

FROM: BRUCE GREIG, MANAGER OF COMMUNITY PLANNING

FILE NO: 6480-20-2018-OCF

SUBJECT: UCLUELET OCP – HOUSING ACTION PLAN

REPORT NO: 18-65

RECOMMENDATIONS:

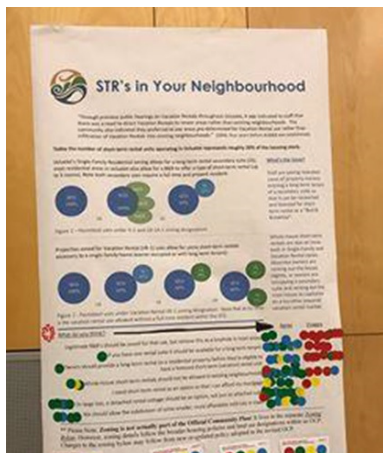
1. **THAT** Council provide feedback on the actions listed in the draft 2018 Housing Action Plan; and,
2. **THAT** the District proceed with commissioning a Community Housing Needs Assessment to analyze the current and emerging housing needs, identify gaps in the spectrum of existing and planned housing supply, and assist in identifying housing priorities in Ucluelet.

PURPOSE:

To provide Council with a brief background and preview of OCP housing discussions - plus a draft of potential short-term housing actions - and to seek direction on the immediate task of commissioning a Housing Needs Assessment.

Background:

Throughout the engagement of the Ucluelet Official Community Plan Update, initiated in 2016, a primary area of concern recognized by community members, staff and Council has been a suite of issues surrounding the supply and affordability of housing. During community consultation in March, housing was a key topic area and generated excellent discussion and feedback. Staff consider it timely to prompt further discussion focused on housing as the draft OCP takes shape. At the same time, other current community discussions could be informed by a clear picture of what the municipality is doing in this area. It is also timely to consider a series of short-term tasks to move forward on addressing these issues.



The 2016 Census counted a resident population of 1,717 people in Ucluelet, and a total of 735 occupied private dwellings. Gathered from the census data over the past ten years, Ucluelet has experienced 1.36% annual population growth, or 23 new residents per year; this could be considered strong, positive growth.

Over the same period, visitor growth and non-resident home ownership has also expanded considerably (though the numbers are not captured by the census). The advent of on-line advertising and bookings for short-term vacation rentals is depleting the supply of rental housing available to long-term residents in Ucluelet (and many other communities in BC). This is having a negative effect on both business viability and community well-being.

Over the past year the District has actively monitored and enforced its bylaws on short-term vacation rentals. Approximately 130 short-term rental units are active in the municipality, many in existing residential neighbourhoods. A number of long-term rental units, including secondary suites, have been converted to short-term rentals, displacing this supply of vital housing stock.

In April of 2018, the provincial government introduced two new pieces of legislation affecting how local governments address housing issues. Bill 18 will require local governments to commission a housing needs assessment within 3 years, and update the report every 5 years thereafter. It is expected that a completed needs assessment report will be a pre-requisite to provincial grant funding for affordable housing projects. Bill 23 will enable local governments to designate properties in their zoning bylaws exclusively for rental housing. This spring the federal government has announced new funding for affordable housing, including making land available to municipalities for the development of new affordable housing units. The details of these new regulations and funding have yet to be announced.

DISCUSSION: In response to the current housing situation, staff propose that the District pursue the following short-term housing action plan. Subject to Council approval of 2019 and 2020 budgets, the following actions are expected over the next two years:

2018 Short-Term Housing Action Plan:

1. Continue the program to actively monitor and enforce short-term rentals;
2. Commission a community Housing Needs Assessment report;
3. Explore the feasibility of creating temporary seasonal employee housing on municipally-owned property;
4. Look for opportunities to update the District's inclusionary zoning and density bonusing, particularly on lands previously designated as Comprehensive Development under a Master Development Agreement, to ensure a mix of affordable housing types are delivered with each phase of new development in the community;
5. Explore and seek community input on zoning amendments to:
 - a. ensure that the first rental unit on single-family residential lots is for long-term tenancy, with any additional short-term rental uses to depend on the continued existence of the long-term rental;
 - b. remove standalone short-term rental of single-family homes from the VR-2 zoning designation;
 - c. add options for infill of compact, more affordable units in existing and new neighbourhoods (e.g., small lots, rental cottages, etc.);
6. A number of federally-owned former Parks Canada and RCMP employee housing lots are now designated *Institutional* on the Schedule A Land Use Plan; create a new institutional Community Residential zoning designation for these properties, clarifying the community expectation for the future conversion of these lands to a possible variety of community care, shelter, supportive and affordable housing uses;
7. Explore the use of the new rental zoning powers proposed in Bill 23;
8. Explore the use of Development Cost Charges for affordable housing;
9. As a follow-up to the needs assessment, develop a municipal Affordable Housing Strategy – identifying the best focus of municipal resources when addressing housing issues; and,
10. Develop a District land and development strategy and explore the options for an ongoing affordable housing program.

It is expected that these actions would be revisited in a 2020 amendment to fine-tune the OCP. Meanwhile, these actions would enable the District to better understand the dynamics of the housing market and supply in Ucluelet, and also allow the municipality to be proactive on balancing the community housing needs as new development occurs.

Process, Timeline and Financial Implications:

A. Housing Needs Assessment:

Staff are presently working on the draft updated OCP chapters and maps. Engaging a consultant to get started on a Housing Needs Assessment does not need to wait to follow adoption of an updated OCP bylaw. Staff consider this a clear next step and recommend pursuing the assessment as soon as possible. The needs assessment will be a pre-requisite to upcoming provincial grant opportunities, and is expected to become a legislated requirement in the near future. The results of the needs assessment will also provide a solid background to help in the analysis of future rezoning proposals which may affect the amount and diversity of housing supply in the community.

The cost to complete a needs assessment is estimated to be approximately \$20,000. The funding of the needs assessment could be accommodated within the current allotment for the OCP project and other consulting in the 2018 budget. As an alternative, Council could wait to see if provincial grant funding is announced in September (as rumoured) to assist municipalities in undertaking these housing needs assessment reports.

Any additional costs for other tasks which fall outside the regular Planning operating budget would be brought forward to Council for consideration in its budgeting process.

B. Other Tasks:

The other tasks listed are either already underway or could be tackled in the work program over the next two years. As the draft OCP is coming together, staff see the document as a complete and current plan but with a number of areas to be expanded in the short term. Staff anticipate a near-term revision to the OCP to enable the District to adopt a comprehensive “2020 vision” looking at a 30-year horizon to 2050. The proposed housing action plan would provide a number of elements to build toward this.

OPTIONS REVIEW:

1. **THAT** Council provide feedback on the actions listed in the draft 2018 Housing Action Plan; **(Recommended)** and,
2. **THAT** the District proceed with commissioning a Community Housing Needs Assessment to analyze the current and emerging housing needs, identify gaps in the spectrum of existing and planned supply, and assist in identifying housing priorities in Ucluelet. **(Recommended);** or,
3. **That** Council defer action on a Housing Needs Assessment until the province has clarified what funding will be available, if any, to assist municipalities with this work.

Respectfully submitted: Bruce Greig, Manager of Planning
John Towgood, Planner
Mark Boysen, Chief Administrative Officer