



REPORT | ADMINISTRATIVE REPORT TO COUNCIL

PRESENTED: March 6, 2018

REPORT: 18- 026

FROM: Resort Experience

FILE: 7729.04

SUBJECT: INFILL HOUSING – PROPOSED PROJECT APPROACH

COMMENT/RECOMMENDATION FROM THE CHIEF ADMINISTRATIVE OFFICER

That the recommendation of the General Manager of Resort Experience be endorsed.

RECOMMENDATION

That Council endorse the proposed project approach for Infill Housing Projects as an outcome of the Mayor's Task Force on Resident Housing as presented in Appendix "A" and attached to Administrative Report to Council No. 18-026; and

That Council endorse the proposed stakeholder engagement strategy as presented in Appendix "B" and attached to Administrative Report to Council No. 18-026; and further,

That Council direct staff to proceed with the project as presented.

REFERENCES

Appendix "A" – Proposed Project Approach

Appendix "B" – Proposed Stakeholder Engagement Strategy

Appendix "C" – Staff and External Consultant Working Group List Final Report from The Mayor's Task Force on Resident Housing. Council report dated December 19, 2017 (Not attached).

Administrative Report to Council No. 08-17, Infill Housing OCP and Zoning Amendments, Initiative dated February 18, 2008 (Not attached).

PURPOSE OF REPORT

The purpose of this Report is to present the key deliverables, proposed project approach and proposed engagement strategy to implement Infill Housing Policies that were recommended in the Final Report from the Mayor's Task Force on Resident Housing.

DISCUSSION

Background

The Mayor's Task Force on Resident Housing was initiated in November 2016 with the objective of analyzing Whistler's employee housing needs and recommending housing initiatives to Council. The Task Force and its sub committees convened over the course of 2017 and significant research on trends and conditions affecting housing in Whistler was carried out. Additionally, the community provided input through a community survey on housing needs and the community engagement forum held on November 2, 2017. The final recommendations of the Mayor's Task Force on Resident Housing were received and endorsed by Council on December 19, 2017.

Staff have been directed to proceed with the Report's recommendations. One of the Report's recommendations was a new and expanded infill program, specifically:

1. Permitting stratification of detached and attached suites;
2. Permitting subdivision of larger lots;
3. Expanding areas where duplexes are permitted;
4. Allowing up to two suites (attached or detached) for single family homes;
5. Allocating resident-restricted bed units where required to accommodate 1 to 4 and creating a range of restrictions on new dwellings created under 1 to 4 to ensure resident housing objectives are achieved.

It is hoped that the above infill initiatives will generate 50 new resident-restricted units within the next five years, create opportunities for existing resident owners to stay in their homes and provide affordable alternatives for residents looking to buy a home in Whistler.

The Report's recommendation for a new and expanded infill program assumes the implementation of another Mayor's Task Force on Resident Housing recommendation (Recommendation #7) which calls for refining the resident restricted program to protect employee housing; specifically eligibility criteria. Subsequently, work on any infill housing policies will need to be coordinated with work occurring to refine eligibility criteria for resident restricted housing. The structure of the Staff and External Consultant Working Group and the project outline described in this report are intended to factor in this project requirement.

Infill housing has been identified as a means to secure employee housing before. From 2004 to 2011 the Resort Municipality of Whistler (RMOW), through the work of a Council-appointed Non-Cost Housing Task Force, undertook the Infill Housing Initiative which examined options for creating resident-restricted housing through infill. Three infill options were investigated for the RS1 Zone: "Lot splits", permitting duplexes and "multiple suites". The most notable outcome of the Infill Housing Initiative was the adoption of the R11 zone in 2011, which permits these forms of infill and covers a large portion of the Alpine South Neighbourhood. A 2008 Council Report, attached as Appendix "D", outlines the project in greater detail. The research and outcomes of the Infill Housing Initiative were reviewed as part of the Mayor's Task Force on Resident Housing, hence the similar recommendations, however, recommendations from the Mayor's Task Force on Resident Housing are intended to focus on a wider area and build upon the lessons learned from the Infill Housing Initiative.

Each of the five recommended infill strategies represents a distinct infill housing type with different considerations, required policy changes and applicable legislative/regulatory framework. An overview of the each is provided below.

1. Permitting stratification of detached and attached suites.

In the context of this recommended infill type, "stratification" refers to the stratification of buildings, where the walls of buildings form the boundaries of strata units and land and common areas such as hallways and stairwells are typically "common property" owned collectively by the owners in the strata. Separate buildings can also be stratified this way. For example, a property owner could build a home and a detached suite and each building could be a separate strata unit with unit boundaries following the walls of each building and the open areas of the parcel forming common property. The process of stratifying buildings should not be confused with "bare land" stratification, which is a form of subdividing the surface of land. In the context of this Report, bare-land stratification would fall under Strategy two below.

Currently, there are no RMOW bylaw provisions that specifically prohibit stratifying new or previously occupied detached or attached suites. However, Section 25 of Part 5 of "Zoning and

Parking Bylaw No. 303, 2015” requires an employee housing agreement to be registered on the title of a stratified suite. Staff were unable to find any examples of stratified suites in Whistler.

Building stratification occurs in two ways. The first and most common way is to stratify a building when it is constructed. Generally speaking, the RMOW does not play any role in approving this type of stratification and cannot enact bylaws to regulate this process. The second way is to stratify a previously occupied building under section 242 of the *Strata Property Act*. Under these rules the RMOW (Council unless delegated) must not approve a strata conversion unless it would comply with municipal bylaws and the *BC Building Code*. The municipality must also consider:

1. The priority of rental accommodation over privately owned housing in the area;
2. Any proposals for the relocation of persons occupying a residential building;
3. The life expectancy of the building;
4. Projected major increases in maintenance costs due to the condition of the building; and
5. Any other matters that, in the opinion of the municipality, are relevant.

The requirement to meet the *BC Building code* presents unique challenges for stratifying dwelling units. Regardless, of whether a home with a suite being stratified is new or previously occupied, the *BC Building Code* requires the building to meet *BC Building Code* requirements for a duplex. These requirements are more stringent. For new buildings, there is an added design and construction cost to the builder to meet the higher standard for stratification. For previously occupied buildings, redesign and retrofitting to meet the Building Code requirements will likely be required. This typically requires the owner to obtain the services of private *BC Building Code* expert, and these analyses can be costly and time consuming. Implementing this infill strategy will likely require few policy or bylaw changes but rather incentives and processes that minimize the burden faced by homeowners and builders to obtain approvals and meet the *BC Building Code*. Specifically, this may include obtaining the services of a code consultant to develop general requirements to stratify suites. This would allow RMOW building inspectors to determine compliance with the *BC Building code* if certain conditions were met, eliminating the burden on the homeowner to pay for these assessments.

2. Permitting subdivision of larger lots

Many property owners may wish to subdivide a small lot from their existing property, either as vacant land to be built on, or with a detached dwelling unit. These subdivisions could be either fee simple or a bare land strata subdivisions. In many zones, such a subdivision would be prohibited by zoning parcel standards (e.g. parcel frontage, lot size etc.) For example, the owner of a 1,200 square meter parcel with RS1 zoning, would be prohibited under the Zoning Bylaw from subdividing, because the minimum lot size for the RS1 zone is 695 square meters, meaning a “parent parcel” 1,390 square meters or larger is required. The RS1 Zone applies to approximately 1,500 properties of which 163 are large enough to subdivide, however, there a few that would be able to meet other subdivision requirements such as lot frontage.

In 2008, as part of the Infill Housing Initiative noted earlier in this report, Council passed a resolution authorizing staff to consider large lot subdivisions that met minimum lot size requirements but required frontage variances, provided that one of the newly created lots is resident-restricted. Under the Alpine South Infill program, regulations were also adopted to allow subdivision of lots with an area greater than 1,100 square metres. Expanding this for other single family neighbourhoods throughout the community would expand the potential number of lots significantly. Alternative minimum lots sizes may also be considered.

Implementing this infill strategy warrants an assessment of subdivision potential and changes to zoning and other bylaw regulations that will permit subdividing smaller parcels from large and

medium sized lots. As part of this, the lot frontage variance resolution noted above will be reviewed, and similar policies will be considered for implementation through zoning. The applicable resident restrictions will also factor into potential uptake on this initiative and need to be examined.

3. Expanding areas where duplexes are permitted

Duplexes can be similar to homes with attached suites in terms form, character, and infrastructure demands and can be stratified or un-stratified. Unlike homes with suites, where the suite is restricted by the *BC Building Code* to 90 square meters, or 40 per cent of the homes habitable space (whichever is less), each duplex unit can be as large as the Zoning Bylaw allows. A duplex unit is often ideal for households needing more space, but that are unable to afford a single family dwelling. The Zoning Bylaw has 35 zones that permit duplexes and these zones apply to approximately 2,500 properties. Eighteen of the 35 duplex zones also allow multi-family uses (i.e. triplex, townhouse, apartment etc.). Six of the 35 zones require duplexes to be used for employee housing. Of the approximately 2,500 duplex zoned properties, only 102 are currently classed by BC Assessment as being undeveloped. These figures suggest most of the land that is zoned to allow duplexes is built out, in many cases with higher density development. This initiative will consider expanding the opportunity for duplex units beyond Alpine South to generally be available within all of Whistler's single family neighbourhoods.

4. Allowing up to two suites (attached or detached) for single family homes

There are two variants of this option: 1) a home with both an attached suite and a detached suite, and 2) a home with two attached dwelling units. As with Strategy 1, this infill strategy would be practical only in single-family neighbourhoods. Both variants require consideration of neighbourhood character and infrastructure impacts. The second variant also has *BC Building Code* considerations that are similar to stratifying homes with suites. Homes with two suites will trigger *BC Building Code* requirements that apply to multi-residential buildings, creating additional design, construction and retrofitting costs.

Implementing this infill strategy requires an assessment of single-family neighbourhoods with regard to their feasibility for additional suites and, where warranted, zoning amendments to permit the additional suites. In the case of variant No. 2, incentives and processes that minimize the burden on the homeowner and builders in meeting *BC Building Code* requirements may also be required. It should also be noted that, as a corollary, staff expect to develop policy changes that will promote developing homes with single suites (which is already permitted in most single-family zones) and bring these forward for Council consideration.

5. Allocating resident-restricted bed units where required to accommodate 1 to 4 and creating a range of restrictions on new dwellings created under 1 to 4 to ensure resident housing objectives are achieved.

Policy directions for Infill Housing Strategies 1 to 4 may or may not trigger changes to bed unit allocations and bed unit implications will be a consideration in developing policy alternatives, being part and parcel to any policy changes or bylaw amendments presented to Council for approval. Similarly, resident-restricted housing restrictions are expected to accompany any new policies for infill housing and these restrictions will be evaluated considering balancing program uptake with affordability—i.e. the restrictions must maximize new infill development, while ensuring infill housing remains accessible to and occupied by Whistler's workforce. As noted earlier in this Report, a recommendation of the Mayor's Task force on Resident Housing was to re-evaluate eligibility criteria for Resident Restricted Housing; in this regard infill housing warrants special consideration.

Infill typically occurs on privately-owned land, making Return on Investment (ROI) and ease of developing a key component of the program’s success. Owners typically have a number of options to generate wealth from their property (e.g. sell and downsize) and infill strategies will only be successful if they can compete with these other options. Employee housing restrictions that may impact owner ROI must be developed considering this. Infrastructure capacity considerations also need to be factored into any new infill policies to ensure limits are not exceeded. To implement this strategy, policy options for Infill Housing Strategies 1 to 4 will be evaluated for their impact on bed unit allocations and infrastructure capacities, their economic viability for homeowners and their attractiveness and affordability to residents with a target of creating 50 infill homes.

Infill Housing – Key Deliverables

The table below outlines likely deliverables for each of the recommended infill strategies. Staff hope to bring forward final deliverables—i.e. bylaws and policies—for Council approval in early 2019.

Infill Strategy		Deliverables
1.	Permitting stratification of detached and attached suites.	<ul style="list-style-type: none"> New strata conversion policies that make it easier for owners to stratify new or existing suites, specifically assessment criteria developed by a professional code consultant that allows the RMOW to reduce or remove the burden on the property owner to prove compliance with the BC Building Code. Reanalysis (and possible amendments) of zoning restrictions requiring stratified suites to be resident-restricted and possibly changes to this policy to make suite stratification economically viable for property owners.
2.	Permitting subdivision of larger lots.	<ul style="list-style-type: none"> Analysis/modelling of capacity, impacts and uptake of various subdivision policy options. New subdivision standards, (e.g. lot frontage, minimum parcel size, servicing) that are more conducive to infill subdivision.
3.	Expanding areas where duplexes are permitted.	<ul style="list-style-type: none"> Analysis/modelling of capacity, impacts and uptake of various expanded duplex zoning options. Amendments to permitted uses in the Zoning Bylaw to allow duplexes in select single family neighbourhoods.
4.	Allowing up to two suites (attached or detached) for single family homes.	<ul style="list-style-type: none"> Analysis/modelling of capacity, impacts and uptake of policy changes allowing additional suites in single-family neighbourhoods. Amendments to permitted uses in the zoning bylaw to allow up to two suites in conjunction with a single family dwelling in select single family neighbourhoods.
5.	Allocating resident-restricted bed units where required to accommodate 1-4 and creating a range of restrictions on new dwellings created under 1-4 to ensure resident housing objectives are achieved.	<p>Largely dependent on outcomes of deliverables for Strategies 1-4 but expected to include:</p> <ul style="list-style-type: none"> Capacity or threshold evaluations to ensure existing infrastructure is sufficient to accommodate additional infill. Economic or “ROI” assessments of employee housing restrictions to ensure restrictions

		<p>balance financial viability and uptake with housing affordability.</p> <ul style="list-style-type: none"> • Accompanying changes to bed unit allocations where required to accommodate proposed policies for Strategies 1-4 with consideration for bed unit allocations for other housing projects • “Conditional” or density bonus regulations allowing infill housing only when restrictions (e.g. housing agreements or covenants) are provided to ensure housing remains restricted to employees and is affordable. • Coordination with efforts to refine eligibility criteria for resident restricted housing.
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Infill Housing Proposed Project Approach and Consultation Strategy

Implementing the proposed infill strategy is recommended to be carried out in four parts between March 2018 and early 2019. Recognizing the pressing need for employee housing and the breadth of work completed by the Mayor’s Task Force on Resident Housing, the main objective of the proposed approach is to refine the Mayor’s Task Force on Resident Housing’s infill recommendations into adopted policy. This approach is intended to be flexible, fast and focused, allowing information and policy options to be evaluated, selected and submitted for formal approval quickly. As noted earlier in this Report, it is hoped that official policies and bylaws permitting all four of the recommended types will be presented for Council approval in early 2019.

A workgroup of internal and external experts (Appendix “C”) has been identified representing expertise in key areas including subdivision approval, the *BC Building Code*, construction, infill housing techniques, and real estate. Appendix “C” is not meant to be exhaustive and staff may seek out additional expertise in other areas as project needs evolve.

The workgroup’s first task (Part 1) will be to analyze housing characteristics and trends with greater specificity regarding infill capacity and impacts. Information will be analysed in the context of gauging the impact and capacity for the various infill options and be used later to evaluate policy alternatives. In Part 2, the workgroup will model various policy alternatives, eventually vetting policy direction for each infill strategy (i.e. what the rules should be but not the exact bylaw or policy language). In Part 3, policy options will be presented at an open house and refined based on public feedback. In Part 4, Staff will draft formal bylaws and policies and bring them forward for Council consideration. The proposed project approach is included as Appendix “A”.

A robust and wide reaching community engagement process was undertaken to develop the recommendations from the Mayor’s Task Force on Resident Housing, as outlined in the December 19, 2017 Report to Council. In order to build upon this engagement process and to prevent duplication, staff are proposing a targeted engagement process – one that identifies a representative group of key stakeholders and involves this group at key steps in policy development. Appendix “B” provides a detailed breakdown of the stakeholder group and engagement intervals.

WHISTLER2020 ANALYSIS

W2020 Strategy	TOWARD Descriptions of success that resolution moves us toward	Comments
Resident Housing	Resident Restricted housing is affordable for permanent and short-term residents, through innovative and effective policy and financial models.	Implementing the infill housing strategies outlined in this Report is expected to increase the supply of suitable employee housing and help the community meet its employee housing goals.
	The planned flexibility within neighbourhood design, housing form, and housing tenure enables the adaptability to meet changing housing needs and future affordability considerations.	
	Whistler has a sufficient quantity and appropriate mix of quality housing to meet the needs of diverse residents.	
	Residents enjoy housing in mixed-use neighbourhoods that are intensive, vibrant and include a range of housing forms	
	Housing has been developed close to transit, pedestrian and bicycle routes, and amenities and services to reduce auto dependency.	
Economic	A skilled workforce supports the local economy and the local economy supports the skilled workforce.	Employee housing is essential to the resort economy. Implementing these infill housing strategies will have lasting economic benefits.

OTHER POLICY CONSIDERATIONS

The proposed approach supports a number of resident housing policies in the Official Community Plan (OCP) as outlined in the table below.

OCP Policy	Comments
4.2.1 The Municipality will monitor the growth rates of commercial development, commercial accommodation and skier capacity in conjunction with the availability of affordable resident housing.	These metrics were analyzed as part of the Mayor's Task Force on Resident Housing and the recommended infill strategies discussed in this report were developed with consideration for these factors.
4.2.2 When there is a demonstrated need, the municipality will encourage the construction of affordable housing to accommodate permanent residents and employees. Criteria for the development of resident housing are set out in Section 4.13.7.	Implementing the proposed infill strategies with accompanying housing restrictions is expected to increase the supply of affordable housing. The proposed project approach will account for criteria in Section 4.13.7 (Evaluating rezoning and OCP amendments) ensuring that proposed policies brought forward reflect the intent of the OCP.
4.2.4 The Municipality will monitor the housing requirements of the community and consider a variety of housing types and encourage innovative housing approaches to meet the needs of permanent, semi-permanent, and seasonal residents in the Municipality.	The Mayor's Task Force on Resident Housing assessed housing needs with specific consideration for tenure and housing types. The proposed approach is designed to ensure that implementing the proposed infill strategies will respond to the needs identified by the Task Force.
4.2.5 The Municipality will continue to support and encourage auxiliary residential accommodation as a source of resident accommodation.	All of the proposed infill strategies are expected to increase the supply of auxiliary residential accommodation and the proposed approach is designed to maximize the size of this new supply and ensure its affordability.

<p>4.2.7 The Municipality supports intensive residential development in the form of Infill Housing, subject to section 4.13.7, and the following additional guidelines:</p> <ul style="list-style-type: none"> • the development of Infill Housing will be considered only to the extent that it creates additional Resident Accommodation. • in lower density residential neighbourhoods where the pattern of land use is characterized by detached dwellings on large lots, Infill Housing may be created by permitting smaller lots, duplexes and auxiliary suites. • in higher density areas Infill Housing should be carefully designed to fit within the pattern established by the building massing, rooflines and facades of surrounding development, and associated landscaping. • the Municipality will monitor the performance of sanitary sewer and water supply systems and the development of infill units with a view to either upgrading services or adjusting zoning regulations to ensure that infrastructure systems are not overburdened. • the Municipality will encourage conservation measures to permit Infill Housing without exceeding available servicing capacity. • Infill Housing should be designed and constructed to meet the Municipality's goals for reducing the environmental impact of building construction and operation". 	<p>Each of these considerations is factored into the proposed project approach. Adequate expertise and analysis has been built into the proposed process to ensure impacts are assessed and considered as infill policies are finalized and implemented.</p>
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BUDGET CONSIDERATIONS

The infill initiatives described in this report have been allocated \$20,000 in funding as part of the 2018 Budget.

COMMUNITY ENGAGEMENT AND CONSULTATION

As noted above, extensive community engagement was undertaken to develop the outcomes of Mayor's Task Force on Resident Housing, and a targeted engagement process, relying on feedback from a small representative group of stakeholders will form the basis of engagement and consultation and is outlined in Appendix "B". The proposed consultation will also include a presentation to a Committee of the Whole by Jake Fry of Small Housing BC on infill solutions that have worked in other communities and a public open house prior to drafting formal policies and bylaws. Additionally, Council approval and, in some cases, public hearings will be required to adopt any bylaws or Council policies required to implement the proposed infill strategies.

SUMMARY

The proposed project approach for infill housing outlined in this Report will implement four key recommendations from the Mayor's Task Force on Resident Housing and provide further opportunities for stakeholders to influence the development housing policies and bylaws. The proposed process and approach builds upon work done to date and is expected to implement key policy changes within a timeframe that will accelerate the introduction of infill housing in Whistler. Staff recommend approving the proposed project approach and directing staff to proceed.

Respectfully submitted,

Jake Belobaba
SENIOR PLANNER
For
Jan Jansen
GENERAL MANAGER OF RESORT EXPERIENCE

APPENDIX “A” – PROPOSED PROJECT APPROACH

Part 1: Background Information and Modelling	Part 2: Develop Policy Alternatives	Part 3: Community Engagement	Part 4: Council Consideration and Approval
March-May 2018	May-September October 2018	October 2018	
<p>Engagement:</p> <ul style="list-style-type: none"> Call for interested stakeholders <p>Produce assessments/models</p> <ul style="list-style-type: none"> Staff to compile and organize information used to evaluate existing infill conditions and evaluate policy alternatives. External experts engaged to provide specialized metrics (such as changes in land values) Calculate bed unit implications of infill <p>Presentation to Council</p> <ul style="list-style-type: none"> Committee of the Whole presentation by Jake Fry, Small Housing BC 	<p>Engagement:</p> <ul style="list-style-type: none"> Stakeholder group to review policy alternatives <p>Develop evaluate and select policy options for review</p> <ul style="list-style-type: none"> Test various options against information from Part 1. Evaluate expected uptake and impacts Select best policy alternatives Monitor and consider changes to eligibility criteria for resident restricted housing <p>Report to Council</p> <ul style="list-style-type: none"> Selected policy alternatives presented for initial consideration by Council with accompanying rationale based on anticipated uptake/impacts. 	<p>Engagement:</p> <ul style="list-style-type: none"> Open House to review policy alternatives endorsed by Council with the community. <p>Refine policy alternatives into bylaws and policies</p> <ul style="list-style-type: none"> Finalize bylaws and policies in preparation for Council consideration Final consideration of bed unit implications and changes to eligibility criteria for resident restricted housing. Incorporate into policies and bylaws as required. Incorporate feedback from open house. 	<p>Engagement:</p> <ul style="list-style-type: none"> Public hearings and Council meetings <p>Staff bring forward bylaw amendments and policies for Council Consideration</p> <ul style="list-style-type: none"> Bylaws and policies drafted in Part 3 are brought forward for consideration/adoption by Council

APPENDIX “B” – PROPOSED STAKEHOLDER ENGAGEMENT STRATEGY

Objective: To engage a representative group of stakeholders with specific interests in infill policy development with the aim of maximizing program uptake and minimizing neighbourhood impacts.

Stakeholder Representatives:

- Homeowners interested in infill opportunities such as:
 - Owners of homes with suites,
 - Owners looking to “downsize” and/or retire in place
 - Owners of large lots who would be interested in subdivision.
- Home builders/contractors
- Real estate professionals

Activities:

Part 1

Staff will reach out to prospective stakeholders and form the group. Staff have already been keeping a contact list of owners who have expressed an interest in infill opportunities and will reach out to these owners to see if they are interested in participating. Stakeholders will have the opportunity to review existing background information on housing and identify any gaps that should be filled prior to moving forward with an analysis of policy alternatives.

Part 2

Staff will prepare policy alternatives and an accompanying analysis and present these options to the stakeholder group. The group will provide feedback as to which options are most feasible.

Part 3

No engagement with the stakeholder group is proposed for this part as policy alternatives will be considered and discussed in the open house.

Part 4

No engagement with the stakeholder group is proposed for this part as bylaws and policies will be considered by Council at this time. This will occur in open meetings of Council and in many cases will require public hearings.

APPENDIX “C” – STAFF AND EXTERNAL CONSULTANT WORKING GROUP LIST

Staff Expert Team

Jake Belobaba, Senior Planner (Policy).
Jeff Ertel, Manager of Development Services and Subdivision Approving Officer.
Joe Mooney, Manager Building Department.
Jay Klassen, Building Official III.
Toni Metcalf, Economic Development Officer.
Jocelyn Chen, Economic Development Analyst.
Melissa Laidlaw, Senior Planner (Development).
Marla Zucht, General Manager, Whistler Housing Authority.
Mike Kirkegaard, Director of Planning

External Support (as required)

BC Building Code Consultant (to be determined)
Real Estate Appraiser/Economic Analyst (to be determined)
Jake Fry – Founder/Principal, Small Housing BC
Other experts as required.