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Proposal for an Islands Trust controlled and administered Test Program to achieve Affordable Rental Housing on Denman Island by way of Secondary Accommodation Units

Written and presented by Henning Nielsen at DILTC meeting, May 27, 2008

This proposal suggests an alternative to complete rezoning for affordable housing of all of Denman Island lots larger than 1 hectare as proposed during our current OCP assessment.

In order to provide affordable housing, minimize the environmental and social impacts of secondary accommodation units, limit the rate of population growth, and have a Program that is of a scale that Islands Trust can administer, it is being proposed here that the Denman Island Local Trust Committee undertake a specific Affordable Housing Test Program that creates only a limited number of secondary accommodation units for affordable rental housing.

The Trust could use this as a pilot project to test the viability of operating and managing such a program, with its attendant agreements. At the same time the level of need for affordable housing could be assessed from the number of applicants interested in renting the units provided through this limited program. If the test program is a success for the Trust, it could be repeated. If not, it could be a one-time means of creating a limited number of affordable rental units.

Proposed Structure of a Test Program

It is proposed that the Test Program be limited in the number of affordable units that can be created. Twelve participants could be a viable test, for example.

Islands Trust could decide that twelve secondary units is all the Island needs. Or, following the successful administration of this initial Test Program, it may decide some years later to create another twelve opportunities for the creation of secondary units.

Proposed Requirements of the Test Program

It is proposed that minimum lot size be 5 acres for a secondary suite (attached to the principal residence) and 10 acres for a secondary dwelling (free standing building) and that the Test Program be limited to the R2, RE and F zones.

Bed and Breakfasts would not be allowed to participate in the Pilot Project.

A secondary dwelling (free standing building) would have to meet the requirements for water and sewerage as a principal residence, while a secondary suite could use the existing infrastructure of the principal residence, provided that water supply is adequate and that the septic system meets the requirements for number of bedrooms resulting from the addition.

No more than one secondary suite or dwelling should be permitted per lot.

The secondary accommodation unit must be minimum 500 sq. ft. and maximum 1000 sq. ft.

The landowner must commit to provide the required housing agreement or covenant that ensures affordability of the constructed suite or dwelling as a condition for participating in the Test Program.

All construction must meet BC Building Code and Canadian Green Building Standards requirements in addition to meeting the LUB regulations for a principal residence such as height, setbacks, etc.

A standard for calculation of rental costs must be established based on the size of the rental unit.

The rent should not be allowed to increase by more than the annual increase in the Consumer Price Index.

Time Limitations and other requirements

Denman Island landowners could be given a 6 months window to apply to become a participant in the Test Program.

Should more than 12 landowners apply, participation could be determined by way of a random draw.

Limits could be placed on participation: e.g. "Selected participants must commence construction within 12 months of acceptance, and construction must be completed within 12 months of commencement.

Should a participant fail to meet either of these deadlines, the right to participate will be withdrawn, and participation will be granted to another landowner drawn randomly from a waitlist."

Other considerations and context

A local government, such as Islands Trust, may, by bylaw, enter into a housing agreement under Section 905 of the Local Government Act.

The Denman Island OCP currently allows for a density increase of up to 5% for integrated affordable and special needs housing. The Test Program would add 12 dwellings out of the allowed 49 additional densities resulting from this provision.

No change is needed to the OCP to undertake the Test Program as each participating property would be spot zoned to allow for the secondary accommodation unit.

The cost of permitting for the 12 properties involved in the Test Program could be shared among the participants, as a single re-zoning application for multiple properties is acceptable to Islands Trust.

The benefits, barriers and issues associated with secondary accommodation units are discussed in the report titled "SECONDARY ACCOMMODATION UNITS: A HOUSING OPTION FOR GULF ISLANDS AND OTHER SMALL COMMUNITIES" by Tony Law of HICEEC, January 2008. The report is a valuable resource in this discussion.