-need/identifying-core-housing-need.

2.2 Housing Continuum

The CMHC's Housing Continuum visualizes the forms and tenures of housing needed to ensure everybody has access to affordable and adequate housing, regardless of household size, age, ability, or socioeconomic status.

Figure 1: Housing Continuum

Source: Canada Mortgage and Housing Corporation

The housing continuum includes:

- Homelessness: describes the situation of an individual, family or community without stable, safe, permanent, appropriate housing, or the immediate prospect, means and ability of acquiring it. It is often the result of systemic or societal barriers, including a lack of affordable and appropriate housing, the individual/household's financial, mental, cognitive, behavioural or physical challenges, and/or racism and discrimination.[5]

- Emergency shelters: temporary, short-term accommodation for those experiencing homelessness or at risk of becoming homeless.

- Transitional housing: temporary, short-to-medium term accommodations meant to bridge the gap between homelessness and permanent housing. Often includes support, structure or supervision. Examples include addictions and mental health facilities, women's shelters, and youth shelters.[6]

- Supportive housing: subsidized housing with voluntary support services for people with high needs related to physical or mental health, disability, age, or substance use. Supportive housing is intended to assist those who are at risk of or experiencing

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[5] Canada Mortgage and Housing Corporation. 2022. *The National Housing Strategy Glossary of Common Terms.* May 17. https://www.cmhc-schl.gc.ca/nhs/guidepage-strategy/glossary.

[6] Homeless Hub. 2021. *Transitional Housing.* https://www.homelesshub.ca/solutions/housing-accommodation-and-supports/transitional-housing.

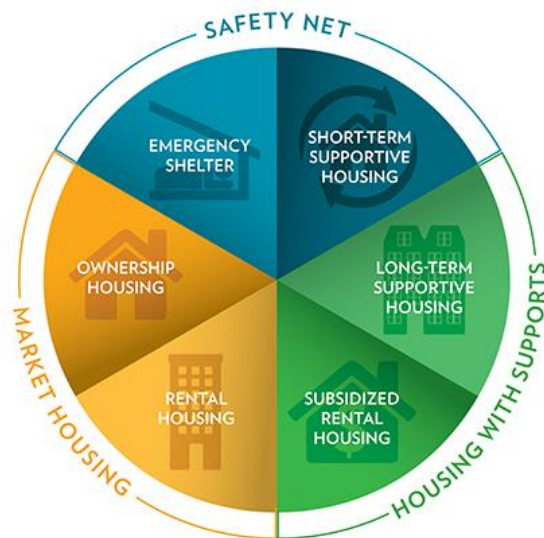homelessness and people who require supports to live independently or maintain a successful tenancy.[7, 8]

- Community housing: an umbrella term that typically refers to either housing that is owned and operated by non-profit housing societies and housing co-operatives, or housing owned by provincial, territorial, and municipal governments.[9]

- Affordable housing: housing that costs less than 30% of a household's before-tax income. Encompasses permanent or temporary housing provided by private, public and non-profit sectors and all forms of tenure – rental, ownership, and co-operative.[10]

- Market housing: includes housing that is bought or rented in the private market. Typically does not receive direct government subsidy.

Housing is not a 'one-size-fits-all' strategy. Different individuals and households require varying levels of financial and social supports to remain housed. Except for homelessness, a healthy housing system will have an adequate supply of each type of housing illustrated in the housing continuum.

Figure 2: Housing Wheelhouse

Inadequate housing in one area of the continuum puts strain on the rest of the housing supply and associated services. For instance, an inadequate supply of long-term supportive housing can create a backlog in transitional housing, push people into market housing that is unaffordable and lacks appropriate supports, or force people into homelessness.

Adapted from CMHC's housing continuum, the City of Kelowna's housing wheelhouse communicates that housing tenure and status is not a linear journey, rather it is dependent on a variety of factors such as age,

Source: City of Kelowna

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[7] BC Housing. n.d. *Supportive Housing.* https://www.bchousing.org/housing-assistance/housing-with-support/supportive-housing.

[8] Homeless Hub. n.d. *Permanent Supportive/ Supported Housing*. https://www.homelesshub.ca/solutions/transitional-housing/permanent-supportivesupported-housing

[9] Canada Mortgage and Housing Corporation. 2022.

[10] Ibid.

income and stage of life. The wheelhouse also reflects the level of supports needed and de-emphasizes homeownership as the 'end goal.'

2.3 qathet Regional District Housing Needs Report Electoral Area A, B, C and D

The qathet Regional District Housing Needs Report Electoral Area A, B, C and D analyzes current and projected demographic and housing data to estimate the number of housing units needed by 2028 for Electoral Areas A, B, C, and D.

According to federal Census data, the population of the study area in 2021 was 6,237, an increase of 7.79% from 2016. As in many other rural areas in BC, the population in Areas A-D is aging and contains a higher percentage of seniors. The median age in the study area ranges from 57.2 to 62.4, significantly higher than the provincial median of 41.6.

Housing in Areas A-D primarily consists of single-detached units, with a high percentage of ownership versus rental. The majority of the housing stock is composed of units with three or more bedrooms.

In terms of core housing need and housing adequacy, the report finds:

- Between 2016 and 2021, the number of households in the study area paying more than 30% of their before-tax income on shelter increased from 13.3% to 16.4%. Of renter households, an average of 26% were in core housing need in 2021.

- Overall, the need for major repairs increased between 2016 and 2021.

- Suitability remained roughly the same between 2016 and 2021.

    - Area A – 4% of housing is not suitable
    - Area B – 3% of housing is not suitable
    - Area C – 5.4% of housing is not suitable
    - Area D – 1.7% of housing is not suitable

The report projects a population of 6,612, a 6.01% increase from 2021, and a housing gap of 338 housing units by 2028 in Electoral Areas A, B, C, and D. The breakdown by electoral area and housing type is shown in Table 1 below.

Table 1: Project Housing Types Required for 2028

Area	2028 Projected Population	2028 Housing Gap	Housing Types			
			1 Bedroom	2 Bedroom	3 Bedroom	4+ Bedroom
A	1,319	23	4	14	3	2
B	1,751	75	11	46	11	7
C	2,321	140	21	84	21	14
D	1,221	100	15	60	15	10
TOTAL	6,612	338	51	204	50	33

Source: qathet Regional District 2023 Housing Needs Report, Table E-1

The Housing Needs Report includes ten recommendations to help the qathet Regional District meet the projected housing need:

1. Support secondary suites in all residential areas – Secondary suites provide important rental housing options for people in the electoral areas. The Provincial government has mandated that secondary suites be permitted in all residential areas across BC.

2. Support accessory dwelling units in residential areas where Provincial septic and water servicing standards can be met – Accessory dwelling units provide important rental housing options for people in the electoral areas. The Provincial government has mandated that accessory dwelling units be permitted in all residential areas across BC. For rural properties without community sewer and water servicing, accessory dwelling units are permitted on parcels larger than one hectare where provincial septic and water servicing standards can be met.

3. Promote non-profit housing societies – Non-profit housing societies provide a critical role in developing and managing affordable housing options due to their ability to partner with BC Housing and access funding from senior levels of government. Local governments play an important role in promoting the efforts of non-profit housing societies to deliver affordable housing projects. Municipal areas are better suited to affordable multi-unit housing developments due to the presence of sewer and water supply systems, and proximity to transit, employment, good and services.

4. Collaborate with BC Transit to improve rural transit service – Improvements in transit will support the options for accessory dwelling units, shared housing and new construction of housing in areas currently underserviced by transit. It is recommended that the qRD collaborate with BC Transit to improve rural transit service to improve the liveability for seniors, youth and the work force.

5. Promote public information on available grants – It is recommended that the qRD provide information on the qRD website regarding Homeowner Grants for home modifications to allow aging in place and for building accessory dwelling units. The website could also include information for other grant programs and contact information for BC Housing and CMHC.

6. Promote partnership with Happipad – Happipad is a Canadian federally incorporated non-profit that has created an App and provides a service to facilitate home sharing that is safe, affordable, and accessible to those who can benefit most. It is recommended that the qRD promote a partnership between a Non-Profit Housing Provider and Happipad to support house sharing by linking landlords and tenants. This recognizes that there are people who may have a suite to rent but want help vetting tenants, assistance with lease preparation and understanding of the legislation. This also recognizes that housing may be available but is not being advertised in a public manner.

7. Consider review of manufactured home park policies – Manufactured homes and mobile home provide important affordable housing options for people in the electoral areas. It is recommended that the qRD review current manufactured home park policies and consider supporting the expansion of existing manufactured/mobile home parks where provincial septic and water servicing standards can be met.

8. Develop a process to track rental housing – It is recommended that the Regional District set up a voluntary online registry to track rental housing units in the electoral areas. Without building permit authority or business licensing authority, the qRD has no way to track rental housing units in the electoral areas. In addition, it is recommended that the qRD work closely with BC Housing to track new construction in the electoral areas.

9. Collaborate with City of Powell River to consider establishment of a regional housing reserve fund – It is recommended that the qRD collaborate with the City of Powell River and consider the establishment of a regional housing reserve fund to support housing projects. Regional Districts can borrow funds by going through the legislated

process (*Local Government Act,* Part 5, S. 185(b), Part 6, S. 210(d), and Part 6). Funds could be used to support land acquisition and affordable housing development.

10. Complete updated housing needs assessment in 2028 – The time frame for this Housing Needs Report is five years. The Provincial government has mandated that housing heeds reports be completed every five years.

3.0 Housing Provision

There are many actors involved in the provision of housing, including all three levels of government. This section describes the role that each actor plays.

3.1 Federal Government

While housing policy and regulation is largely the responsibility of the provinces, the federal government has historically played a vital role in funding non-market housing. Beginning in the 1960s, the federal government funded a large number of affordable and cooperative housing units through grants and low-interest financing. Austerity measures in the 1990s resulted in significant cuts to housing and other social programs.

For over twenty years, the federal government invested very little money in housing until it released the National Housing Strategy in 2017. The Strategy sets out a series of targets and actions the federal government can take to achieve its vision that 'Canadians have housing that meets their needs and they can afford. Affordable housing is a cornerstone of sustainable, inclusive communities and a Canadian economy where we can prosper and thrive.'[11]

The Strategy strives to hit the following targets by 2027:

- 530,000 households removed from housing need.

- 385,000 community housing units protected and another 50,000 units created through an expansion of community housing.

- 300,000 existing housing units repaired and renewed representing three times as many units repaired and renewed under federal programs from 2005 to 2015.

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[11] Government of Canada. 2017. "National Housing Strategy." https://assets.cmhc-schl.gc.ca/sites/place-to-call-home/pdfs/canada-national-housing-strategy.pdf?rev=5f39d264-0d43-4da4-a86a-725176ebc7af.

- 50% reduction in estimated number of chronically homeless shelter users.

- 100,000 new housing units created, representing four times as many units built under federal programs from 2005 to 2015.

- 300,000 households provided with affordability support through the Canada Housing Benefit.

Since the release of the National Housing Strategy, the Government of Canada has committed $40 billion in funding to support these goals. The Canadian Mortgage and Housing Corporation (CMHC) is responsible for implementing the National Housing Strategy and distributing funds.

3.2 Provincial Government

Provincial governments are responsible for housing policies and programs under the Canadian Constitution and play a key role in financing non-market housing. Provinces also delegate planning and development powers to local government, which significantly affects the location, type, and amount of housing built.

On April 3, 2023, the Province of BC released its updated housing action plan, *Homes for People.*[12] The action plan is built on four pillars:

Figure 3: Homes for People Action Plan

Unlocking more homes, faster	Delivering better, more affordable homes	Supporting those with the greatest housing need	Creating a housing market for people, not speculators
• More small scale, multi-unit housing (townhomes, duplexes and triplexes) • Make it easier and more affordable for people to rent out secondary/basement suites • Work with municipalities to make sure more homes are built in communities, faster • Speed up permitting and approvals to get homes built faster • Become a North American leader in digital permitting • Deliver more homes and services near transit • Launch BC Builds – A new program dedicated to delivering homes for middle-income people • Expand B.C.'s construction workforce and spur innovation • Explore new ways to get more rentals built • Build more homes with mass timber	• Thousands more social housing units • Deliver 4,000 additional on-campus rooms for post-secondary students • End discriminatory age and rental restrictions in stratas • Protect affordable rental units through $500 million fund • Create more housing through partnerships with Indigenous communities • Revitalize co-op housing	• New income tested renter's tax credit • More homes to support people experiencing homelessness • New actions to close encampments • Partner to redevelop and replace single room occupancy units in DTES • Revitalize and expand aging BC Housing properties • More Rent Bank support to help tenants in crisis keep their homes	• Implement a "Flipping Tax" • Stricter enforcement on short-term rentals • Solve renter/landlord disputes faster and get tougher on bad-faith evictions • Turn more empty units into homes by expanding the Speculation and Vacancy Tax to additional areas • Crack down on criminal activity in real estate • Offer more protections for renters displaced by redevelopment

Source: Homes for People Action Plan, Province of British Columbia

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[12] Province of British Columbia. 2023. "Homes for People." https://news.gov.bc.ca/files/Homes_For_People.pdf

With $4 billion in funding committed in the provincial budget for the next three years, the action plan projects 108,600 homes will be built or under active construction between now and fiscal year 2027/28.

BC Housing is the provincial crown corporation responsible for implementing the Province's housing goals and directives. BC Housing develops, manages, and administers a wide range of subsidized housing options; licenses residential builders; conducts research; and works with local governments, non-profit housing providers, and private developers to address housing gaps across the province.

In the fall of 2023, the Province of BC made significant legislative and regulatory changes to encourage the development of more housing. The changes are summarized below:

- Bill 35: Short-Term Rental Accommodations Act[13] – The intent of this act is to return short-term rentals to the long-term housing market; increase fines and strengthen tools for local government; and establish provincial rules and enforcement mechanisms. The Act introduces a principal residence requirement for short-term rentals in municipalities of more than 10,000 people, meaning short-term rentals will be limited to a host's principal residence, or a secondary suite or accessory dwelling unit located on the same lot.

  Additionally, the new legislation grants business licensing authority to regional districts, and increases the maximum fines and tickets local governments can set. The Province will also establish a short-term rental registry and create a Provincial compliance and enforcement unit. Regional district electoral areas are exempt from the principal residence requirement but can request to opt-in.

- Bill 44: Housing Statutes (Residential Development) Amendment Act, 2023[14] – Requires local governments to update zoning bylaws to allow either a minimum of one secondary suite or detached accessory dwelling unit, a minimum of three to four dwelling units, or a minimum of six dwelling units in selected areas near bus stops with frequent transit service. The legislation also prohibits public hearings for rezoning applications that align with an official community plan (OCP) and mandates that local governments plan for the projected 20-year housing need in their OCPs and zoning bylaws.

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[13] Bill 35 – Short-Term Rental Accommodations Act. Legislative Assembly of British Columbia. Fourth Session, Forty-Second Parliament (2023). https://www.bclaws.gov.bc.ca/civix/document/id/bills/billscurrent/4th42nd:gov35-1
[14] Bill 44 – Housing Statutes (Residential Development Amendment Act). Legislative Assembly of British Columbia. Fourth Session, Forty-Second Parliament (2023). https://www.leg.bc.ca/content/data%20-%20ldp/Pages/42nd4th/1st_read/PDF/gov44-1.pdf

- Bill 46: Housing Statutes (Development Financing) Amendment Act, 2023[15] – Expands permitted development cost charges (DCCs) to include fire, police, waste and recycling capital costs. Bill 46 also introduces the Amenity Cost Charge (ACC) which will replace negotiated community amenity contributions. To charge for amenities, local governments will have to adopt a bylaw that establishes an ACC formula and identifies the amenities needed in the community. Amenity costs can no longer be borne solely by new development. Further, ACCs can now be collected outside of the re-zoning process. Local governments can no longer use this policy tool to secure affordable housing, though affordable housing developers are exempt from paying ACCs.

- Bill 47: Housing Statutes (Transit-Oriented Areas) Amendment Act, 2023[16] – Establishes minimum density, size and dimensions and eliminates minimum off-street parking requirements for housing within 400 meters of a high-frequency transit station.

- Housing Supply Act[17] – Introduced in November 2022, this Act sets housing targets and compliance orders for specified municipalities. This legislation does not apply to regional districts.

- Speculation and Vacancy Tax Regulation[18] – expanded the speculation and vacancy tax to include 13 additional municipalities.

The Province recently released guidelines on how to add and manage a secondary suite or accessory dwelling unit, and created a three-year secondary suite incentive pilot program that opens April 2024. As of February 2024, only incorporated municipalities and regional districts with necessary building bylaws, building permitting processes, and inspections services will qualify when it opens. The Province may consider adding regional districts who do not have building bylaws in place in year two or three of the pilot program.[19]

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[15] Bill 46 – Housing Statues (Development Financing Amendment Act). Legislative Assembly of British Columbia. Fourth Session, Forty-Second Parliament (2023). https://www.leg.bc.ca/content/data%20-%20ldp/Pages/42nd4th/1st_read/PDF/gov46-1.pdf

[16] Bill 47 – Housing Statues (Transit-Oriented Areas) Amendment Act. Legislative Assembly of British Columbia. Fourth Session, Forty-Second Parliament (2023). https://www.bclaws.gov.bc.ca/civix/document/id/bills/billscurrent/4th42nd:gov47-1

[17] Bill 43 – Housing Supply Act. Legislative Assembly of British Columbia. Third Session, Forty-Second Parliament. (2022). https://www.bclaws.gov.bc.ca/civix/document/id/bills/billsprevious/3rd42nd:gov43-1

[18] *Speculation and Vacancy Tax Act*. Speculation and Vacancy Tax Regulation. B.C. Reg. 94/2023. https://www.bclaws.gov.bc.ca/civix/document/id/complete/statreg/275_2018

[19] Province of British Columbia. 2024. "Secondary suite program expands, adds housing in 15 regional districts." https://news.gov.bc.ca/releases/2024HOUS0015-000107

3.3 Local Government

Local governments are typically most aware of the housing need in their specific community as a housing crisis is felt most acutely at the local level. The tools available to local government to address housing need fall into four main categories:

1. Incentives
2. Policy and Regulation
3. Partnerships
4. Awareness and Advocacy.

Each of these categories is explored in more detail in Section 4.0.

3.4 Non-Profit

Non-profit housing providers are responsible for the provision of non-market housing, which encompasses emergency, supportive, community and affordable housing. Non-profits typically receive support from all levels of government to provide non-market housing. At times, non-profit housing providers may manage a portfolio of mixed tenure units to offset the cost of providing affordable housing and ensure operational sustainability.

3.5 Private Sector

Providing the majority of available housing units, the private sector is composed of developers, builders, investors, landowners, speculators, and landlords. Private sector actors provide the vast majority of market housing. The private sector typically develops housing for profit. Therefore, their ability to develop non-market housing is limited. Nevertheless, local regulation can require the private sector contribute to the non-market housing stock. This is explored in more detail in the next section.

4.0 Local Government Solutions

Local governments have a variety of tools they can use to encourage housing development. These tools fall within four main categories:

1. Incentives
2. Policy & Regulation
3. Partnerships

4. Awareness and advocacy

A summary of the tools is included in Appendix I – Local Government Housing Toolbox.

To inform this section of the report, staff researched housing-related guides and reports, housing needs reports, strategies and action plans, staff memos, websites, and other resources from regional districts across the province. Staff also corresponded via email and Zoom with staff from the regional districts listed below to learn more about how they have addressed housing need in rural areas:

- Sunshine Coast Regional District
- Comox Valley Regional District
- Cowichan Valley Regional District
- Regional District of Nanaimo
- North Coast Regional District
- Squamish-Lillooet Regional District

A key theme that emerged from staff research and consultation with other regional districts is that the lack of water and sewer servicing, basic services, and community amenities means that rural areas are not appropriate for high density or affordable housing developments. As a result, development is primarily directed towards development nodes, municipalities, and urban centres where services are readily available and accessible. Nevertheless, regional districts are still looking at increasing density and expanding housing options where possible, pursuing regional partnerships, and providing educational resources to the public.

4.1   Incentives

Local governments can encourage the development of specific types of housing by providing incentives to property owners and developers. These incentives fall under three main categories.

4.1.1   Financial Incentives

Local governments can provide direct financial assistance to property owners and housing developers to offset planning and capital costs, and incentivize housing development that meets the community's needs. This is a particularly useful tool for encouraging the development of non-market housing.

Financial assistance is provided through one-off grants, ongoing funding agreements with non-profit housing providers, rebate or incentive programs, or forgivable loans (see Figure 4 for examples). These measures require a significant investment by the local government. Section 5.0 contains more details on how these programs can be funded.

Figure 4: Secondary Suite & Accessory Dwelling Unit Incentives

District of Kitimat Secondary Suite Incentive Program

Property owners eligible for a five-year forgivable loan if they make a secondary suite available to rent over the next five years and enter into a housing agreement with the local government. Amounts ranged from $2,500 to $7,500 depending on the rent amount. As of March 10, 2023, the program is under review.

Town of Canmore Accessory Dwelling Grant Pilot Program

The Accessory Dwelling Grant Pilot Program covered 75% of development costs up to a maximum of $20,000 if the owner rented the accessory dwelling unit to eligible occupants (workers, retirees, persons with a disability, etc.). This pilot expired in December 31, 2022.

Affordable housing guidebooks and other educational resources often cite permissive tax exemptions as a financial incentive tool for affordable housing. However, it is important to note that, while municipalities are able to provide permissive property tax exemptions for not-for-profit or community housing, regional districts do not have this same power under the *Local Government Act*.

4.1.2   Development Process

A local government can also incentivize housing development through the development process. Communities across the province frequently use the following measures:

- Prioritize and fast-track official community plan amendment, re-zoning, or permit applications for purpose-built rental, affordable housing, or secondary suites.

- Reduce or waive development application fees for non-profit affordable housing developments, for-profit developments that include a portion of affordable housing units, and purpose-built rental housing.

- Reduce or waive development cost charges (DCCs) for non-market housing, for-profit affordable rental housing, and supportive housing. Although popular in municipalities, the qRD rarely collects DCCs, meaning this measure would have minimal impact on housing.

These measures reduce the time and cost associated with the land use and development process, which, ideally, translates into reduced development costs and more housing units being built faster.

The qRD receives very few development applications as zoning bylaws affect only a small proportion of properties. As a result, policies to prioritize development applications or waive application fees would have minimal impact.

4.1.3   Land

Another key resource available to local government is land. Land leased or sold to developers helps reduce the overall cost of non-market housing. Local governments can sell or lease the land directly to non-market housing developers, or sell or gift the land to a community land trust. A community land trust is a community-led, non-profit organization that acquires and holds land in-perpetuity for the benefit of the community. The land held in trust is often used for affordable and community housing.

A land inventory can identify land owned by various levels of government suitable for affordable or other types of non-market housing. If a local government seeks to purchase land for housing, it is recommended that they develop a land acquisition and disposal plan to develop evaluation criteria, prioritize acquisitions sites, and pre-zone sites already owned by the local government.

The qathet Regional District owns few properties, almost none of which could reasonably support affordable housing. If the qRD wanted to purchase land to support non-market housing, it would need to develop the appropriate policies and determine how to fund the purchase.

4.2 Policy and Regulation

Local governments have several policy and regulatory tools they can use to influence, encourage, or mandate housing. These are primarily land use planning tools, which include regional growth strategies, official community plans, and zoning bylaws, but also encompass non-land use planning tools such as housing strategies and organizational strategic plans.

4.2.1   Regional Growth Strategy

A regional growth strategy (RGS) is a long-term strategic plan to promote human settlement that is socially, economically and environmentally healthy. Housing and growth is a primary focus of an RGS. The *Local Government Act* requires an RGS to work towards 'adequate, affordable and appropriate housing.'

To the extent it is a regional matter, the RGS must also identify how it will meet the housing need for the projected population. It must also consider the findings of the most recent housing needs report. An RGS establishes clear housing objectives and sets policy direction for official community plans and zoning bylaws.

Preparation of a Regional Growth Strategy would require a significant amount of financial and staff resources and collaboration with the City of Powell River and the Tla'amin Nation.

4.2.2   Official Community Plan

The Official Community Plan (OCP) is the main housing policy tool in the local government toolbox. Per the *Local Government Act,* an OCP is a statement of objectives and policies to guide decisions on planning and land use management within a defined geographic area. As it relates to housing, OCPs are required to:

- Include statements and map designations on the approximate location, amount, type and density of residential development required to meet anticipated housing needs for at least the next 20 years.

- Include policies respecting affordable housing, rental housing, and special needs housing.

- Consider the local government's most recent housing needs report and the housing information the report is based on when developing or amending an OCP.

These OCP policies set the direction for zoning bylaw regulations. Further, OCP policies influence local government decision-making and the allocation of resources.

4.2.3   Zoning Bylaws

Zoning bylaws are the primary tool local governments use to regulate housing. Zoning bylaws stipulate what type and tenure of housing can be built, the density of dwelling units, and the siting, size and dimensions of housing. A zoning bylaw is used to implement the

housing policies and objectives identified in the official community plan and regional growth strategy.

Although not required under the *Local Government Act*, the 2020 qathet Regional District Feasibility Study Land Use and Development Regulatory Options report prepared by the Arlington Group and Ecoplan International found that most regional districts across the province have adopted zoning bylaws to regulate land use and development.[20]

In addition to the aforementioned regulations, local government can secure affordable and other types of housing through specific zoning bylaw regulations:

- Local governments can exchange additional density for community amenities, affordable housing and special needs housing through density benefits or 'bonusing' conditions in the zoning bylaw.

- Inclusionary zoning requires re-zoning applicants to contribute a specific number or percentage of affordable housing units as part of their application.

- The *Local Government Act* permits a local government to enter into a housing agreement with a developer to secure and enforce affordable housing acquired through inclusionary zoning or density bonusing.

It is important to note that, according to the '2020 Land Use and Development Regulatory Options Feasibility Study,' the qathet Regional District has one of the most permissive land use regulatory frameworks in the province. Very few properties are affected by a zoning bylaw. The qRD instead relies on each electoral area official community plan to guide development. However, the qRD cannot enforce the policies in the OCP. As a result, regulatory tools such as inclusionary zoning or density bonusing would have minimal impact in our context.

One of the most frequently-cited policy and regulatory tools used to add housing in rural areas is to permit secondary suites and/or accessory dwelling units (ADUs) in residential zones. In places where secondary suites and ADUs were previously permitted, some regional districts have relaxed restrictions around these housing types to make them easier to construct. This work was already being pursued in other regions before the provincial government introduced legislation requiring local governments to permit secondary suites and/or ADUs in all single-family zones:

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[20] qathet Regional District. 2020. "Feasibility Study: Land Use and Development Regulatory Options." Prepared by Arlington Group and Ecoplan International. https://www.qathet.ca/wp-content/uploads/2020/06/Feasibility-Study-2020-2.pdf

- Fraser Valley Regional District recently passed a bylaw permitting both accessory dwelling units and secondary suites, subject to lot size and servicing, in almost all electoral areas in the *Fraser Valley Regional District Zoning Bylaw No. 1638, 2021.* Bylaw 1638 only permits one secondary suite or one accessory dwelling unit per lot, not both. On their website, the FVRD describes this initiative as a practical way to "support increased housing options for those who struggle to find adequate, affordable housing."[21]

- Sunshine Coast Regional District updated Zoning Bylaw 722 in 2022 to allow secondary suites in any single-unit building and increase the maximum size of auxiliary dwelling units from 595 sq. feet (55 sq. meters) to 969 sq. feet (90 sq. meters).

- The Cowichan Valley Regional District currently allows secondary suites in most zones and permits accessory dwelling units in some zones, subject to minimum lot size requirements. Property owners are only permitted one secondary suite or one accessory dwelling unit per lot, not both. As of August 2023, the CVRD was looking at relaxing ADU regulations by removing the minimum lot size requirement and instead requiring proof of servicing.

Several other regional districts have also relaxed regulations that restrict the density or type of housing permitted on a parcel. For instance, the Sunshine Coast Regional District removed a 6-meter minimum dwelling-width rule from Zoning Bylaw 722 that restricted manufactured homes on residential parcels. Even before the introduction of Bill 44, Squamish-Lillooet Regional District was considering amending residential zones to permit triplexes and fourplexes on parcels previously zoned for single detached and duplex dwellings in serviced areas. Relaxing these restrictions can increase the housing types available to people in rural areas and improve affordability.

Another common zoning bylaw tool used by regional districts is regulating short-term rentals. While short-term rentals can support tourism and economic development, they can also reduce the supply of long-term rental housing, lowering vacancy rates and driving up rents as a result.

The Sunshine Coast Regional District restricts short-term rentals to specific zones, sets occupancy standards, and does not permit in secondary suites. With the exception of some

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[21] Fraser Valley Regional District. 2023. *Accessory Dwelling Units and Secondary Suites.* September 28. https://haveyoursay.fvrd.ca/adu.

commercial zones, the Regional District of Nanaimo's rural zoning bylaws prohibit entire dwellings or secondary suites from being rented on a short-term basis. Squamish-Lillooet and North Coast Regional Districts also restrict short-term rentals through their zoning bylaws.

Prior to the recent provincial short-term rental legislation introduced in November 2023, regional districts could only regulate short-term rentals by regulating use and tenure in their zoning bylaws. With the Short-Term Rental Accommodations Act, regional districts now have the option to draw down business licensing powers that may change how they regulate short-term rentals. While the principal residence requirement does not apply to short-term rentals in electoral areas, regional districts can 'opt-in' to these provisions.

4.2.4 Other Policy Tools

There are other policy tools that fall outside of the land use framework that local governments can use to guide action on housing.

- **Strategic Plan** - A local government's strategic plan establishes a vision, mission, and strategic priorities that guide decision-making and the allocation of resources. Including housing-related goals and priorities in a strategic plan guides elected officials, informs staff work plans, and communicates the local government's intentions to the public.

  For reference, the qathet Regional District's Strategic Plan includes social supports as a strategic priority and makes the statement "we focus on diversity of housing throughout our region, encouraging density in municipal areas."

- **Definition for secured affordable housing** – There are two components to a definition for secured affordable housing:

  1. Affordability, which is tied to income and local housing costs. The CMHC considers housing to be affordable if it costs less than 30% of a household's pre-tax income. A local government can define different levels of affordability based on the number of bedrooms, housing income limits, and maximum monthly rents.
  2. Secured housing, which refers to the length of time the units will be rented or owned at an affordable rate. This is often achieved through housing agreements and restrictive covenants.

Establishing a definition for secured affordable housing clearly communicates local government expectations and minimum requirements to qualify for financial assistance and other incentives. Local governments can incorporate this definition into their policies and funding programs.

- **Housing Strategies** - Housing strategies and action plans are used to establish goals and identify specific actions a local government can take to address the housing need in their community. Typically informed by a housing needs report, these strategies and plans can be for specific types of housing on the continuum, such as affordable housing. They can also target certain demographics, such as seniors or people in the workforce. For example, the Cowichan Valley Regional District's economic development arm, Economic Development Cowichan, is developing a strategy specifically for workforce housing. The lack of attainable housing in the Cowichan Valley makes it difficult to attract and retain workforce talent, negatively affecting the local economy. Addressing housing concerns will help improve local economic outcomes.

- **Housing Needs Reports** - While not necessarily a policy document, a housing needs report is an important tool used to inform housing policy and regulation. The *Local Government Act* requires local governments to collect data, analyze trends and present reports that describe current and anticipated housing need. This allows local government to understand and respond to current and future housing need. A housing needs report is critical to developing a housing strategy or action plan. A local government is required to consider its most recent housing needs report when developing or amending an official community plan or regional growth strategy.

- **Review development approvals process** - Streamlining development approval processes increases efficiency, creates certainty, and reduces the amount of time it takes to process land use applications and permits. The Province encouraged local governments to review their development approvals process with the release of the Development Approvals Process Review report in September 2019 and by providing funding through the Union of British Columbian Municipalities (UBCM).[22]

  The Sunshine Coast Regional District (SCRD) completed a review of their development approvals process in 2023. The SCRD has seen an increase in the

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[22] Province of British Columbia. 2019. "Development Approvals Process Review." https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/local-governments/planning-land-use/dapr_2019_report.pdf

number of development applications it receives in recent years, putting pressure on staff resources and the development approvals process. The Sunshine Coast Regional District Development Approvals Process Review Final Report outlines 10 recommendations the SCRD could implement to improve the efficiency and efficacy of its internal approvals process (see Figure 5).[23]

Figure 5: Sunshine Coast Regional District Development Approvals Process Review

With funding from UBCM, the Sunshine Coast Regional District completed a review of their development approvals process in 2023. The final report made 10 recommendations to improve the development approvals process:

1. Establish a process improvement champion and a working group to maintain project momentum.
2. Document existing processes and roles to reduce uncertainty and improve process clarity.
3. Improve the transfer and flow of shared information by establishing clear collaboration and communication protocols.
4. Improve information flow between the SCRD and external stakeholders through clear communication and collaboration with external organizations.
5. Build a stronger compliance culture through staff incentives and encouragement.
6. Enhance application ownership and tracking supported by dedicated roles and technological functionality.
7. Enhance indigenous collaboration through improved communication and resource sharing.
8. Enhance use of technology through re-implementation and training.
9. Improve existing policy frameworks through collaboration and dedicated resources
10. Supplement in-house resources via investments in specialized skills and knowledge management systems.

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[23] Sunshine Coast Regional District. 2023. "Development Approvals Process Review." Prepared by KPMG. https://letstalk.scrd.ca/dapr#:~:text=In%20February%202023%2C%20the%20Sunshine,development%20review%20and%20approvals%20process.

4.3 Partnerships

As mentioned previously, there are many actors who play a role in housing development. Local government can partner with non-profit and private developers, social service agencies, housing facilitators, and other levels of government to leverage their position and influence the housing process.

Local governments can develop partnerships in several ways:

- Partner with affordable housing providers on funding applications to strengthen their proposal and increase the chances of receiving funding.

- Create working groups and forums for developers, non-profit housing providers, and other actors involved in housing provision to explore local housing issues. In 2021, the Sunshine Coast Regional District established the Housing Action Table, bringing together local government, non-profits, and private developers to address the housing crisis. The Housing Action Table is focusing on three pillars from the 2023 Sunshine Coast Social and Housing Needs Assessment: pathways out of homelessness, workforce housing, and seniors housing.[24]

- Partner with other local governments in the region to facilitate housing development, produce regional housing studies and strategies, and establish a regional housing service or housing authority. Both the Cowichan Valley and Comox Valley housing services are partnerships between the member municipalities and rural areas and address housing at the regional level.

  The qRD partnered with the City of Powell River and Tla'amin Nation to address housing through the Social Planner position. However, this position has been vacant since October 2022. There could be opportunities to expand how we work together to address regional housing need in the future.

- Partner with external housing facilitators, such as Happipad. Happipad is an online home-sharing or co-living platform that seeks to utilize the existing housing stock by providing homeowners the opportunity to rent out spare bedrooms. Sunshine Coast Regional District and Cowichan Housing Association (CHA) have existing partnerships with Happipad. Staff at the CHA noted that they've seen a strong uptake with the program. Rooms that are posted by hosts are filled very quickly. Beyond the initial

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[24] Beairsto, B.2023, October 19. "Housing and social needs report paints a stark picture of the Coast housing crisis – and a path forward." https://www.coastreporter.net/local-news/housing-and-social-needs-report-paints-a-stark-picture-of-the-coast-housing-crisis-and-a-path-forward-7706676

setup, the platform requires minimal staff time. CHA's main role is to market and educate the public about Happipad.

- Partner with BC Housing to create new housing and address homelessness. For example, the City of Nanaimo recently signed a memorandum of understanding (MOU) with BC Housing to increase outreach services for people experiencing homelessness and rapidly develop supportive and affordable housing. The MOU involves the City of Nanaimo providing land and expediting development applications for the supportive and affordable housing projects.[25, 26]

4.4 Awareness and Advocacy

Local government can educate the public, raise awareness and advocate to other levels of government to help promote housing. Education and awareness-raising activities include:

- Sharing housing information and resources provided by the provincial and federal governments, as well as non-profit entities. Examples of resources local government can promote through their communication channels include, but are not limited to, the BC Rent Bank, BC Housing Rent Supplement Program, the Home Renovation Tax Credit for Seniors and Persons with Disabilities, or the Home Owner Grant for People with Disabilities.

- Preparing guides and other educational materials on developing affordable housing, secondary suites, and accessory dwelling units, as well as navigating the provincial permitting process. For instance, the Cariboo Regional District has a webpage dedicated to secondary suites that summarizes the zoning bylaw regulations, answers frequently asked questions, and outlines the steps needed to apply for a building permit.

- Raising awareness about the need for non-market housing (affordable, supportive, and transitional housing) to show the need that exists in our community and end the stigma around these housing types. The Regional District of Nanaimo (RDN) does this by providing educational resources on their website about housing need in the community and where to access affordable, supportive and emergency housing.

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[25] BC Housing. 2024. *Encampment & Homelessness Response: HEART & HEARTH.*
https://www.bchousing.org/housing-assistance/homelessness-services/HEART-HEARTH
[26] BC Housing. 2024, January 29. *B.C., Nanaimo collaborate to address homelessness.*
https://news.bchousing.org/bc-nanaimo-collaborate-to-address-homelessness/

- Creating an educational campaign on land use best practices and planning regulations to promote safe development. The North Coast Regional District specifically budgets for an educational campaign that involves a staff person traveling to each island once a year to discuss residents' concerns and help residents comply with land use bylaws and permitting requirements.

Local government also plays an important role in advocating to higher levels of government for funding, support services, and legislative and regulatory changes. This could include advocating to the local health authority and provincial government for mobile clinics to support rural residents with aging in place. Another example is advocating to the Province to add affordable and other non-market housing to the permitted permissive tax exemption list for regional districts, or to permit parkland acquired through the subdivision process to be used for non-market housing.

5.0 Resources

Implementing the tools and solutions identified in Section 4.0 requires investing significant resources. The two main resources needed to make this work possible are funding and personnel.

5.1 Funding

In addition to provincial and federal grants, there are several ways regional districts can financially support housing-related work. Many of these can be implemented at a regional level, which enables collaboration on a broader scale and allows participating areas to pool resources.

5.1.1   Affordable Housing Reserve Fund

Establishing an affordable housing reserve fund enables local government to direct public revenues towards affordable housing projects through grants and loans, which can incentivize developers to produce more affordable units, or even allow local governments to purchase land for future non-profit housing projects. Revenues for the fund can come from grants, inter-fund borrowing, tax requisition, cash-in-lieu provided through density bonusing, inclusionary zoning, and other sources permitted by the *Local Government Act*.

5.1.2   Regional Housing Service

Establishing a regional housing service enables the regional district to requisition taxes, borrow money, and collect funds through other means permitted under the *Local Government Act* to support housing initiatives. Three regional districts have established housing services to support the development of affordable housing.

1. **Cowichan Valley Regional District** - In 2018, the Cowichan Valley Regional District established the Cowichan Housing Association Annual Financial Contribution Service. The purpose of the service is to assist the Cowichan Housing Association (CHA) with costs associated with providing programs and services related to affordable housing and homelessness prevention in the Cowichan valley. This service is funded through property tax requisition up to a maximum of $765,000 annually, and through other means as authorized by the *Local Government Act*.

    The Cowichan Housing Association operates as an arms length non-profit organization responsible for administering the funding from the regional service. The CHA works to increase affordable housing options and to reduce homelessness in the Cowichan region through research, community development, homelessness prevention programming and facilitating affordable housing development.

2. **Comox Valley Regional District** - In 2015, the Comox Valley Regional District adopted the *Comox Valley Homelessness Supports Service Establishment Bylaw No. 389, 2015*. The purpose of the housing service is to provide funds to one or more local non-governmental organizations based on a board-approved five-year action plan to address homelessness in the Comox Valley. The CVRD requisitions a maximum of $165,000 per year through property taxes to support the service.

    A 2021 review of the Comox Valley Homelessness Supports Service found that the service has been effective in creating additional housing units that otherwise would not have been created. Further, the service exceeded expectations in leveraging funds from other sources. For every $1 invested by the service in a housing project, it is estimated that another $19 has been invested by other sources.

3. **Strathcona Regional District** – At its meeting on January 24, 2024, the Board of the Strathcona Regional District (SRD) passed Bylaws No. 512 and 515, which authorize the SRD to establish a regional housing service and borrow up to $10 million dollars to fund the service. Bylaw 512 enables the SRD to requisition a maximum of $0.05 per $1,000 of net taxable value of land and improvements to support the housing service. All municipalities, First Nations, and electoral areas in the SRD participate in

the service. The SRD is currently considering several service provision options, what specific needs it will address, and if there are any projects that require immediate attention.[27]

5.1.3   Housing Authority

A housing authority is a wholly-owned subsidiary or corporate arm of a local government that is responsible for carrying out its housing objectives and directives. A housing authority enables local government to be more directly involved in the development, management, and maintenance of affordable and other types of non-market housing. Existing affordable housing units can also be purchased by an authority to ensure they remain in the affordable housing stock and are not lost to re-development.

Both Metro Vancouver Regional District and Capital Regional District have established housing corporations to develop and manage affordable housing in their respective jurisdictions. However, all affordable housing projects are located within the member municipalities, not in the rural areas.

The Cowichan Valley Regional District has also been undertaking a workforce housing strategy and exploring the option of establishing a housing authority, using their existing housing service to create and fund the authority. Comox Valley Regional District recently issued a Request for Proposals for housing initiatives that include a housing authority.

BC Housing's guide on 'A Scan of Leading Practices in Affordable Housing' recommends local governments consider the points below when considering a housing authority:

- o   Needs funding to get started.
- o   Small communities may not be able to support an organization; however, a regional housing organization serving several communities in a region may be feasible.
- o   Requires a self-funding business plan to limit additional requests for funding.[28]

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[27] Strathcona Regional District. 2024. "Regional Housing Service Approved (Bylaws 512 & 515). https://srd.ca/regional-housing-service-approved-bylaws-512-515/
[28] BC Housing. 2017. *A Scan of Leading Practices in Affordable Housing*. https://www.bchousing.org/publications/Leading-Practices-Affordable-Housing.pdf

5.1.4   Municipal and Regional District Tax (MRDT)

The Municipal and Regional District Tax (MRDT) is an up to three percent tax applied to sales of short-term accommodation provided in participating areas of British Columbia on behalf of municipalities, regional districts, and eligible entities. The provincial government introduced the MRDT in 1987 to provide funding for local tourism, marketing, programs and projects. Affordable housing was added as a permissible use of funds in 2018.

Sunshine Coast Tourism is the designated recipient for the qathet region. A 2% tax is applied to all short-term rental bookings made through online accommodation platforms on the North and South Sunshine Coast. The qathet Regional District receives 30% of the funds collected through this tax for affordable housing initiatives.

5.2 Staffing

In addition to funding, several regional districts have identified the need for a housing champion or dedicated staff person to implement their housing policies and objectives. A dedicated staff person ensures housing actions are prioritized, improves accountability, and is essential to developing successful partnerships with other levels of government and housing providers.

The Sunshine Coast Regional District uses the funding collected through the Municipal and Regional District Tax (MRDT) to contract a Regional Housing Coordinator to facilitate partnerships and raise awareness. The Regional Housing Coordinator plays a key role in facilitating connections, educating the public, developing strategic plans, and creating forums. To accomplish this, the Regional Housing Coordinator has developed a Housing Action Plan, created an online resource hub for housing information, inventoried publically owned land suitable for housing, and developed promotional materials for accessory dwelling units and secondary suites.

The North Coast Regional District's Housing Needs Report recommends considering creating a shared position for a regional housing coordinator. As stated in the report, housing challenges are "regional in nature and therefore require a coordinated approach" to ensure all entities are working towards the same goals and solutions.[29]

As mentioned previously, the qathet Regional District partnered with the City of Powell River and Tla'amin Nation to fund a Social Planner position. The Social Planner was

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[29] North Coast Regional District. 2022. *Housing Needs Regional Summary: North Coast Regional District Electoral Areas and Municipal Regions.* Calibrate Assessments Ltd.

responsible for four pillars, one of which was housing. However, this position has been vacant since October 2022. Even if the position is filled in the future, the Social Planner must balance competing demands between the three participating members and four service pillars. This naturally limits how much they can focus on addressing the housing need in rural areas of our region.

6.0 Provincial Regulations & Guidelines

This section explores provincial regulations and best practices that affect housing development in rural areas. Provincial health and sewerage regulations and guidelines form the basis for discouraging high-density development in rural areas and encouraging high-density development in municipalities or areas where public water supply and sewer systems are available.

6.1 Drinking Water Protection Act & Regulation

The *Drinking Water Protection Act* (DWPA) and *Drinking Water Protection Regulation* (DWPR) seek to ensure that a water supply system provides safe, potable drinking water to all of its users. Under the DWPA and DWPR:

- If a well services one single family dwelling, which may include up to three dwelling units within the same principal dwelling, it is not considered a water supply system and is not subject to the DWPA or the DWPR. In other words, a well servicing a single family dwelling that contains a secondary suite is not considered a water supply system.

- If a well services more than one single family dwelling, including an accessory dwelling unit, it is considered a water supply system. Owners are legally obligated under the DWPA to ensure safe drinking water is supplied to each connection and must adhere to strict construction and ongoing testing requirements. However, staff with Vancouver Coastal Health confirmed that their involvement with these systems is request or complaint driven.

The cost of installing and maintaining a water supply system may inhibit the development of multiple dwellings on a parcel.

6.2 Sewerage Considerations

Domestic sewage or effluent is a potential health hazard and must be treated properly before entering surface or ground water to protect drinking water sources from contamination. Under section 3 of the *Sewerage System Regulation* (SSR), an owner of a parcel must ensure that all domestic sewage originating from any structure is discharged into a public sewer, a holding tank, or an onsite sewerage system, and does not cause a health hazard. To prevent contamination of drinking water, the SSR stipulates that, unless otherwise indicated by a registered hydrogeology professional, a person must not construct:

a) A holding tank less than 15 metres from a well, or
b) A sewerage system less than 30 metres from a well

Construction of septic systems must be performed or overseen by a registered onsite wastewater practitioner (ROWP). Once the septic system is installed, property owners must maintain the system according to the maintenance plan provided by the ROWP.

Onsite septic systems are built to accommodate a specific volume or flow rate of waste water measured in gallons or litres per day. The septic system capacity is determined by the number of bedrooms and total floor area.

If a property owner wants to add bedrooms, square footage, suites, or additional dwelling units to their property, an authorized professional must determine if the existing septic system can handle the increased volume of waste water. If it cannot, then they must alter the septic system, which may require additional primary and reserve absorption field sites. These new absorption sites must also be located more than 30 metres away from a water well to prevent contamination of drinking water.

To mitigate risks related to groundwater contamination, the BC Ministry of Housing recommends that local governments should only permit secondary suites and not accessory dwelling units on properties under one hectare in size that are not serviced by a local government sewer system.[30]

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[30] Province or British Columbia. 2023. *Provincial Policy Manual and Site Standards*: *Small-Scale, Multi-Unit Housing*. https://www2.gov.bc.ca/assets/gov/housing-and-tenancy/tools-for-government/local-governments-and-housing/ssmuh_provincial_policy_manual.pdf

6.3 Vancouver Coastal Health Subdivision Guideline

Parcel size in subdivisions is tied to health concerns such as water supply and sewage disposal capability. Vancouver Coastal Health's 2010 Subdivision Guideline recommends minimum lot sizes, setbacks and other development standards for lots with onsite septic systems to protect human and environmental health.

The purpose of this guideline is to:

- Provide a sustainable solution for residential onsite wastewater and to ensure that the creation of new lots will support a primary and reserve sewerage system to service one three-bedroom residence.
- Eliminate the need for costly extension of sewer connections until a comprehensive liquid waste management plan and servicing funding is in place.
- Address concerns of detrimental cumulative impact associated with increased density using onsite systems.
- Protect drinking water sources.

For parcels serviced by an approved community water system, the Subdivision Guideline recommends a minimum lot size of 0.5 acres or 0.2 hectares. For parcels serviced by a private well, a minimum parcel size of 2.5 acres or 1 hectare for lots is recommended. This one-hectare minimum is dependent on slope within the primary and reserve sewage disposal areas, and minimum native mineral soil depth.

A one-hectare minimum parcel size for lots with onsite water and septic servicing is an established best practice across the province and in other jurisdictions. According to the 2017 'Sewerage/Subdivision Best Practice Guideline from the Ministry of Municipal Affairs and Housing, "one hectare is a widely accepted minimum parcel size that is considered to result in minimal risk to public and environmental health provided that it has been demonstrated via the initial site assessment that the site is not hydrogeologically sensitive" (page 11).[31] Further, "parcels which are serviced by individual onsite wells must be large enough to provide adequate distance between the onsite sewage system and the water supply so that the risk of contamination of the drinking water supply is limited. Where parcels are serviced by a community water system, smaller parcel sizes may be justified" (page 11).[32]

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[31] Ministry of Municipal Affairs and Housing. 2017. "Sewerage/Subdivision Best Practice Guideline." https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/local-governments/finance/4612subdivision_bestpracticeguide.pdf
[32] Ibid.

The Vancouver Coastal Health 2010 Subdivision Guideline also recommends the following setbacks:

1. 100 feet (30 m) from individual well to absorption field site.

2. 10 feet (3 m) from the absorption field to any building or property line.

3. 3 feet (1 m) from the septic tank to any building or property line.

4. 100 feet (30 m) from high water mark of marine water or fresh water to absorption field site.

5. 50 feet (15 m) from water suction lines to absorption field site.

7.0 Conclusion

As discussed in this report, there are many tools available to local government to address housing need across the housing continuum in their communities. These tools fall under four main categories:

1. Incentives
2. Policy and Regulation
3. Partnerships
4. Awareness and Advocacy

No one actor or tool can single-handedly address the need for housing; it requires a multi-pronged approach with all actors involved.

An important consideration for local government decision-making is that the tools discussed in this report often require funding and personnel to implement. Further, local government must also consider provincial regulations and guidelines that constrain development in rural, unserviced areas. This, coupled with the lack of basic services and community amenities means that rural areas are not appropriate for high density or affordable housing developments. As a result, development is primarily directed towards development nodes, municipalities, and urban centres where services are readily available and accessible.

Appendix I – Local Government Housing Toolbox

Incentives

TOOL	DESCRIPTION
Land	Local governments can support affordable or other types of non-market housing by providing land. This reduces capital costs and helps ensure units can be provided at an affordable rate. Local governments can provide land they already own or have received through donations, or purchase land for the sole purpose of housing. Land can be sold or leased directly to developers, or given to a community land trust. Housing agreements and restrictive covenants secure the type and tenure of housing, and can also dictate occupancy.
Community Land Trust	A community land trust (CLT) is an arm's length, non-profit corporation that acquires and holds land in trust for the benefit of the community. Holding the land in trust removes land from the real estate market and ensures perpetual affordability. The CLT provides parcels to community and affordable housing developers through long-term leases. The CLT retains ownership of the land while the developer typically owns the buildings and any improvements.
Land Inventory	A land inventory identifies publically-owned parcels of land that are suitable or potentially suitable for housing. This analysis looks at location, land use regulations, servicing capacity, and more. The local government can then lease, sell, donate or develop this land for housing. A land inventory primarily includes local government-land, but may also include land owned by the provincial and federal governments.
Land Acquisition and Disposal Plan	Although more effective in larger urban centres, a land acquisition and disposal plan helps a local government: • Prioritize acquisition of land in areas close to services, amenities, and public transportation;

TOOL	DESCRIPTION
	• Develop evaluation criteria for purchasing land based on lot size, cost, and geographic location; • Disposal criteria based on need, non-profit status, and funding availability, willingness to keep housing affordable for a defined period of time; and • Potentially prezone municipal-owned sites for multi-family secured affordable housing development.
Financial Assistance	Local governments can incentivize specific types of housing through direct financial assistance for planning or capital costs. This can come in the form of one-off grants or long-term funding agreements to affordable housing providers, forgivable loans, rebates, or incentive programs.
Prioritize land use and development applications for affordable housing	Prioritizing applications for affordable housing can include implementing a policy that allows applications for affordable housing to jump to the head of the queue in the development approvals process or waiving requirements already met by the project. This decreases the amount of time the application spends in the approvals process, reducing overall costs for the developer and speeding up the development process.
Reduce or waive development application fees	Local governments charge fees when property owners submit applications for official community plan amendments, rezonings, development and building permits. Local governments can choose to reduce or waive development application fees for affordable or other types of housing to help reduce costs and barriers to development.
Reduce or waive development cost charges	Development cost charges (DCC) are costs charged to developers for infrastructure and service needs to support new development. Under section 563 of the *Local Government Act,* local governments can levy DCCs to cover capital costs for roads, water, sewers, and drains. The provincial government recently passed Bill 46 which expands the

TOOL	DESCRIPTION
	permitted uses for DCCs to include fire, police, waste, recycling, and parkland.
	Per Section 563 of the *Local Government Act*, local governments can opt to waive or lower charges for specific types of housing developments, such as non-market housing, for-profit affordable rental housing, and supportive housing.

Policy & Regulation

TOOL	DESCRIPTION
Regional Growth Strategy	A regional growth strategy is a long-term strategic plan that promotes socially, economically and environmentally healthy human settlement that makes efficient use of public facilities, services, land and other resources. A regional district board must consider its most recent housing needs report and the housing information on which it is based when developing, reviewing and amending the regional growth strategy. A regional growth strategy sets the policy direction for official community plans and zoning bylaws of impacted areas.
Regional Context Statements	Where a regional growth strategy has been adopted, a regional context statement is included in official community plans to identify the relationship between the OCP and the matters covered by the regional growth strategy, and how the OCP is to be made consistent with the regional growth strategy over time. A regional context statement brings OCPs in line with the regional growth strategy, which addresses housing and must consider the results of the most recent housing needs report.
Official Community Plan	An official community plan (OCP) is a statement of objectives and policies to guide decisions on planning and land use management, within the area covered by the plan, respecting the purposes of local government. An OCP must align with the objectives and policies contained in the regional growth strategy, if adopted. As per Part 14 of the *Local Government Act,* an official community plan must include housing policies of the local government respecting affordable housing, rental housing, and special needs housing, as well as statements and map designations for the residential development required to meet anticipated housing needs for at least the next twenty years.

TOOL	DESCRIPTION
Zoning Bylaws	A zoning bylaw is a tool local governments can use to regulate land use, density, built form, and tenure within a defined geographic area. A zoning bylaw implements the housing policies and objectives of the Official Community Plan and Regional Growth Strategy. Local governments can include density benefits and inclusionary zoning policies and regulations in their zoning bylaws to secure affordable housing and special needs housing.
Density Benefits or Bonusing	Density bonusing is a system where developers can voluntarily build to a higher density in exchange for community amenities, affordable housing, or special needs housing. To achieve this, a zone within a zoning bylaw may contain two density regulations: 1. A base density that developers can build to with no contributions required; and 2. A higher bonus density (dwelling units or floor space) a developer can build to in exchange for a contribution. Contributions can be: • A specific number or proportion of affordable or special needs housing units • A developer-provided amenity • Cash in-lieu Zoning bylaws may require developers to enter into a housing agreement in exchange for the additional density. This typically occurs through the re-zoning process, but developers can also approach the local government if they want to build to the bonus density permitted under the current zone.
Inclusionary Zoning	Inclusionary zoning requires re-zoning applicants to contribute a specific number or percentage of affordable housing units as part of their application. These can be provided in kind or through cash in lieu. This is typically used for higher-density developments not usually found in electoral areas.

TOOL	DESCRIPTION
Housing Agreements	Housing agreements are used to secure affordable and special needs housing now and into the future. A housing agreement is entered into by bylaw and often enforced through restrictive covenants. The agreement limits rental, sale or share prices over a set period of time, and can establish occupancy requirements.
	Local governments can use housing agreements to protect and enforce affordable housing secured through a density bonusing or inclusionary zoning provision in the zoning bylaw.
Housing Needs Report	Housing needs reports are a way for communities to better understand their current and future housing needs. These reports can help identify existing and projected gaps in housing supply by collecting and analyzing quantitative and qualitative information about local demographics, economics, housing stock, and other factors. A housing needs report is critical to developing a housing strategy or action plan.
	Together, legislation and regulations specify requirements for local government related to housing needs reports. These requirements include: • Collecting information to identify current and projected housing needs, • Using that information to prepare and publish an online housing needs report which shows current and projected housing needs for at least the next five years, and • Considering the most recently collected information and housing needs report when amending official community plans and regional growth strategies
Housing Strategy or Housing Action Plan	A housing strategy or action plan establishes a plan of action for how a local government will respond to the community's unique housing needs identified in their housing needs report. Housing strategies are not required by provincial legislation and therefore do not have specific requirements for form or content

TOOL	DESCRIPTION
	Strategies typically include: • Actions to support affordable housing; • Targets for creating or preserving affordable housing to meet future demand; and • Affordable market housing policies.
Develop a definition for secured affordable housing	A definition of secured affordable housing communicates what type of housing a community considers affordable and will support. There are two components to the definition: 1. Affordable – affordability is tied to income and local housing costs. The CMHC considers housing to be affordable if it costs less than 30% of a household's pre-tax income. A local government can define different levels of affordability based on the number of bedrooms, housing income limits, and maximum monthly rents. 2. Secured – this refers to the length of time the units will be rented or owned at an affordable rate. This is typically enforced through a housing agreement and often supplemented by restrictive covenants. A definition for secured affordable housing clearly communicates local government expectations and minimum requirements to qualify for financial assistance or other incentives.

Partnerships

TOOL	DESCRIPTION
Partner with affordable housing providers on funding applications	Grant funding is essential to most affordable housing developments. Local governments can play an active role in the application process to help non-profit housing providers secure funding. The level of involvement can range from writing letters of support to being a co-applicant.
Create working groups and forums	Local government can leverage their position in the community by bringing people together to address housing need, identify barriers to development, keep tabs on development trends, and establish relationships.
Partner with other local governments	Partnering with other local governments in the region enables sharing of resources and expertise, consistent housing policies, and a coordinated approach to regional housing issues. Local governments can partner together to facilitate housing development, develop housing studies and strategies, or establish regional housing services or authorities.
Partner with external housing facilitators	Local governments can partner with non-profit organizations and companies that exist to make better use of the existing housing stock. For instance, Happipad is an online home-sharing or co-living platform that seeks to utilize the existing housing stock by providing homeowners the opportunity to rent out spare bedrooms. This provides a source of income for over-housed households and much-needed rooms for those looking to rent. Happipad takes care of matching renters to owners, leases, and conflict resolution. Local governments are responsible for marketing the service in their region. Several other regional districts, including Sunshine Coast and Cowichan Valley Regional Districts, have established partnerships with Happipad.
Partner with BC Housing	BC Housing actively pursues partnerships with a variety of housing actors, including local government, to create new housing and address

TOOL	DESCRIPTION
	homelessness. Under these partnership arrangements, local governments typically commit to providing government-owned land, expediting development approvals, and providing staff and other resources needed to rapidly develop housing.
	Prince George, Kelowna, Abbotsford, Nanaimo, and Victoria have all partnered with BC Housing to increase outreach services for people experiencing homelessness and rapidly develop temporary, supportive, and affordable housing.

Awareness & Advocacy

TOOL	DESCRIPTION
Share housing information and resources	Local governments can remove barriers to housing by acting as a central source of information and resources. This can include sharing information about the need for affordable housing, grants or rebates available from the provincial or federal governments, best practices, or the provincial permitting processes.
Prepare guides and other educational materials	Local governments can develop guides to help homeowners or developers understand their options and the process for developing units. These educational materials can detail best practices, applicable policies and regulation, the development process, and answer frequently asked questions. Potential guides could include affordable housing for developers, or how to add a secondary suite or accessory dwelling unit for homeowners.
Advocate to higher levels of government	Local governments can advocate to provincial and federal governments for funding, programs and services that help people remain in their homes, or for new legislative or financial tools that would allow them to build housing. Local governments can approach higher levels of government individually, collaborate with other local governments on specific issues, or advocate through the Union of British Columbia Municipalities.
Raise awareness of the need for non-market housing	Raising awareness about the need for non-market housing (affordable, supportive, and transitional housing) to show the need that exists in our community and end the stigma around these housing types. This can involve developing educational resources on these topics, and sharing information on where to access affordable, supportive, and emergency housing in the community.
Educational Campaign	An educational campaign on land use best practices and planning regulations can promote safer development and help residents comply with land use bylaws and permitting requirements.

Resources

TOOL	DESCRIPTION
Affordable Housing Reserve Fund	Establishing an affordable housing reserve fun enables local government to direct public revenues towards affordable housing projects through grants and loans. This incentivizes developers to produce more affordable units or even allows local governments to purchase land for future non-profit housing projects. Revenues for the fund can come from grants, inter-fund borrowing, tax requisition, cash-in-lieu provided through density bonusing or inclusionary zoning, and other sources permitted by the *Local Government Act*.
Regional Housing Service	Establishing a regional housing service enables the regional district to requisition taxes, borrow money, and collect funds through other means permitted under the *Local Government Act*. Cowichan Valley Regional District, Comox Valley Regional District, and Strathcona Regional District have established regional housing services to fund affordable housing initiatives: • Cowichan Valley Regional District requisitions a maximum of $765,000 in property taxes annually through their housing service. This money is provided to the Cowichan Housing Association for affordable housing and homelessness prevention in the Cowichan Valley. All municipalities and electoral areas in the regional district participate in the housing service. • Comox Valley Regional District requisitions approximately $165,000 per year in property taxes that is distributed to one or more local non-governmental organizations based on a board-approved five-year action plan to address homelessness in Comox Valley. The City of Courtenay, Village of Cumberland, and Electoral Areas A-C participate in the service. • Strathcona Regional District (SRD) passed Bylaws No. 512 and 515, which authorize the SRD to establish a regional housing service and borrow up to $10 million dollars to fund the service, in January 2024. All municipalities, First Nations, and electoral areas in the SRD participate in the service.

TOOL	DESCRIPTION
Regional Housing Authority	A housing authority or corporation is a wholly-owned subsidiary or corporate arm of a local government that is responsible for carrying out its housing objectives and directives. A housing authority enables local government to be more directly involved in the development, management, and maintenance of affordable and other types of non-market housing. Existing affordable housing units can also be purchased by an authority to ensure they remain in the affordable housing stock and are not lost to re-development.
Municipal and Regional District Tax	The Municipal and Regional District Tax (MRDT) is an up to three percent tax applied to sales of short-term accommodation provided in participating areas of British Columbia on behalf of municipalities, regional districts, and eligible entities. The provincial government introduced the MRDT in 1987 to provide funding for local tourism, marketing, programs and projects. Affordable housing was added as a permissible use of funds in 2018. Designated recipients have the flexibility to define, identify, and fund affordable housing initiatives that they deem appropriate to meet local needs. Affordable housing funding must be consistent with fiscal prudence and accountability, and will be subject to additional reporting requirements.
Housing Champion or dedicated staff person	A housing champion facilitates stronger relationships and ensures consistent delivery with non-profit and private developers. Whether this role is added to an existing position or a separate position primarily responsible for housing depends on staff capacity and the level of investment the local government is willing to make.