

Report

Date September 12, 2023

File: SPP00073

Subject **Affordable Housing Policy - Public Engagement & External Referral Report**

PURPOSE

To provide an update on the feedback received from external referrals and the public engagement conducted on the draft Affordable Housing Policy & Implementation Plan.

BACKGROUND

In July 2023, Council directed staff to complete public engagement and external referrals to gather input into the draft Affordable Housing Policy and Implementation Plan, which was presented to the Committee of the Whole on July 11, 2023.

On July 19, 2023, Council passed the following resolution:

"THAT Council direct staff to refer the draft Affordable Housing Policy and Implementation Plan, as attached to the July 11, 2023, report from the Project Planner, to the following organizations for comment:

- (1) Cowichan Housing Association;*
- (2) Economic Development Cowichan;*
- (3) Co-operative Housing Federation of BC – Community Land Trust; and,*
- (4) BC Housing;*

AND THAT staff proceed with the public engagement plan as presented in the July 11, 2023, report.

AND THAT staff bring the Affordable Housing Policy and Implementation Plan back to Council to consider adoption at the September 6, 2023, Regular Council meeting."

DISCUSSION

Public Engagement

On July 21, an engagement project page on "Connect North Cowichan"¹ was launched. It included information about the draft policy, a survey, a question-and-answer section, and a section allowing people to share their stories about the housing crisis. The survey launched on July 21, closed on August 21, was open for 31 days and received 137 responses. Respondents' concerns about rising housing prices and the unaffordability of many households were a common theme. Some people shared their experiences and frustrations with being unable to afford housing or worrying about what would happen if forced to move.

¹ <https://www.connectnorthcowichan.ca/affordable-housing>

Speaking very generally, the survey results point to reasonable support for the draft Affordable Housing Policy, with most respondents expressing support for the Municipality to take actions to address housing issues and support for at least some of the approaches proposed in the draft Affordable Housing Policy.

Attachment 1: What We Heard – Engagement Summary Report Draft Affordable Housing Policy Survey Results provides a summary and full details of the public engagement and survey results.

Developer and Builder Input

The public engagement page was advertised through a “Building Industry” newsletter that reaches local developers directly. This is a newsletter published by the Building Department and has 257 subscribers. Unfortunately, of the 137 survey respondents, only two self-identified as builders/developers, which does not provide enough responses to reveal trends or themes from this group.

The developer community is also being approached via the Development Economics & Community Amenity Contributions Project. The market research involves completing interviews with ten local developers/realtors and hosting a “developers focus group” that will be held later this fall. The inputs of this analysis are expected later in 2023.

External Referral to Partner Organizations

On July 24, staff requested comments on the draft Affordable Housing Policy from the following organizations:

- (1) Cowichan Housing Association;
- (2) Economic Development Cowichan;
- (3) Co-operative Housing Federation of BC – Community Land Trust; and,
- (4) BC Housing.

Written responses were received from the Cowichan Housing Association and Economic Development Cowichan. These responses are attached (Attachment 2). A theme of these responses was to continue to foster partnerships and to work together to prevent duplication of effort as much as possible. An additional verbal comment from the Cowichan Housing Association was that they recommend we prioritize implementing rental tenure zoning to protect existing rentals. Many of the comments from Economic Development Cowichan related to the ongoing “Workforce Housing Strategy,” which is expected to be published later this year. Staff will review the strategy when published and report to the Committee/Council if warranted.

The Community Land Trust (CLT) responded by completing the online survey on the public engagement page. The CLT responses to the survey were:

- Three most important approaches:
 - (1) Foster partnerships with other organizations and governments, such as BC Housing and not-for-profit housing providers,
 - (2) Provide land for affordable housing,
 - (3) Require new residential developments to include affordable housing units.
- Requiring a portion of new housing units to be provided below market is reasonable, but the 10% target is too low.

- “The target needs to be set to provide a tool for the Municipality to reach its goals. It’s hard to determine without knowing the raw data of need and demand. Also, what is considered below market and does that meet the income needs of residents.”
- “Ensure policy is flexible enough that it doesn’t quickly get outdated as the market and need shifts. We often experience in other areas where policy is so restrictive that it can hinder any housing from being built. Engage directly with the community housing sector to better understand how North Cowichan can work with the sector. This needs to be done through working groups and having experts around the table.”

BC Housing had not responded at the time of writing.

Some of the comments received have been directly incorporated into the draft Affordable Housing Policy and Implementation Plan (see below). Other comments will help to inform how the policy is implemented.

Changes to the draft Affordable Housing Policy and Implementation Plan

Based on the public input and feedback received from the external referral, staff recommend several changes to the draft Affordable Housing Policy. The revised draft is provided in Attachment 3: 2023.09.12 Draft 2 Affordable Housing Policy and Implementation Plan. The revisions based on these inputs are as follows:

- Directly referenced the Housing Needs Assessment (and future document revisions) in Section 1. Purpose.
- Added additional emphasis to the importance of quick development approvals timelines under Section 2. Scope.
- Enhanced references to collaboration with local partners in Section 4. Partnerships and Advocacy.
- Added a new clause to Section 5. Affordable Housing Reserve Fund to state that the Municipality will prioritize funding projects that offer deeper levels of affordability.
- Revised the reference to purchasing hotels/motels in Section 6.1.
- Added direction to research alternative building types/forms as part of the Accessory Dwelling Unit Strategy (Section 10.1).
- Added a fourth priority action, to apply rental tenure zoning to existing rental properties, to the Implementation Plan.

The revised draft also clarifies the definition of a Housing Development Project based on an additional review of the policy in the context of existing development applications.

The public input suggests that there would be support for changing the draft policy to increase the target % of affordable units or changing the definition of affordable dwelling units to a level that would be affordable for more households. Staff are not currently recommending a change to the target % or definition of affordable housing. The Municipality has retained a land economist to complete a financial analysis project, “Development Economics and Community Amenity Contributions Policy.” This analysis will look at the impact of the housing-related amenity contributions of the Affordable Housing Policy. Staff recommend reviewing the financial analysis results as input into considering any revisions to these policy sections.

TIMING FOR ADOPTION OF AFFORDABLE HOUSING POLICY

While Council's intent from its July 19 resolution is to consider the adoption of the Affordable Housing Policy, there remains an opportunity to delay adoption until the completion of the ongoing development economics study by *Mulholland & Parker Land Economists*. A final report from the consultants is anticipated in November 2023, and those findings may influence Council's preferred approach to community amenity and affordable housing contributions secured through the development approval process. Since the Mulholland & Parker report is expected soon, a slight delay in adopting the policy at this stage would avoid the need for a future amendment and the potential confusion that may cause.

Alternatively, as per Option 2 below, Council may adopt the Affordable Housing Policy, as attached to this report, at its next meeting while being prepared to revisit the Policy once the development economics study has been completed.

OPTIONS

1. **(Recommended Option)** THAT Committee of the Whole direct staff to wait to bring forward the draft Affordable Housing Policy to Council for consideration until the report from *Mulholland & Parker Land Economists* regarding development economics in North Cowichan has been received and staff has had an opportunity to make further revisions to the Policy.
 - As noted above, the Development Economics and Community Amenity Contributions Policy project is ongoing. It may comment on the viability of the proposed housing-related amenity contributions included in the draft Affordable Housing Policy. One of the goals of both projects is to increase certainty for developers. For this reason, Council may wish to receive the results of this analysis prior to finalizing the draft Affordable Housing Policy and Implementation Plan.
2. THAT Committee of the Whole recommend that Council adopts the draft Affordable Housing Policy and Implementation Plan included with the Project Planner's September 12, 2023, report as Attachment 3.
 - As noted above. However, Council may adopt the draft Affordable Housing Policy and Implementation Plan now and direct staff to amend the policy following a review of the Development Economics and Community Amenity Contributions Policy project results.

IMPLICATIONS

As outlined above, staff recommend minor changes to the draft Affordable Housing Policy based on public engagement and external referrals. These changes do not significantly change the implications of this policy, which were outlined in the July 11, 2023, staff report to the Committee of the Whole.

RECOMMENDATION

THAT Committee of the Whole direct staff to wait to bring forward the draft Affordable Housing Policy to Council for consideration until the report from *Mulholland & Parker Land Economists* regarding development economics in North Cowichan has been received and staff has had an opportunity to make further revisions to the Policy.

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Attachments:

- (1) What We Heard – Engagement Summary Report Draft Affordable Housing Policy Survey Results
- (2) External Referral Responses
- (3) 2023.09.12 (Clean) Draft 2 Affordable Housing Policy and Implementation Plan
- (4) 2023.09.12 (Tracked Changes) Draft 2 Affordable Housing Policy and Implementation Plan