

# Report

Date November 6, 2024  
Subject CVRD Cowichan Workforce Housing Strategy

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## PURPOSE

To provide the Cowichan Workforce Housing Strategy (WHS) to Council with an assessment of consistency with North Cowichan's policy context and current projects, and provide formal comment to the CVRD in response.

## BACKGROUND

In November 2022, the Cowichan Valley Regional District (CVRD) initiated a project to explore the intersection of housing availability and the needs of the regional workforce. The project has been led by consulting firm CitySpaces Consulting, and North Cowichan staff have participated in the project advisory group and various associated events.

The impetus for this project lies in the regional Housing Needs Report and subsequent survey work, which highlighted a growing tension between housing issues and the regional labour market. Initial research concluded that housing development is not keeping pace with population growth and demographic change and that development constraints are limiting construction activity. Together these led to the identification of the core problem that the WHS seeks to address: "Limited housing supply and high housing costs are influencing workers' job decisions and impacting the viability of businesses."

Through the work carried out since 2022, the CVRD produced the attached draft WHS (Attachment 1) and referred it to member municipalities on July 15, 2024, inviting comments on the document by September 30, 2024 [an extension has been granted to North Cowichan to enable CVRD staff to present to Council and for this report to be received]. The CVRD wishes to ensure the strategy's recommendations align with municipal OCPs, plans, and policies. After this point, the CVRD indicates it will move to the implementation of the strategy.

## DISCUSSION

The WHS identifies four key strategy areas. These are described below, along with a summary of the actions asked of member municipalities. The principal considerations for each are the degree to which the strategies/actions are consistent with the North Cowichan Official Community Plan (OCP), and whether they pre-empt or contradict any current projects.

### **Strategy #1: Industry-Led Workforce Housing Solutions (WHS, Attachment 1, page 6)**

As the title would suggest, the actions identified in this strategy lie with the region's employers and private industry actors. It is presumed that local governments will assume a cooperative attitude towards any such proposals in terms of such things as zoning approval, land assembly, and providing

timely application advice/guidance. This presumption is articulated as Action 5 within Strategy #2, described further below.

Action 1 in this strategy suggests the expansion of campsites and the use of Temporary Use Permits (TUP) to allow workers to live in Recreational vehicles (RVs). While this could be permitted through a TUP within North Cowichan (pending Council approval of the TUP), it is important to note that RVs are intended for seasonal habitation only and permitting these on a year-round basis, even as a temporary use, would not be in compliance with the BC Building Code (BCBC) requirements and therefore would not be supported by North Cowichan staff. Furthermore, OCP policy is to take a cautious approach to expansion of campgrounds, with 3.2.17(l) noting that “...*they are seasonal in nature and [...] intended to serve the tourism industry*”. There is also no support for servicing extensions into rural areas (whether temporary or permanent). As any proposal which falls under this strategy will necessarily be assessed on a reactive and case-by-case basis, staff identify no fundamental concerns with this strategy with a caveat that individual proposals may be difficult to support if the above issues are not fully addressed, and particularly in the case of proposals to extend municipal servicing.

**Strategy #2: Accelerate Housing Development (WHS, Attachment 1, page 11)**

This strategy contains ten actions, five of which are assigned wholly or partly to CVRD member municipalities. These actions do overlap with work already being undertaken by North Cowichan and merit some further individual commentary. The WHS states that “...*it is necessary to fast-track development to get units delivered to the market with a sense of urgency through a solutions package...*” although clearly, the experience will differ somewhat from one member municipality to the next. North Cowichan is currently implementing its Development Approval Process Review, utilizing grant funding received from UBCM, and this project is expected to identify efficiency measures and process improvements aimed at streamlining the approvals process without compromising the quality of review or development product. Naturally, such solutions will be North Cowichan-specific and unlikely to be generalizable. The five actions with member municipality responsibility assigned are discussed below:

**Action 1: Consider inclusion of temporary housing in temporary use permit guidelines**

TUPs are a tool to grant temporary zoning permission (up to 3 years, renewable once) for uses or densities not otherwise permitted. This action encourages the use of TUPs to facilitate short-term housing solutions for particular groups, such as construction workers. North Cowichan’s OCP already establishes the use of TUPs (including for short-term housing), and North Cowichan has issued a number of TUPs for various purposes in the past few years; thus, it is safe to say that North Cowichan is already performing this action to some extent. While there may not be any specific further actions North Cowichan can or should take with regards to this, staff identify limited concern with this action item, noting that individual TUP applications are assessed on their merits with respect to OCP policy.

It is important to bear in mind that in the issuance of TUPs for temporary housing, building code requirements must be adhered to. RVs are not intended for or approved for year-round use. TUPs for temporary housing in RVs that authorize year-round occupation of RVs could not be supported. Additionally, any structures proposed would need to be in compliance with the BCBC in order to be supported by staff and to receive subsequent required approvals, such as a

building permit. Servicing standards for proposed temporary housing TUPs must also be considered and deemed to be adequate in order to receive a positive recommendation, noting the OCP's reluctance to extend municipal servicing into rural areas. If these conditions were not met, approval of the TUP could place North Cowichan in a position of liability should issues arise.

Action 5: Enabling policy to support industry led workforce housing solutions

This action is the counterpart to Strategy #1 and assumes that member municipalities will anticipate and work with industry partners in identifying suitable sites and proposals. The OCP contains a number of policies encouraging various housing initiatives. Staff have no concerns with this action.

Action 6: Identify publicly owned land that could be leveraged to support housing development

North Cowichan has already made significant progress with land contributions for housing development, notably with the Community Land Trust project at 3191 Sherman Road, and the current work developing a proposal at 2988 Elliott Street. North Cowichan continues to review its property portfolio, including acquisition opportunities, and explore partnerships that can deliver a range of housing types. Staff have no concerns with this action.

Action 7: Expand areas zoned for manufactured home parks (MHPs)

The OCP is relatively silent on MHPs; however, opportunities for this type of development are likely very limited within North Cowichan. The OCP is clear in not supporting any housing expansion outside the Urban Containment Boundary (UCB), whereas within the UCB the preference is likely for more urban forms of higher-density housing. Nowhere is there specific policy support for pre-zoning neighbourhood areas for MHPs, so any zoning change would likely be in reaction to an external proposal for a MHP in a suitable location. It should be noted that as part of North Cowichan's package of "Bill 44" zoning amendments adopted in June 2024, individual factory-built houses are now included within the definition of "single-family dwelling".

Action 9: Make use of rental tenure zoning where appropriate

This action is already identified within OCP policy 5.2.2(i) and with the creation of the CD23 zone at Ford Road South, North Cowichan utilized this zoning power for the first time in March 2023. It is likely that similar "rental only" provisions will continue to be used as North Cowichan processes other large development applications, particularly within the Bell McKinnon area. Staff have no concerns with this action.

Staff identify two specific concerns with the actions under Strategy #2, namely Actions #2 and #7. These concerns can be summarized as follows:

- Action 2: potential for inappropriate servicing extensions and establishment of quasi-permanent housing outside the UCB or unsuitable for winter living.
- Action 7: no OCP policy support for pre-zoning areas to facilitate MHPs, particularly given a likely absence of potentially suitable locations.

It is otherwise noted that North Cowichan has already moved towards some other actions within this strategy on its own initiative. It may be the case that on some actions, a regional approach does not necessarily fit with the work or systems already established by North Cowichan.

**Strategy #3: Enhance Short-Term Rental (STR) Regulations (WHS, Attachment 1, page 20)**

At the time of writing the OCP, North Cowichan had very little data regarding STRs, and it was not known whether or not these posed a problem that required addressing. Accordingly, there is no specific direction within the OCP regarding the approach to STRs. The WHS project has now provided further analysis and concluded that enhanced regulation of STRs is desirable to achieve a balance between providing this important form of tourist accommodation and maintaining a sufficient stock of long-term rental options. Supplementary documents to the WHS include a STR handout (Attachment 5).

This strategy includes four actions centred around providing regulatory structure around STRs through zoning bylaws and business licensing. The WHS is not prescriptive on the exact nature of zoning/business regulation but offers some suggestions, including amending bylaws to align with Agricultural Land Reserve regulations for on-farm agritourism accommodations.

With the WHS having identified that STRs are in danger of eroding the regional stock of long-term options, supporting and participating in this action is consistent with the OCP's objective of achieving a healthy and stable rental market (OCP s.5.2.1), noting that the alignment of potential zoning and business licence changes with OCP policy will be very much detail dependent. This issue will necessarily be examined during the modular progression of the zoning bylaw rewrite; therefore, staff identify no concerns with this action.

**Strategy #4: Establish a Housing Corporation (HC) (WHS, Attachment 1, page 24)**

OCP policy 5.2.4(c) states, "[The Municipality will work with others to] Explore governance options for delivering and managing affordable housing (i.e. housing authority)." The establishment of a HC is a significant undertaking and may require or request capital contributions from participating member municipalities, either directly or indirectly through the CVRD, along with other commitments to regional collaboration and standardization of development application processes.

The sole action of this strategy is to conduct a feasibility study, with subsequent actions to be identified contingent on the outcome of Action 1. It is indicated that the Cowichan Housing Association and CVRD will co-lead Action 1, although it is not clear whether a funding contribution will be sought from member municipalities or whether it can be resourced through the regional housing service for which taxes are already collected. Either way, participation in such a feasibility study is consistent with OCP policy direction and is a necessary precursor to any further actions or decisions regarding the establishment of a HC. It is recommended that support be given to moving forward with Action 1 on a "without prejudice" basis to North Cowichan's subsequent decisions regarding a HC.

**Future Implications**

The CVRD is an independent local government and may proceed to adopt and implement the strategy with or without the support of its member municipalities. The strategy is not regulatory and not binding on the municipalities. In other words, whether or not a given municipality has endorsed the draft strategy, no current or future council of that municipality is compelled to proceed with any of the

action items therein or to dedicate resources. However, the CVRD may make subsequent financial, strategic, or operational decisions aimed at the implementation of the strategy if adopted. Funding is examined in more detail in pages 33-35 of the WHS (Attachment 1). One of the concluding recommendations on page 32 is to develop a regional planning service initially focused on a Regional Growth Strategy (RGS). Initiating a RGS is a highly significant undertaking, and further reports and prompts will be provided to Council if/when such a project progresses.

Clearly, if a municipality makes subsequent commitments regarding any of the action items within the adopted WHS, it may create significant obligations it is legally required to fulfil. Moving ahead with actions identified in the strategy may involve such things as providing funding, passing bylaws, or signing legal agreements. However, the adoption of the strategy alone does not create any such obligations; it will be for each member municipality council to make conscious decisions regarding whether and how it chooses to respond to the various actions in the strategy.

### **Summary**

Many of the actions in the WHS are already identified within the OCP as being desirable or, at a minimum, meriting further attention. However, there is potential for poor alignment of Actions 2 & 7 under Strategy #1 with the North Cowichan OCP if taken in a general sense. Proposals responding to these Actions would need to be assessed very carefully on a case-by-case basis to ensure OCP consistency, most significantly in terms of inappropriate development outside of the UCB and pre-zoning for mobile home parks.

Council's comments on the attached draft WHS will be provided to the CVRD, following which the CVRD will consider adoption and moving into implementation. Staff have provided suggested comments confirming that the strategy is broadly aligned with the OCP with the exception of the two specific action items discussed above and that North Cowichan offers qualified support for the strategy/action without necessarily committing to any individual action at this time. Council may add to, remove, or change these suggested comments as it sees fit.

### **OPTIONS**

#### **1. (Recommended Option)**

THAT Council receives the Cowichan Workforce Housing Strategy (WHS) attached to the Planning Manager's November 6, 2024 report, and provides the following comments:

- a) The Municipality of North Cowichan offers general support for the strategies and actions outlined within the draft WHS to the extent that they are not in fundamental conflict with its 2022 Official Community Plan (OCP);
- b) North Cowichan has already made progress towards some of the action items identified within the draft WHS and is willing to explore collaboration, dialogue, partnership, and information-sharing with regional partners to further these items insofar as they remain aligned with the OCP;
- c) Support for these actions, including investigation into the creation of a Housing Corporation is given on a "without prejudice" basis to any future decisions Council may make. Participation in any initiatives and resourcing implications will be considered by Council on a case-by-case basis.
- d) The Municipality will exercise significant caution in considering proposals for modular or seasonal RV sites, expansion of campgrounds, or other temporary housing solutions.

Establishment of such sites with any substantial degree of longevity, particularly outside the Urban Containment Boundary, does not necessarily address long-term housing challenges. This may also be contrary to OCP policy, particularly with regard to extending municipal servicing beyond established service areas. Such sites can also cause environmental, safety and waste disposal problems.

- This option allows Council to adopt the responses supplied by staff in this report.
2. THAT Council receives the Cowichan Workforce Housing Strategy (WHS) attached to the Planning Manager's November 6, 2024 report, and provides the following comments:
    - a. ... *[comments to be identified by Council]*
      - Council may make any comments in addition to, or instead of, the staff-suggested ones.
  3. THAT Council receives the Cowichan Workforce Housing Strategy (WHS) attached to the Planning Manager's November 6, 2024 report.
    - There is no obligation on Council to issue a response to the draft document.

## IMPLICATIONS

There are no direct implications associated with receiving this document or providing comments back to the CVRD, although the eventual adoption of the CVRD may carry implications. If and when the CVRD adopts the strategy, North Cowichan may expect to be invited to participate in various projects associated with implementation. As the CVRD brings various initiatives forward, Council will be prompted to provide support and/or a mandate and resources to staff for each project as it sees fit.

## RECOMMENDATION

THAT Council receives the draft Cowichan Workforce Housing Strategy (WHS) attached to the Planning Manager's November 6, 2024 report, and provides the following comments:

- a) The Municipality of North Cowichan offers qualified general support for the strategies and actions outlined within the draft WHS and has not identified fundamental conflicts with its 2022 Official Community Plan (OCP);
- b) North Cowichan has already made progress towards some of the action items identified within the draft WHS and is willing to explore collaboration, dialogue, partnership and information-sharing with regional partners to further these items insofar as they remain aligned with the OCP;
- c) Support for these actions, including investigation into the creation of a Housing Corporation is given on a "without prejudice" basis to any future decisions Council may make. Participation in any initiatives and resourcing implications will be considered by Council on a case-by-case basis;
- d) The Municipality will exercise significant caution in considering proposals for modular or seasonal RV sites, expansion of campgrounds, or other temporary housing solutions. Establishment of such sites with any substantial degree of longevity, particularly outside the Urban Containment Boundary, does not necessarily address long-term housing challenges. This may also be contrary to OCP policy, particularly with regard to extending municipal servicing

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**Approved to be forwarded to Council:**



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Ted Swabey  
Chief Administrative Officer

Attachments:

- (1) Draft Cowichan Workforce Housing Strategy May 2024
- (2) WHS Companion Document – Context
- (3) WHS Companion Document – Case Studies
- (4) WHS Companion Document – Worker Snapshots
- (5) Short-Term Rentals Handout
- (6) Referral Letter dated July 15, 2024
- (7) CVRD Staff Report to COW dated June 7, 2024