Saanich Peninsula Housing Options

Finding a Way Forward

Prepared by Tim Wake, Affordable Housing Consultant and submitted to the three Saanich Peninsula Councils at the request of the Saanich Peninsula Housing Roundtable, an experiment in consensus decision-making on housing issues convened by Elizabeth May, MP (Saanich – Gulf Islands).

Housing Roundtable

The Saanich Peninsula Affordable Housing Roundtable was convened in late 2013 and has met a number of times to discuss the shortage of suitable rental and ownership housing for people working in Sidney, North Saanich and Central Saanich. The Housing Roundtable is composed of a broad collection of housing stakeholders from the private, non-profit and public sectors including municipal staff, elected officials, employers, the development community, the local Chamber of Commerce as well as the existing housing organizations in the Capital Regional District. The Housing Roundtable has the following participants:

Elizabeth May, MP Saanich - Gulf Islands
Gary Holman, MLA Saanich North and The Islands
Councillor Tim Chad, Town of Sidney
Councillor Steve Price, Town of Sidney
Mayor Alice Finall, District of North Saanich
Councillor Ted Daly, District of North Saanich
Councillor Conny McBride, District of North Saanich
Councillor Celia Stock, District of North Saanich
Councillor Alicia Cormier, District of Central Saanich
Councillor Carl Jensen, District of Central Saanich
Councillor Ryan Windsor, District of Central Saanich
Councillor Paul Gerrard, District of Saanich
John Treleaven, Saanich Peninsula Chamber of Commerce, Board of Directors
Ian Brown, Saanich Peninsula Chamber of Commerce, Board of Directors
Art Finlayson, Saanich Peninsula Chamber of Commerce, Board of Directors
Silvia Bonet, Architect, Architectural Institute of BC
Henry Kamphof, Senior Manager, Capital Regional District
Lee King, Consultant, with CMHC background
Jim Bennett, Government Relations Coordinator, Victoria Real Estate Board
Michael Hall, Director of Product Support, Viking Air
Ken Lewis, President, Seastar Chemicals
Casey Edge, Executive Director, Victoria Homebuilders Association
Rosemary Bongars, Owner, Avalon Spa, Sidney
Geoff Orr, President, North Saanich Residents Association
Adam Olsen, former Central Saanich Councillor, Interim Leader of the Green Party of BC
John Juricic, Executive Director, Sidney North Saanich Industrial Group
Shelley Mann, Chair of Government Relations, Victoria Real Estate Board
Alanna Holroyd, Executive Director, Greater Victoria Rental Development Society
Ian Batey, Board Chair, Greater Victoria Housing Society

Marlaina Elliott, Director of Development Services, Town of Sidney
Peter Laughlin, Director (Vancouver Island), Omicron
Denis Paquette, Sidney Waterfront Inn and Suites
Barbara Fallott, Sidney Resident, Business Owner and candidate for Sidney Council

Sidney and North Saanich Workforce Housing Survey

The Sidney and North Saanich Industrial Group conducted a survey of its employees in 2012 to provide some context of the housing shortage. It found that 67% of respondents were commuting to work from outside the three Saanich Peninsula municipalities and there was strong demand for a range of rental and ownership housing. Interest in purchasing housing (44% of respondents) is higher than interest in rental (27% of respondents). Purchasers can afford $250,000 to $500,000 for a home (condo, townhome or single family) and 65% of renters could afford up to $1200 per month.

The Sidney and North Saanich Industrial Group consists of the following companies: (2,200 employees, $110 million annual payroll)

Scott Plastics	Thrifty Foods	Stantec
Seastar Chemicals	Cube Global Storage	AXYS Analytical Services
Van Isle Marina	Epicure Selections	Scotty Marine and
Nicholson Manufacturing	Ramsay Group Machine	Fishing Products
Slegg Lumber	Works	Harbour Digital Media
Viking Air	VIH Aviation Group	

2014 Saanich Peninsula Mayors' Breakfast and Follow Up Interviews

The housing issue was the main focus of the Saanich Peninsula Mayors' Breakfast in February and in August, Elizabeth May's office contracted Tim Wake to conduct a series of interviews with local developers, municipal staff and elected officials. Jim Bennett assisted with coordinating interviews with the following:

Peter Laughlin, Director (Vancouver Island), Omicron
George Schell, Allanda Consulting, Real Estate Development Consultants
Kaye Melliship, Executive Director, Greater Victoria Housing Society
Roger Garside, Local Developer
Art Finlayson and Sylvia Bonet, Finlayson Bonet Architecture, Central Saanich
Jack Barker, former Councillor and Realtor, Sidney
Grant Rogers, Marker Group, Sidney
Bruce Greig, Director of Planning and Development Services, District of Central Saanich
Randy Humble, CAO and Marlaina Elliott, Development Services, Town of Sidney
Rob Buchan, CAO, District of North Saanich
Councillor Ted Daly, District of North Saanich
Councillor Ryan Windsor, District of Central Saanich
Councillor Carl Jensen, District of Central Saanich
Councillor Craig Mearns, District of North Saanich
Councillor Steve Price and Randy Humble, CAO, Town of Sidney
Mayor Alice Finall and Rob Buchan, CAO, District of North Saanich

Observations

The term **Workforce Housing** is used throughout this report to identify affordable housing that is intended to house working families and individuals whose place of work is located in North Saanich, Central Saanich or Sidney. It is distinct and separate from social housing, which requires subsidies from higher levels of government and is the subject of a separate initiative currently being led by MLA Gary Holman.

These three municipalities are very different but share a common problem – a shortage of housing for individuals, couples and families who wish to work and make their home on the Saanich Peninsula. The economic success of the region and the vitality of these three communities will depend on the degree to which the housing shortage can be addressed.

The following table highlights some of the differences across the three jurisdictions.

	Population (2011)	Area (sq. km.)	Density (persons per sq.km.)	Average Walk Score*
North Saanich	11,089	37	289	15
Central Saanich	15,936	41	386	35
Sidney	11,583	5	2,184	90

* Walk Score is a number between 0 and 100 that measures the walkability of any address (www.walkscore.com)

Given these and other fundamental differences, it is clear that each of these jurisdictions will have different opportunities to contribute to a regional housing solution. It is very unlikely that an effective regional solution will emerge without collaboration across the jurisdictions and the sectors (public, private and non-profit).

It is interesting to note that while all three jurisdictions have incorporated language in their OCP's around mixed-use development, encouraging a diversity of housing size, type, tenure and price, and focusing on compact affordable options, the actual need for housing is assessed based on projected population growth rather than on employment and commuting numbers. Nonetheless, local governments, the employers and the development sector appear to be aware of the housing problem and prepared to do something about it.

In addition, there is consensus across the local governments and stakeholder groups that zoning and development opportunities exist in all three municipalities. In the limited discussions that we had, Jim Bennett and I have identified at least 200 housing units that were approved, in the approval process or about to be proposed. Clearly the willingness to develop housing is there. The challenge is that while these units will likely be built, they will not likely meet the needs of the target households ($50,000 - $90,000 annual household income), and none of these units will be purpose built rental.

Sidney, in spite of its smaller size, has the most development and redevelopment opportunities, is most comfortable with higher densities, has by far the highest Walk Score (proximity to employment, services, education and recreation) and would be a prime location for various forms of rental housing and multi-unit home ownership.

The **Central Saanich** OCP has clear direction in Section 4 – *Residential Growth Management and Housing: Creating Compact, Complete and Diverse Communities* that lay out a framework supporting the development of a range of affordable workforce housing. A *Housing Capacity Study* done in 2007 identifies available land and the capacity for residential growth by dwelling type. A *Residential Densification Study* completed in 2012 recommends potential densification options in relation to specific physical, social and contextual restraints and opportunities. This work has informed recent rezoning and development approval decisions. Central Saanich is well positioned to contribute to regional housing solutions.

North Saanich has an important role to play in the development of housing solutions. While it does have some multi-family zoning (Eagle Ridge Estates, McDonald Park, Kiwanis Village and Lochside Drive), Kiwanis Village is the only project that addresses lower income. The Canora Mews project, a small lot subdivision currently under development, provides some options for the upper end of affordable homeownership. Two areas (one near Parkland Secondary School and the second around McTavish and Canora Roads) are under consideration for higher density affordable housing. Up to 520 new units are proposed over the next five years. If these units were approved for construction based on a range of tenures and prices, they could make a significant impact towards addressing the workforce housing shortage.

Developers, Municipal Staff and Elected Officials we spoke with were *all* generally supportive of the direction proposed in this document.

Comments

- The supply of workforce housing on the Saanich Peninsula, rental and ownership, can only be increased through a concerted collaborative effort. Local governments can revise OCP's policies to increase densities, approve zoning changes, and encourage development, but this will not address affordability. It may create more units, but it will not ensure affordability.

- The way to ensure a more robust supply of affordable workforce units is to make the changes to allow for more units and then partner with the private sector to find ways to produce affordable workforce units with little or no additional cost to taxpayers or to the developers.

- Creating a diverse inventory of workforce housing units is only the first part of the challenge. We then need a functional and manageable system of administering restrictions on those units so they are in fact only available to local employees and their families and, most importantly, that their affordability is protected over time.

- In my experience, the only way this has been successfully achieved in other jurisdictions is by **mandating an arm's length non-profit housing organization** to facilitate the construction of affordable workforce units, units that can be rented or purchased affordably by wage earners with average household incomes in the region. This housing organization can be small, nimble, effective and efficient and does not need to incur any ongoing cost to local taxpayers. It can develop its own funding mechanisms as well as fair and transparent processes for ensuring units retain their relative affordability over time.

- The **three primary goals** of the housing organization would be:

1. To increase the supply of affordable workforce housing (rental and ownership) in the Saanich Peninsula each year for the next ten years, beginning in 2016.

2. To measure annually and consistently increase the percentage of the workforce that is *resident* on the Saanich Peninsula each year for the next ten years, beginning in 2016.

3. To create a qualification and waitlist process to ensure that employees working locally occupy new workforce housing units.

- This housing organization would be most likely to succeed if it was a true partnership between the public and private sectors and the local housing stakeholders. The partnership should have committed support and representation from all three municipalities, the development sector, local employers, the CRD and the Greater Victoria Housing Society. As it would be a partnership, the working name of the organization for this discussion will be the Saanich Peninsula Housing Partnership.

Recommendations

The following recommendations constitute an **Action Plan** to create the **Saanich Peninsula Housing Partnership**:

1. **Secure funding from interested Founding Partners and Stakeholders** to fund the creation and initial work of the organization. The budget for the first 9 months would be $45,000 and should come evenly from the employer group, the development community, and the regional district. Further funding would be based on initial performance and rely on the new organization to determine a working formula for 2016 and beyond.

2. **Create this organization** initially with one part time contract consultant to formally establish the founding partnership and seed funding, nominate the founding Board of Directors (a skills based board with representation from senior municipal staff, elected officials, experienced developers/financiers, non-profit housing providers, interested parties from the community and local employers) and begin the work of finding new workforce housing development opportunities in each of the three municipalities.

3. **Secure commitments from developers** for the planning, and if possible the construction, of 10 new units of workforce housing for those employed on the Saanich Peninsula per quarter for each of the first three quarters of operation.

4. **Challenge this PARTNERSHIP Board** to draft and approve a constitution and bylaws, register the partnership and develop a sustainable funding formula so that **it will be self-funding moving forward.** A number of potential funding models exist and have been utilized in other jurisdictions.

5. **Develop a five-year plan** to produce workforce housing units, administer the sale and occupancy of those units to ensure they house working families and remain affordable in the future as they turn over.

6. **Establish a reporting and community engagement process** to ensure the community is informed of the progress made in the provision of workforce housing units and the process by which the units may be accessed.

Conclusions

Continuing with the status quo of rezoning properties and hoping that it will result in workforce housing units being developed on the Saanich Peninsula is unlikely to deliver any more in future than it has in the past.

Creating an organization with a clear mandate to facilitate the creation of workforce housing units, administer the sale and resale of those units to ensure a resident workforce and a diverse and vibrant community, and measure progress towards meeting a range of housing needs, can be achieved in these three communities with little cost to the taxpayer or the developers.

A partnership across all sectors will be most likely to succeed in this initiative.

It is worthwhile to conclude with the thought that seeking more affordability for those who choose to work in the community and live closer to their work does NOT necessarily mean providing for more density in the three Peninsula communities of North Saanich, Central Saanich and Sidney than is currently being contemplated in the latest Official Community Plans.

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Appendix A

Tim Wake

Background and Experience

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Tim Wake has 16 years experience working in creating affordable workforce housing, both homeownership and rental. He worked with the Whistler Housing Authority (WHA) from its inception in 1997 until 2005, served as a Municipal Councillor in Whistler and director on the WHA Board from 2005 to 2008 and has been an Affordable Housing Consultant since 2005.

Speaking Engagements and Presentations (2005 – 2014)

Bowen Island Municipality	Richmond Poverty Response Committee
City of Calgary	Saanich Peninsula Mayor's Breakfast
City of Cranbrook	Town of Banff
City of Nanaimo	Town of Canmore
City of Nelson	Town of Comox
City of Prince George	Town of Gibsons
City of Trail	Town of Oliver
City of Victoria	Village of Kaslo
City of Whitehorse	Village of Nakusp
City of Yellowknife	Village of Valemount
Hornby Island	

Clients (as Consultant)

Bowen Island Municipality
Canada Mortgage and Housing
City of Yellowknife NWT
Columbia Basin Trust
Columbia Institute
District of Squamish BC
Fresh Outlook Foundation
Hesperia Development Corporation
Hornby Island Community Enhancement Corporation
Islands Trust, Salt Spring Island Office
Jackson Hole Community Housing Trust
Jackson Hole Town Council
Oliver Community Economic Development Society
Queenstown Lakes District Council, New Zealand
Simon Fraser University City Program
Smart Growth BC
Teton County WY - Board of County Commissioners
Tofino Housing Corporation
Westbank Developments

Boards

(serving as a director)

Whistler Housing Authority (2005 – 2008)
Whistler Centre for Sustainability (2008 – present)
Whistler Community Services Society (2005 – 2008)
Maurice Young Millennium Place Society (2005 – 2011)
Special Olympics BC Whistler (2006 – 2008)
Abbeyfield Society of Bowen Island (2010 – 2011)
Bowen Community Housing Association (2006 – 2008)
Lake O'Hara Trails Club (1976 – present)

Committees

Canada Green Building Council
Whistler Community Services Society
Maurice Young Millennium Place Society
Special Olympics BC Whistler
Bowen Island Sustainability Framework Working Group
Whistler Transportation Advisory Group
Bowen Island Affordable Housing Working Group

Publications

- *A Review of Best Practices in Affordable Housing (2007)*
- *Creating Market and Non-Market Affordable Housing: A Smart Growth Tool Kit for BC Municipalities (2008)*
- *A Guide for Canadian Municipalities for Creating a Housing Action Plan (CMHC, 2010).*

Reports

- *Creating Housing Affordability for the City of Yellowknife (2009)*
- *Affordable Housing Experience in Canadian Resort Communities (2009)*
- *Comprehensive Housing Action Plan for the Town of Canmore (2008)*
- *The Evolution and Impact of Secondary Suites in Whistler (2007)*

Certificates

- *Certificate of Appreciation, SFU Beedie School of Business Mentors in Business Program (2012)*
- *Real Estate Sales Person's and Sub-Mortgage Broker's Pre-Licensing Course – Property Management Option / UBC and The Real Estate Council of British Columbia (1996)*

Awards

- *Georgie Award for Best Technical Innovation – Beaver Flats, Whistler (2002)*
- *CMHC Affordable Housing Innovation Award – Beaver Flats, Whistler (2002)*
- *Georgie Award for Excellence by a Local Government in Cooperation/Leadership with Industry – Beaver Flats, Whistler (2000)*