



REPORT | INFORMATION REPORT TO COUNCIL

PRESENTED: September 6, 2005 **REPORT:** 05 - 118
FROM: Planning & Development Services **FILE:** 7729
SUBJECT: UPDATE ON NON-COST HOUSING INITIATIVES (2005)

DEPUTY ADMINISTRATOR'S COMMENT/RECOMMENDATION

That the recommendation of the General Manager of Planning & Development Services be endorsed.

RECOMMENDATION

That Council receive Information Report 05-118, which provides an update on non-cost housing initiatives undertaken in 2005 and highlights policy directions and next steps for upcoming OCP and Zoning Bylaw amendments.

ATTACHMENTS

Appendices: “A” 2005 Meeting Minutes: Task Force on Employee Housing Non-Cost Initiatives
“B” Review of Non-Cost Housing Initiatives 2003/04
“C” Suite Stratification Alternatives & Approval Requirements
“D” Suite Stratification Building Code Issues

PURPOSE

The purpose of this report is to present an update on expanded non-cost housing initiatives undertaken in 2005 and to highlight policy directions and next steps for upcoming OCP and Zoning Bylaw amendments.

DISCUSSION

Background

Consistent with the continued demand for resident housing and the desire to find alternative stay-in opportunities in the face of escalating real estate values, a number of local citizens and existing resident property owners have publicly expressed interest in the potential for lot subdivisions and dwelling unit stratifications in recent months. As directed by Council in response to this growing community interest as well as a recent rezoning application, in early 2005 staff began to pursue expanded non-cost initiatives that seek to deliver additional resident housing in existing neighbourhoods; these expanded non-cost initiatives are broadly referred to as infill opportunities in this report.

Expanded non-cost housing initiatives have been specifically identified as one of the tools to target the delivery of resident housing within the *Whistler 2020* Resident Housing Strategy, which was formally adopted by Council on August 2, 2005. *Whistler 2020*, the resort community's long-range community-wide strategic sustainability plan which will inform future amendments to the OCP, has identified the

provision of resident housing as a key priority. As part of Whistler's commitment to achieving social and environmental sustainability and a healthy economy necessary to build a thriving resort community, *Whistler 2020* provides for up to 6,650 additional bed units to accommodate the resort community's resident housing needs and overall goal of maintaining 75 percent of Whistler's employees living within the resort community. As preferred by the majority of the community, resident housing is to be secured within the existing corridor between Function Junction and Emerald Estates, and financed using a variety of tools.

Further, *Whistler 2020* specifically addresses infill and states that:

"The first resident housing beds were secured in existing subdivisions through expanded non-cost initiatives, such as duplexes, lot splits and multiple suites. At least 1,000 bed units have been secured through this initiative since 2004, meeting the resort community's non-cost initiative goals."

The concept for non-cost employee housing initiatives originated as a Council initiative in December 2002, and was conceived as a method to influence market conditions and encourage the creation of resident housing by private property owners in existing neighbourhoods. In January 2003 Council appointed a *Task Force on Employee Housing Non-Cost Initiatives* (the 'Task Force'), to review and provide feedback on the available mechanisms for non-cost resident housing initiatives that emerged through discussions with Council, municipal staff and WHA staff and board members.

Non-cost resident housing initiatives are defined as "methods by which the community can secure resident housing without contributing to the capital funds required for housing."¹ These initiatives are seen as important to:

- Respond to future resident housing needs and reinforce key priorities and strategies articulated by *Whistler 2020*;
- Mitigate the impacts of market accommodation "leakage" in the resort community, which is projected to be a major driver for new resident housing;
- Support alternative 'stay-in' opportunities by preserving existing housing and providing tools for residents to liquidate some value from their property and manage the rising costs of market home ownership; and,
- Offer diversity of alternative housing options for residents in established neighbourhoods.

Although a number of regulatory and policy changes were implemented in 2003 that encouraged the construction of employee housing, staff recognized that more work would be required to support and deliver future non-cost resident housing such as lot splits and multiple suites, along with the creation of new zoning and subdivision regulations and development permit guidelines. The development of expanded non-cost housing initiatives has been formally committed as a 2005 action within the 2005 Quarterly Action Plan per the *Whistler 2020 Strategic Action Plans*. These initiatives are being pursued among other resident housing projects currently under consideration, including road ends, the Athlete Village and Rainbow lands, as well as other private sites.²

¹ Task Force Memo to Council, February 2003.

² As of August 2005, the total additional development capacity that has been proposed and is currently under consideration by Council is estimated at a total of 4,555 resident restricted bed units and 224 market bed units. The proposed resident restricted housing represents 68 percent of the maximum of 6,650 bed units that has been allocated by *Whistler 2020* to meet Whistler's potential resident housing needs through the year 2020.

On January 12, 2005 staff reconvened the Task Force to assist with the process of developing expanded non-cost housing initiatives. Members of the Task Force include:

Community Members

Shannon Byrne
Ben Day
David Erhardt
Chris Manuel
David McColm
Drew Meredith
Chris Quinlan
Garry Watson

Municipal & WHA Staff

Tim Wake, WHA General Manager
Marla Zucht, WHA Housing Administrator
Nicholas Davies, WHA Chair Person

Mike Kirkegaard, RMOW Planning Department
Sarah McJannet, RMOW Planning Department
Craig Koszman, RMOW Building Department

To date, staff has facilitated five collaborative workshop sessions held in January, March, April, May and June 2005, as summarized in Appendix "A". These workshops focused on lot splits or subdivisions of larger lots, suite stratifications and multiple suites, as well as alternative pricing options and approaches to maintain affordability. Presentation materials reviewed at each Task Force meeting are also available for Council review by request. To provide additional context for the recent work undertaken on non-cost housing initiatives during this period, a brief overview and update of the initial non-cost housing initiatives pursued in 2003 to 2004 was reviewed with the Task Force and is presented in Appendix "B".

Expanded Non-Cost Resident Housing Initiatives (2005) - Infill

With the assistance of the Task Force, in 2005 staff further explored several non-cost resident housing opportunities for the development of resident housing in existing neighbourhoods: lot splits, duplexes, suite stratifications and multiple suites. These opportunities involve the development of vacant or under-utilized properties in existing developed areas for resident housing, which is commonly considered 'infill' development. Infill development is directly aligned with Whistler's description of success particularly with respect to resident housing, and natural areas and the built environment, benefiting the resort community by:

- Increasing the range of housing types and choices;
- Maintaining liveable neighbourhoods;
- Contributing to a compact form of development; and,
- Efficiently utilizing existing land, facilities and services.

The Task Force has also explored the issue of residency and price restrictions, as directed by Council in September 2004 in response to a rezoning application that contemplated infill development in an existing single-family residential neighbourhood.³ At that time, Council specifically directed staff to review pricing options and structure so as not to duplicate the Barnfield development experience, as well as an analysis of site disturbance.

To address these considerations and pinpoint the best opportunities for infill development, staff first identified an initial work program, involving:

1. The identification of key policy considerations and available tools for facilitating resident infill housing;

³ Reference: Council resolution on Rezoning Application No. 426 [8715 Wedgeview Place Infill Rezoning] September 7, 2004.

2. An examination of neighbourhood infill potential and servicing impacts;
3. Creation of development guidelines to maintain neighbourhood character with graphic working examples of alternative development options and densities; and,
4. Facilitation of a community consultation program to obtain feedback on proposed infill opportunities.

Key policy considerations for infill development that have been identified include maintaining neighbourhood character, fulfilling servicing requirements, addressing building code issues, and identifying required restrictions and legal considerations. Staff has also identified a host of policy tools available to facilitate infill development, including zoning regulations, development permit guidelines, subdivision requirements, covenants and other legal instruments, which are discussed later in this report.

Exploring Neighbourhood Infill Opportunities

As a first step to examining neighbourhood infill potential, staff researched existing zoning regulations and RS1 parcel characteristics. This was followed by a preliminary visual neighbourhood survey⁴ to document and analyze existing neighbourhood form, character and development trends, which provided a basis for a larger evaluation of community infill opportunities. The visual neighbourhood survey involved identification of neighbourhood character, existing and emerging development patterns, densities, housing types and specific site considerations such as slope and lot frontage. The visual inventory was presented to the Task Force to (1) identify the extent and range of infill opportunities and alternative development options, and (2) determine the desired physical forms and acceptable densities for infill development.

Observations made by staff during this review reinforced a number of emerging development trends that are increasingly impacting the fabric or mix and diversity of Whistler's neighbourhoods. The most notable observations include newly renovated or new dwellings that are built to achieve their maximum permitted density, significant site regrading of steeper parcels and extensive tree removal, and the loss of many of Whistler's older homes and ski cabins.

Due to the low neighbourhood densities observed in the survey, there is significant potential for infill and increased diversity of housing in existing neighbourhoods, as directed by Whistler's Built Environment Strategy to support compact housing close to transit, work and recreation. The preliminary review confirmed that most of Whistler's existing market single-family RS1 neighbourhoods have very low densities⁵, ranging from 6 to 12 units per hectare (uph), or approximately 2 to 5 units per acre (upa). For example, gross densities of 5.7 uph were estimated for Millars Pond, 6.8 uph for Emerald Estates, 7.6 uph Alpine North, and 12 uph in Brio. These existing neighbourhood densities are well below typical neighbourhood density targets for sustainable residential development⁶, as well as proposed densities for

⁴ This preliminary visual neighbourhood survey focused on RS1 zoned existing neighbourhoods with infill potential (including Emerald, Alpine Meadows and White Gold) as well as neighbourhood examples of alternative densities (Spruce Grove, Tapley's, Whistler Cay Heights, Nordic Estates). Although Whistler Creek is noted as having significant infill potential, this initial survey did not include Creekside, which was seen to have a very distinct character and location at the base of Whistler Mountain. The Task Force agreed that Whistler Creek would require its own separate evaluation of infill potential, which is likely to include significant multi-family infill opportunities.

⁵ Preliminary neighbourhood density calculations utilized a gross neighbourhood area estimate (including road right-of-ways) provided by municipal engineering staff. Neighbourhood polygons were delineated by using the edge of residential parcel boundaries; they are not based on subdivision area polygons.

⁶ The Canadian Housing and Mortgage Corporation Sustainable Residential Development target densities are documented as 18.7 uph for single-detached dwellings and 23.4 uph for cluster housing.

new compact, energy-efficient and mixed-use residential neighbourhoods in the Lower Cheakamus area and on the Rainbow lands between Alpine and Emerald.

Proposed Non-Cost Housing Initiatives

The following section presents infill development opportunities that are supported by the Task Force for Council consideration. These opportunities include lot splits, smaller lot single-family and duplex infill, as well as suite stratifications and multiple suites.

Lot Splits & Duplex Infill Development

Subdivisions of larger lots and duplex infill in existing single-family residential neighbourhoods were both supported by the Task Force to preserve existing market accommodation for resident use and to provide additional resident housing in established neighbourhoods. This would be facilitated through zoning bylaw amendments to the RS1 zone to allow the subdivision of larger parcels provided one lot is deed-restricted for employee resident use, as well as adding duplex as a permitted use. Under new legislation provided under the Community Charter, the municipality is now able to impose development permit guidelines and permit requirements for “intensive residential development” to manage the form and character of residential infill development to protect neighbourhood character.

Based on a review of existing zoning regulations and examples of alternative infill densities, staff defined initial lot sizes and density parameters for potential lot splits and duplex infill development that were felt to accommodate infill housing without negatively impacting existing neighbourhood character. These preliminary parameters are summarized below:

LOT SPLITS & DUPLEX INFILL		
Initial Parameters	Lot Subdivision	Duplex Infill
Minimum Parent Parcel Area	1,100 m ² (11,800 ft ²) RS1 Parcel 695 m ² (7,500 ft ²) + Smaller SF Lot 400 m ² (4,300 ft ²)	850 m ² (9,150 ft ²)
Maximum Permitted FSR	0.35	0.35

*Note: Many larger lots that have not been subdivided are subject to a maximum buildable gross floor area of 3,500 square feet because they do not have the minimum frontage and setbacks to allow a larger home. The Task Force felt that this limitation should be maintained and applied to proposed lot splits and duplex infill to ensure that there is no ‘density bonus’ beyond what could be presently achieved. Therefore, the maximum permitted GFA for the original RS1 lot and the newly created employee lot is not to exceed that permitted on parent parcel.

Under these initial parameters, lot splits would be permitted with a minimum lot size of 1,100 square metres – equal to one standard RS1 lot with a minimum lot area of 695 square metres under the current regulations, and another smaller lot with a minimum parcel size of 400 square metres (similar to the Spruce Grove single-family lots⁷). The large lot/smaller lot split was felt to mirror many of the existing subdivision patterns and contribute to a diverse mix of housing in existing neighbourhoods.

With respect to the maximum permitted density, the Task Force felt that the current setback requirements and density limits for the RS1 zone should be maintained and applied to both proposed lot splits and duplex infill parcels. This is to ensure that existing neighbourhood character is respected and that there is no ‘density bonus’ beyond that which could be presently achieved on the parent parcel.

⁷ While the proposed minimum parcel area is the same, the Spruce Grove single-family RS6 zoned lots permit floor space ratios of 0.40, as compared to the proposed 0.35 FSR noted for lot splits.

Therefore, the *combined* maximum permitted GFA for the original RS1 lot and the newly created infill lot is not to exceed that permitted on the parent parcel (3,500 square feet and 0.35 FSR).

Utilizing these initial parameters to review the number and distribution of RS1 zoned parcels by parcel size using the municipality's GIS, staff then estimated the potential for infill development. Of the estimated 2,000 RS1 zoned properties in the municipality, it is estimated that approximately 520 parcels have a minimum lot size of 1,100 square metres, the size considered to be potentially suitable for a lot split. A total of 1,100 of the 2,000 parcels could also be potentially suitable for duplex infill with a minimum lot area of 850 square metres. This provides an estimate of the maximum potential and must be considered relative to a number of other factors including site and servicing constraints, lot configurations and dwelling characteristics (newly renovated, existing location, age, etc.). These factors could impact whether infill development is truly feasible on a particular parcel, which would ultimately affect the total estimated infill development potential. Notwithstanding, the Task Force agreed that even if only a small percentage of the maximum potential lots eligible for lot splits or duplex development were pursued for infill housing, the initiative would be worthwhile.

Once it was determined that significant potential exists for infill development, the Task Force began to tackle the more difficult questions and issues related to successfully implementing this initiative. This included developing a better understanding of owner and buyer positions and economics, and addressing the struggle between the need for *affordable* resident housing and the delivery of resident housing in the context of the market forces that govern private sector housing, including property values and construction costs.

Preliminary Policy Foundations

A number of policy foundations were generated in order to clarify areas of agreement and to move forward with formal policy for resident infill housing. These preliminary policy foundations were considered, refined and supported by the Task Force, as follows:

1. *Whistler 2020* supports resident housing infill within and adjacent to established residential neighbourhoods.
2. Non-cost resident housing infill initiative involves a significant community planning process.
3. Infill delivers new resident housing units and contributes to diversity of housing types, prices & restrictions.
4. Infill secures resident housing at no-cost* to the community (e.g. without requiring capital funds for housing).
5. Infill housing must be attractive to applicants and provide adequate incentive in order for there to be uptake.
6. Infill is recognized as a unique and different resident housing opportunity than typical resident housing developments:
 - o Typical resident housing developments are often larger scale, multi-unit projects involving consolidated parcels, sophisticated developers and a mix of market and resident restricted units
 - o Infill involves individual property owners and their unique circumstances; small scale, site specific, individual owner economics and interests
 - o Contributes to mix and diversity of resident housing types for both short-term and long-term employees within existing neighbourhoods

- Preserves resident housing base in existing subdivisions
 - Provides desirable SF and Duplex resident housing in lower-density established neighbourhoods to meet demonstrated community need
 - Supports housing objectives by allowing alternative ownership and 'stay-in' options
 - Provides alternative tenancy and ownership options
 - Allows for better, more efficient utilization of land and existing services; reduces amount of new land required for future development [footprint]
7. Significant potential exists for lot splits, duplexes, and multiple suites.
 8. Focus infill development on large lots in existing neighbourhoods.
 9. Development approval process to utilize broadly-applicable policies and land use regulations, not parcel-specific "spot-zoning".
 10. Apply Development Permit Guidelines for "intensive residential development" to protect and enhance neighbourhood character.
 11. Ensure streamlined development approval process.

In addition to the policy foundations noted above, the Task Force analyzed and discussed at length issues around price restrictions and affordability. Ultimately, the Task Force achieved consensus on a number of recommendations for mechanisms by which the resort community can effectively restrict the market for the new employee housing units to maintain the long-term affordability for this market. These recommendations are discussed in the following section.

Price Restrictions & The Affordability Issue

Despite the establishment of policy foundations for the delivery of non-cost housing, a key issue remained unresolved – how can the resort community maintain the affordability of non-cost resident housing while providing adequate incentive to existing property owners to deliver this housing? This discussion led the Task Force to consider whether price restrictions should be imposed on lot or building subdivisions pursuant to a non-cost initiative policy. To examine the issue of price restrictions, with the assistance of Drew Meredith staff developed and presented a series of building stratification and lot split economic scenarios. Each scenario outlined potential lot or unit sales, with and without tear down and price restricted options, from the perspective of both existing owners and potential resident buyers (see April 20 meeting minutes, Appendix "A"). These scenarios examined owner and buyer costs based on a set of consistent assumptions, and the revenues or retained value of the principal dwelling, auxiliary dwelling or lot. Price restrictions assumed the prevailing WHA benchmark price of \$175 per square foot for resident housing sales.

The results of this exercise clearly illustrated that there is no economic incentive to pursue building stratifications and lot splits where the employee unit is price restricted at \$175/ft² (or \$150,000 for an employee restricted lot) due to a considerable potential net loss in total value to the owner. The owner would have to give up significant value and incur significant costs to deliver a price restricted resident unit or lot as compared to the option of 'cashing-out' and leaving. In the exercise scenarios that contemplated price restrictions at \$175/ft² or \$150,000 a lot, an owner typically realized an average loss of \$200,000. A number of factors were identified that could significantly impact the financial proforma from an owner's perspective:

- Market value of land or real estate – this factor can significantly alter an owners ability to maintain the existing market value of an existing home or lot and recover costs to build a resident

restricted unit or service and sell a resident restricted lot under the existing WHA price restriction of \$175/ft²;

- Upfront building and soft costs associated with a building stratification, lot split or the construction of a new residential dwelling (including fire code and livability upgrades, survey or architectural costs, servicing and legal fees; and,
- Market 'discounts' associated with the sale of a price-restricted unit or lot with a shared living arrangement – this factor limits the sale value of the market lot.

Through this discussion, it was recognized that the market forces that govern the delivery of resident housing by the private sector are fundamentally different. Historically, public and private sector resident restricted projects have been economically feasible from the developer's perspective for a number of reasons, namely:

1. They have been associated with market development that already had approved development rights and were subject to delivering required price-restricted employee units;
2. They have utilized funds collected from employee works and services charges; or,
3. They were subject to significantly lower land and construction costs than prevail in today's market.

In support of this argument, recent resident housing projects have required an increase in the prescribed price of resident housing from \$155/ft² to \$175/ft² to make them feasible. Given the actual cost of construction in the range of \$200 to \$240 per square foot, future resident housing will not be viable without flexibility in pricing and alternative economic incentives.

As a result, the Task Force favoured an alternative pricing approach that accounts for property owner expenditures, market value of existing property and improvements to offset risk, effort and potential discounts in the value of the remaining lot or resident restricted dwelling. It was generally agreed that while there needs to be adequate incentive in order for existing property owners to participate in the program, there is also a need to maintain affordability over the long-term and address the potential for 'loop-holes'. To address and attempt to reconcile these issues, staff conducted an affordability exercise that was designed to explore different pricing options for non-cost housing; the results of the affordability exercise are documented in the May 11 Task Force meeting minutes (Appendix "A") and highlighted below.

Preferred Approaches to Maintaining Affordability

In May 2005, the Task Force was asked to consider nine alternative approaches to deliver new resident infill housing in existing neighbourhoods and maintain affordability. These approaches ranged from no price controls at all, restricting the size and gross floor area of resident units to keep values low, requiring price restrictions at prevailing WHA rates for new resident housing projects, and establishing higher prices for resident housing, among others summarized in Appendix "A".

It should be noted that without exception, members of the Task Force agreed that one of the newly created or existing housing units or lots should be deed restricted and covenanted for employee use in order to achieve the non-cost housing policy objectives. All of the considered approaches noted above

assumed that the newly created employee lot or unit would be owner-occupied⁸ and that loopholes need to be tightened to ensure that the resident restricted housing is used for its intended purpose.

As part of the exercise, the Task Force identified the advantages and disadvantages of each approach. By considering the merits of each approach together as a group, staff was able to highlight common themes that effectively became criteria for evaluating the alternatives, including:

- Whistler’s overall program of delivering affordable housing and consistency with housing policy;
- Likelihood of delivering new resident units (i.e. program uptake by existing property owners);
- Ability to maintain affordability;
- Ease of administration; and,
- Flexibility to meet housing needs as well as owner and buyer desires (consideration of site considerations, financial considerations and livability choices).

The Task Force then selected and ranked the top three alternatives, identifying three clear preferred approaches as noted below and highlighted in Table 1.0:

Alternative	RANK 1	RANK 2	RANK 3	RANK 4	RANK 5	Score
Value	5	4	3	2	1	
1 Don't worry about it; this is a different product in the larger housing mix.					1	1
2 Tighten "loop-holes" to limit resident market; "affordability" will be defined by this market.	2	2	3	1		29
3 Place restrictions on the size and gross floor area of the resident units to keep values and prices low.		1	1	2	2	13
4 Price restrict at prevailing WHA rates for major projects (\$175/sq.ft of GFA or \$150,000 lot).	1	1	1	1		14
5 Establish higher prices that consider property owner expenditures, market value of existing property and improvements to offset risk, effort and potential discount in value of remaining lot.	1	1	1		4	16
6 Establish higher price but do not achieve current full market value (owner gives up some value to stay-in).			2	1	2	10
7 Allow first sale to be unrestricted and subsequent sales to be tied to this price plus appreciation tied to GVRD index.	4	4		1		38
8 First sale unrestricted; subsequent sales tied to initial price plus appreciation at FIXED RATE.	3	2	2	1	1	32
9 Utilize density bonuses; allow greater than 3,500 sq.ft combined but restrict to 0.35 FSR; use this value to subsidize employee unit.			1	4	5	16

Table 1.0 Ranked Alternative Approaches to Price Restrictions

⁸ This restriction would restrict ownership and occupation of the resident housing unit to an “employee” of the RMOW, as defined by the Official Community Plan and as is typically defined in an employee housing covenant.

1. Allow first sale to be unrestricted and subsequent sales to be tied to this price plus appreciation tied to GVRD index (38 points).
2. First sale unrestricted; subsequent sales tied to initial price plus fixed rate appreciation (32 points).
3. Tighten loop-holes to limit resident market; 'affordability' will be defined by this market (29 points).

The top ranked approaches were favoured as they recognized owner economics and market values, were likely to have some uptake, and instituted a mechanism to control long-term affordability within the resident restricted market while allowing for the appreciation of the resident unit. A majority of the Task Force fundamentally agreed on the need to institute some level of restriction to maintain long-term affordability for the resident restricted market, and rejected the alternative of having fully unrestricted lot or unit sales. The preferred alternative was felt to offer a flexible compromise by allowing property owners to sell either a lot or employee unit without a price restriction for the first sale, while capping the unit appreciation rate over time. Although the first sale is unrestricted in terms of price, the sale is constrained to Whistler's employee market – and this restricted market effectively defines the price. By concurrently controlling unforeseen 'loopholes' and 'externalities' (Preferred Alternative Three), the resort community can further ensure that the newly created units or lots are sold to bona-fide Whistler residents.

In a subsequent workshop session, the Task Force reviewed the top two alternatives, and discussed the merits of linking unit appreciation to a GVRD index versus a fixed appreciation rate. While an appreciation rate tied to the GVRD index was selected over the CPI by the WHA for some of the more recently developed resident housing projects, the majority of the Task Force favoured the use of a fixed appreciation rate because it was felt to provide a greater degree of certainty for buyers over the long-term and allows for advance financial planning. At this time, the WHA and municipal planning staff are researching the prospect of utilizing fixed rate appreciation in order to determine an appropriate and defensible rate for future consideration.

Implementation Considerations – Development Options & Determination of 'First Sale'

Staff also facilitated a discussion on how the preferred alternative, "*allow first sale to be unrestricted and subsequent sales to be tied to this price plus a fixed rate of appreciation*" might be applied to potential development scenarios. A number of unit and lot sale scenarios were examined to determine which alternatives were most likely, and how the concept of 'first sale unrestricted' should be applied (see June 8, 2005 Task Force meeting minutes, Appendix "A"). These scenarios demonstrated that there are many variables that exist, depending on a host of unique circumstances pertaining to the existing situation (individual owner economics, the age, size and location of an existing dwelling, whether there is an existing auxiliary suite, lot characteristics) as well as future development interests (to renovate, keep existing dwelling or tear down and build new *resident unit*, sell market lot, keep market lot, keep existing dwelling or build on new *market lot* etc).

Due to the diversity of possible development options, the Task Force agreed that in order to respond to individual owner circumstances and maintain flexibility in the final housing product, implementation should also be flexible and accommodate many different scenarios without the imposition of too many restrictions or limitations. In the final analysis, the Task Force is not concerned whether, upon subdivision, an existing property owner keeps the market or employee lot or dwelling, renovates or builds a new dwelling or sells the lot or dwelling—*as long as one of the lots or units created through a lot split pursuant to the policy is covenanted for employee use.*

With respect to applicable price restrictions and the determination of 'first sale' (particularly where lot sales are concerned) the Task Force agreed that the price benchmark should be established at the point of the *first unit sale*, with subsequent sales prices tied to the fixed appreciation rate.

The Task Force also supported the following restrictions around future potential lot sales:

- A purchaser is required to build a resident unit within three years of purchase of a vacant lot ('occupancy permit' to be obtained within three years of date of purchase). If this requirement is not met, the WHA gains the right of first refusal to purchase the lot.
- Purchaser of a lot cannot resell the lot at a profit (i.e. without a unit) to avoid speculative land purchases. Lot can change hands a number of time before unit is built, however lot sale must remain at same price as initial sale.

By establishing the price benchmark at the point of the *first unit sale*, the issue of determining the value of 'sweat equity' (as was the case in Barnfield) is irrelevant. This was identified as a key lesson for Aspen/Pitkin County in Colorado that has instituted a similar resident housing initiative. Aspen/Pitkin County has created "Resident Occupied" ('RO') housing as an incentive to deliver privately developed employee housing targeted to professionals in the resort community. While the initial sale price is unrestricted, RO housing is subject to deed restrictions and resale price controls. A recent privately developed 'RO' employee subdivision in Aspen/Pitkin County showed that although there was no initial price control on unit construction and sale, the market was limited to eligible employees and as such, the actual sales prices of 'RO' dwellings were significantly lower than market homes in the community.

Resident Eligibility Criteria

To tighten 'loop-holes' to limit the resident market and restrict 'externalities'⁹ (see Preferred Alternative Three above), the Task Force subsequently made the following recommendations:

- Institute an 'Owner-Occupied' restriction – unit must be primary place of residence and proof of residency must be provided to the WHA, with some allowances to permit unit owners to rent their unit for a maximum specified period to accommodate situations where owner is away on leave of absence or traveling. An appeal mechanism would also be provided.
- Increase the resident eligibility requirement to a minimum of two years – to be eligible for a resident restricted unit or lot sale, the eligible buyer must be resident of the resort community for two consecutive years; eligibility for retirees would be aligned with the existing WHA requirement (a retiree must have been an eligible employee in the RMOW during five of the last six years prior to retirement).

Staff continues to explore whether subsequent price-restricted unit sales (after the first unrestricted unit sale) would be offered to eligible residents through the existing WHA housing list, or whether an alternative administration system would be required.

⁹ The concept of market 'externalities' refers to a phenomenon whereby the price of market housing inside the resort community is driven upward by an external force – namely the purchase power of high income earners outside the resort community who compete with and make it difficult for local residents who live and work within the resort community where average incomes are lower. (Reference: William Hettinger's "Living and Working in Paradise.")

Additional Task Force Recommendations

To further the non-cost housing initiative in the short term, the Task Force also recommended that the municipality consider additional resident housing opportunities considered to be 'low-hanging fruit', including large lot subdivisions, suite stratifications, and multiple suites.

Large Lot Subdivisions

To encourage the delivery of additional resident housing, the Task Force supported the concept of allowing variances in order to subdivide large lots greater than 1,390 m² or 15,000 ft² that meet the minimum requirement for two single family RS1 lots but do not meet the other necessary requirements (such as frontage) to permit subdivision. The Task Force discussed a number of subject conditions and alternative guidelines could be imposed to maintain neighbourhood character and ensure adequate access, such as the use of shared driveways, and reduced parking requirements. This policy recommendation will be brought forward in early Fall 2005, along with development permit guidelines for infill housing as part of a comprehensive policy package for OCP and zoning bylaw amendments.

Strata Titling / Suite Stratifications

Following further investigation, the Task Force also supported future suite stratifications for formal Council consideration. This opportunity would allow property owners to stratify and sell a portion of their new or existing dwelling unit, thereby enabling them to leverage some of the value in their home while staying in the community. To date, an estimated five property owners have shown interest in stratifying suites; the Task Force felt that suite stratifications would be of potential benefit to many other property owners wishing to downsize or finance renovations. This opportunity may also provide a new financial tool for residents by providing a good base for alternative financing rather than relying on rental income as a 'mortgage helper'.

Building stratifications, or the creation of two legal entities or strata lots, are currently permitted under the *Strata Property Act*. As noted in Appendix "D", municipal approval is not required for new structures previously unoccupied; however, Council approval is required for building stratifications of existing structures that have been occupied. In the case of the latter, Council has an opportunity to establish special conditions for stratification, including the imposition of a housing covenant on one of the strata lots to ensure that the resident housing opportunity is maintained in perpetuity. An additional approval requirement for building stratification is a three-dimensional survey of the strata lots and common property. Strata lots must meet all B.C. Building Code regulations.

Staff further clarified that:

- Municipal zoning dictates that one unit must be clearly auxiliary to the other; also, under existing zoning regulations and the B.C. Building Code, the auxiliary unit can only be 40% of the total area of the principal dwelling.
- A detached dwelling with an auxiliary residential dwelling unit may also lawfully be subdivided under the *Strata Property Act*. An auxiliary dwelling unit is considered a dwelling that is ancillary to the principal use being made of the parcel. This definition, nor the requirements of the zoning bylaw, do not prevent placement of an auxiliary residential dwelling unit above or alongside the dwelling to which it is ancillary. The smaller dwelling can still be ancillary to the principal dwelling even if it is a separate strata lot.

A number of additional considerations were brought forward concerning strata titling existing or new dwellings, including servicing and easement requirements, works and service charges and the resolution of building code issues and required upgrades. With respect to the subdivision of existing buildings,

municipal staff has identified a number of required upgrades depending on the existing condition and the age of the dwelling (Appendix "E"). In some cases, major upgrades required for building services, including electrical and plumbing, could impose significant development costs. Further investigation is recommended to determine minimum requirements for subdivision. All of the considerations noted above will be addressed in the formal recommendations for OCP and zoning bylaw amendments that will be brought forward for Council consideration as a comprehensive policy amendment package in the fall of 2005.

Sundry Zoning Bylaw Amendment – Auxiliary Suites

The Task Force also requested that staff bring forward a sundry zoning bylaw amendment to change the maximum number of permitted bedrooms in auxiliary suites from two to three. This recommendation was initially brought forward by the Task Force at the time Zoning Amendment Bylaw (Employee Housing Initiatives) 1621, 2003 was adopted by Council. While this bylaw allowed for detached suites and increased the maximum permitted gross floor area of auxiliary suites from 75 square metres to 90 square metres (see Appendix "B"), it did not also address the total number of permitted bedrooms, as was first requested and noted in a preliminary staff report to Council. In discussions with the Task Force in 2005, it was felt that the current restriction on the maximum number of bedrooms (2), essentially limits both the potential affordability and livability of auxiliary residential dwellings, particularly for resident families. Upon further investigation, staff confirmed that there were no limiting building code issues preventing a maximum of three bedrooms in a 90 square metre suite. However, parking was identified as a potential consideration with the increase in bedrooms from two to three bedrooms (currently one stall is required for a suite in addition to those required for the principal dwelling up to a maximum of five). However, consistent with recent policy direction around sustainable transportation, the municipality may wish to actively reduce parking standards. On April 20, the Task Force endorsed a zoning bylaw amendment to increase the maximum number of permitted bedrooms in auxiliary suites to three, subject to the resolution of parking issues with planning, building and engineering staff.

Multiple Suites

The Task Force has also supported the concept of multiple suites whereby large lots that can accommodate the gross floor area under the maximum permitted FSR, could be permitted one auxiliary suite within the principal detached dwelling, and one additional detached auxiliary unit in an auxiliary building or above the garage. Currently, the building code allows only one auxiliary residential dwelling unit in a principal dwelling and one detached residential dwelling. Staff is currently investigating building code issues and minimum requirements for multiple suites.

Next Steps for Non-Cost Resident Housing Initiatives

Prior to developing formal comprehensive zoning bylaw amendments and development permit guidelines for Council consideration in the fall of 2005, staff have identified a number of necessary tasks in preparation for this process:

- **Sundry Zoning Bylaw Amendment for Auxiliary Suites.** As discussed in this report, staff will bring forward a bylaw amendment to amend the existing zoning bylaw to increase the maximum number of permitted bedrooms in auxiliary suites to three, subject to the resolution of outstanding parking and building issues.

- **Neighbourhood Infill Working Examples.** The Task Force has shown support for the development of working examples designed to (1) isolate and test specific infill development scenarios and evaluate potential neighbourhood impacts, and (2) prepare for wider community consultation in order to develop broad consensus around desired infill development options. Staff has initiated a discussion of potential working examples with a local architect, who will review site planning, form and character issues (setbacks, parking and access, scale and massing, site lines, tree preservation and livability etc.) and explore alternative lot layouts utilizing a number of lot typologies (uphill lots, flat lots, corner lots, panhandle lots, duplex lots). These working examples will ultimately inform the creation of Development Permit Guidelines, and will be brought forward concurrently with the formal policy recommendations to Council.

- **Draft Development Permit Guidelines.** From the neighbourhood infill working examples, staff will prepare draft zoning and development permit guidelines intended to regulate the form and character of future infill development in existing neighbourhoods. These guidelines will be directly aligned with the strategies and actions established by the *Whistler 2020* Resident Housing, Built Environment, Natural Areas strategies to be incorporated in the updated OCP in 2005/06.

COMMUNICATIONS

As noted throughout this report, broad community consultation is necessary to engage the resort community and obtain further feedback on proposed OCP and zoning bylaw amendments that will facilitate the delivery of non-cost resident housing. Following a final Task Force meeting to be held in mid September, staff will also seek feedback from the Advisory Planning Commission and Advisory Design Panel. Once the proposed policies and OCP and zoning bylaw amendments are developed and presented to Council, staff will also facilitate a public open house as directed by Council.

SUMMARY

This report presents a progress report on expanded non-cost housing initiatives undertaken in 2005 as part of the *Whistler 2020* Resident Housing Strategy and highlights policy directions and next steps for upcoming OCP and Zoning Bylaw amendments that will be presented for Council consideration in the fall of 2005.

Respectfully submitted,

Signed original on file

Mike Kirkegaard
MANAGER, COMMUNITY PLANNING & SUSTAINABILITY
and
Sarah McJannet
PLANNING ANALYST
for
Robert MacPherson
GENERAL MANAGER, PLANNING & DEVELOPMENT SERVICES



MINUTES

MEETING OF NON-COST HOUSING INITIATIVES TASK FORCE
JANUARY 12, 2005 at 2:00-5:00 P.M.

In the Council Chambers of Whistler Municipal Hall
4325 Blackcomb Way, Whistler, BC V0N 1B4

IN ATTENDANCE

Community Members	David McColm, Member Chris Manuel, Member Chris Quinlan, Member Garry Watson, Member Ben Day, Member Craig Koszman, Member
WHA Board of Directors, Chair	Councilor Nicholas Davies
Municipal Staff	Mike Kirkegaard, Chair, Mgr. Community Planning & Sustainability Bill Brown, Mgr. Current Planning Sarah McJannet, Planning Analyst, Community Planning Chris Bishop, Planner, Current Planning Joe Paul, Mgr. Development Service, Subdivision Approving officer Dan Giesen, Plan Checker, Building Services
WHA Staff	Tim Wake, General Manager Marla Zucht,
Member of Public	Karen Davies, Observer

ABSENT

Drew Meredith, Member
Brian Young, Member
Shannon Byrne, Member
David Erhardt, Member

Mike Kirkegaard called the meeting to order at 2:00 p.m.

ADMINISTRATIVE ITEMS

Welcome & Introductions	Mike Kirkegaard welcomed the returning Task Force and offered thanks for their ongoing commitment to the committee. Introduced RMOW staff as well as Task Force members. Noted materials distributed in advance of meeting to members included the meeting agenda, density bonus program review, final draft Comprehensive Sustainability Plan, WHA restricted housing inventory listing, Rezoning Application No. 426 brief and Council resolution for cash-in-lieu of mandatory suites.
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Agenda

Mike Kirkegaard presented agenda items and also clarified Councilor Davies' role at the meeting as Chair of the WHA Board of Directors. Mike noted that Karen and Councilor Davies have also applied for a rezoning (RA 426) and although a review and recommendation from the Task Force on this application was not intended for the meeting, it was included in the pre-meeting package for reference as a working example of the type of non-cost housing initiatives being considered by the municipality at this time, as directed by *Whistler 2020*.

PRESENTATIONS & ASSOCIATED DISCUSSION
(*Note: The Powerpoint Presentation from this meeting is attached as Appendix "A"*)

Update on Previous Initiatives**Detached Auxiliary Suites & Density Program**

Sarah McJannet presented a review of the detached suite and density program, reported on the monitoring to date as well as potential issues and considerations that have been identified with the program.

General Discussion

- Current inventory of 460 auxiliary suites (based on 1998 WHA inventory of aux suites in addition to current building permit records)
- Sarah McJannet clarified that the aux suite inventory is based on those permitted by building permit and tracked by the building department
- Tim Wake clarified that the WHA estimated in 1998 that there were another 300 unauthorized aux suites in addition to those tracked in the inventory.
- General declining trend in auxiliary suite construction since 1996; 10 suites constructed in 2004 compared to average of 53 per year between 1996-1999 and 20 per year between 2000-2003
- Ratio of suites to new SF dwelling units – In 1990 90% of new SF units approved for construction had associated suites, compared to 30% in 2000-2001. In 2003-2004 this ratio increased to 50-60%.
- Target set by Non-cost Task Force for auxiliary suite construction was a 25% annual increase in the baseline number of employee suites; this target has not been met (in part is influenced by slowdown in number of new single family units developed each year).
- Recent data for 2002-2004 shows the majority of new suites constructed were located in the principal dwelling; also 20-30% of new suites each year were required by development covenant as part of initial rezoning approval.
- Suite Removal – Sarah McJannet noted that only 3 suites were removed between 2002-2004 however, this only reflects suite removal tracked through building permit. Tim Wake clarified that this under-represents the amount of leakage that is occurring due to the number of unauthorized suites that are being removed and that are not reflected in building permit data.
- Number of detached suites constructed after institution of the non-cost detached suites and density program zoning bylaw amendment to RS1, RS2 and RS3 zones shows a positive response. 50% of the suites constructed in 2004 were detached.
- To date no property owners have taken advantage of the Density Bonus program. Issues that have been cited by property owners include a limited additional density potential relative to the “disincentive” of the requirement for registration of a housing covenant.
- A Community Member asked whether staff have looked at suite sizes before and after institution of the bonus program. Sarah McJannet responded noting that this has not been formally reviewed. Dan Giesen noted that suite size has

not necessarily been increasing since the zoning bylaw was changed to increase the maximum suite size to 90 m² in accordance with BCBC.

Further Discussion regarding Strata-Titling

- Tim Wake noted a common inquiry to the WHA is whether strata titling existing residences is permitted. More people in Whistler are contemplating this as a way of cashing out but still staying in the community (i.e. by renovating existing residence and adding suite, rather than waiting for employee housing to be available to waitlist). This is attractive to those with SF homes and wish to downsize.
- Joe Paul confirmed that strata titling is currently permitted under Strata Property Act. Discussed difference between strata titling a building versus a bareland strata. Strata titling does not require Council approval and can be done as long as the unit has NOT previously been occupied. This creates 2 legal entities; zoning dictates that one unit must clearly be auxiliary to the other and also under zoning and BCBC the auxiliary unit can only be 40% of the total area of principal dwelling. A Task Force Member commented that a landowner could strata title a lot and build a 2,000 ft² principal dwelling and 1,000 ft² auxiliary dwelling for a 3,000 ft² total. Joe Paul noted that this would also require works and service charges for both units.
- Joe Paul noted that strata titling existing residences is not commonly done because it is difficult to do after dwellings are already built and occupied. Survey requirements are costly and sometimes impractical because strata titling requires survey of 3 dimensional spaces; unless a vertical single party wall exists, survey plan cost requirements are prohibitive. Task force members questioned what projected costs would be and would like to bring forward and further understand the issues, and recommended consideration of conducting a public education program if this is something worth pursuing. Key question raised: does strata titling simply create ownership opportunities or truly preserve resident housing? Isn't the goal a net increase in affordable resident housing. As there is no current "trigger" that would require either unit to be restricted for employee housing, it was suggested that there could be an incentive program (e.g., reduced works and service fees) in exchange for registering a housing covenant on the auxiliary unit.
- A Task Force Member asked for a status update of other initiatives previously considered by the Task Force (e.g., analysis of DCC charges). Mike Kirkegaard noted that staff would provide an update at the next meeting.
- **ACTIONS – Staff to review projected survey costs and process associated with strata-titling existing and new dwellings. Staff to review list of previous initiatives explored by task force and provide update next meeting.**

Off-site Conversions and Cash-in-lieu

Marla Zucht presented an overview of an off-site conversion that took place in 2003 whereby a Taluswood owner sought to pursue the off-site conversion policy by purchasing and covenanting a Gondola Village unit for employee housing in exchange for releasing the covenant from the Taluswood property; this policy was challenged by property owners and in its place the WHA Board and Council adopted a cash-in-lieu policy of \$150,000 for release of the covenant with the fee going into the Employee Housing Fund.

General Discussion

- A question was asked as to how the cash-in-lieu amount was determined.
- A question was asked why the RMOW should accept cash-in-lieu given it has a

significant inventory of free land available (2010 Bid Legacy) and sizable fund in place (\$5 Million) to develop resident housing.

- Marla Zucht noted that the Taluswood owner was unlikely to have the required unit occupied by an employee and that it was deemed to be better to create a bona fide employee suite elsewhere that would ultimately provide employee housing.
- Council policy is still in place endorsing cash-in-lieu.
- Practical issues were raised concerning conversions – realistically how many will occur? Are they administratively high maintenance? Focus should be on other initiatives that are more likely to fulfill targeted housing goals?

Current Initiatives

Mike Kirkegaard presented CSP policies adopted as *Whistler 2020*, reviewed the existing inventory of resident housing, and current non-cost resident housing opportunities being considered by the RMOW.

General Discussion

- *Whistler 2020* supports up to 6,650 additional bed units for resident housing to meet overall goal of housing 75% of Whistler's employees within the community. In response to a question from a Task Force member Mike indicated that the language pertaining to 750 market bed units was removed from the document and that any proposals for market housing to leverage resident housing are being considered on a case-by-case basis. These proposals would be subject to full public review process.
- *Whistler 2020* calls for first resident beds to be delivered by expanded non-cost housing initiatives including duplexes, lot splits and multiple suites. The document targets at least 1,000 beds through these initiatives.
- Update on private and public lands under consideration for resident housing (i.e. Athlete Village/Lower Cheakamus, Road ends, and private sites -- Rainbow lands). Public lands with development potential were reviewed as part of CSP process. Private lands were reviewed by Comparative Analysis of Resident Housing sites (study commissioned in 2004 by the WHA).
- Inventory of restricted housing and distribution by type, tenure and restriction. Staff clarified that all resident housing is 100% occupancy restricted, and has various combinations of rent and resale restrictions.
- Leakage is major driver for projected need for new resident housing (75% of potential required bed units).

Other Key Issues Raised by Task Force Community Members

- **Price Restriction** – Issue of whether price restriction is a necessary condition for infill non-cost housing.
- Concern raised about the public perception of not having a price restriction.
- Need to consider that without clear incentive to the landowner, infill will not occur at all? It was noted that there is intrinsic value in land; is not unreasonable to expect that landowners need to protect their investment. It was noted that first round of non-cost initiatives (density bonus) was unsuccessful because no true incentives were provided and covenant restrictions act as disincentive.
- Possible alternative to price restriction that should be considered – restrict size of dwelling to address affordability?
- Joe Paul commented about need to understand target break down of 1,000 resident bed units to be created through expanded non-cost initiatives as part of larger analysis... are all targeted units employee occupancy restricted but not price restricted? What is potential capacity of individual neighbourhoods to

support infill? What is potential uptake?

- Examples cited of developments in Whistler and other communities without price restrictions not being affordable.
- The effectiveness of resident occupancy and ownership restrictions were discussed; if the market of buyers is effectively limited to Whistler employees/residents then prices will be determined by what is affordable to this market?
- Tim Wake commented there is clearly a community need for variety of resident housing products (types, price points etc) that meet diversity of needs for residents in different stages. Need to focus on DEMAND – what are employees able to afford and willing to pay? Discussed example of recent sale of Lorimer Ridge unit – recent assessments show value at \$1.2 million for 2,800 ft² unit – equal to \$400/ft² in today's market. WHA estimates that current employees on waitlist ability to pay \$200-300/ft². Mike Kirkegaard noted that a Housing Needs Assessment is currently being completed that will provide this information.
- **Employee Definitions** – Members had further questions and comments on the definitions and criteria used for qualifying as an employee for employee housing. In response, Tim Wake indicated he estimates that 75% of residents on waitlist are bona fide full-time employees that work more than 20 hours on average. Members raised concerns that the current definition allows for loopholes in system (i.e. to qualify as employee only need to invest in \$165 business license and apply as sole proprietor for home occupation business to be eligible as employee). Tim indicated the WHA is looking at the employee definitions. It was discussed that these definitions and closing loopholes have a significant bearing on occupancy and price restrictions and their effectiveness in meeting housing objectives.
- **Housing Objectives** – There was discussion about the overall objectives that we are trying to achieve by non-cost initiatives – additional housing units? Stay-in opportunities for existing resident employees? New units for resident employees? Affordable housing? A diversity of housing opportunities for Whistler resident employees? Needs to be looked at in context of overall program and all opportunities being pursued by community. Any non-cost policy changes and zoning amendments need to consider overall intent and desired policy direction.

Staff Initial Thoughts – Duplexes, Lot Splits and Multiple Suites (these items were briefly introduced but were not discussed by the Task Force as time ran out)

- Initial staff recommendations explored including approach to applying policies through broadly applicable policy and zoning amendments and not 'spot-zoning'. Initial focus on RS1 zoned properties. Also create DP guidelines for infill regulations to address neighborhood character and protection of natural environment.
- Lot splits – pattern of large lot combo with smaller lot mirrors existing condition in many neighbourhoods – i.e. larger lots with large houses as well as small cabins. Should zoning regulations mimic/support this pattern?

Next Steps

- **ACTIONS** – Staff to conduct further research, develop working examples and evaluate servicing impacts, development of DP guidelines for neighbourhood character showing examples of alternative densities.

APPENDIX A

NEW BUSINESS

N/A

ADJOURNMENT

The Non-Cost Housing Initiatives Task Force meeting was adjourned at approximately 5:30 p.m.



MINUTES

MEETING OF NON-COST HOUSING INITIATIVES TASK FORCE
MARCH 30, 2005 at 2:00-5:00 P.M.

In the Council Chambers of Whistler Municipal Hall
4325 Blackcomb Way, Whistler, BC V0N 1B4

IN ATTENDANCE

Community Members	David McColm, Member Drew Meredith, Member Chris Manuel, Member Chris Quinlan, Member Garry Watson, Member
WHA Board of Directors, Chair	Councilor Nicholas Davies
Municipal Staff	Mike Kirkegaard, Chair, Mgr. Community Planning & Sustainability Sarah McJannet, Planning Analyst, Community Planning & Sustainability Craig Koszman, Building Services
WHA Staff	Tim Wake, General Manager Marla Zucht, Housing Administrator
Member of Public	Karen Davies, Observer

ABSENT

Ben Day, Member
Tom Horler, Member
Brian Young, Member
Shannon Byrne, Member
David Erhardt, Member

Mike Kirkegaard called the meeting to order at 2:00 p.m.

ADMINISTRATIVE ITEMS

Welcome & Agenda Review Mike Kirkegaard welcomed the Task Force and reviewed the meeting agenda. Administrative items discussed included process for approving meeting minutes. To be distributed to members and discussed at following meeting. Task Force also elected to have staff facilitate the task force meetings, rather than elect a formal chairperson.

PRESENTATIONS & ASSOCIATED DISCUSSION

Update on Previous Initiatives

Staff provided an updated list of previous initiatives explored by the task force, and reviewed initiatives proposed to date; an update was provided on suite stratification/strata titling and a Works & Service Charge Bylaw review, as follows:

Staff supplied a summary handout outlining suite stratification regulations (relevant approval authority and approval requirements). Task force discussed mechanics of stratification process and whether this is an initiative worth pursuing and further researching. Of the four alternatives discussed, the task force decided the focus and greatest potential for subdivision alternatives was for building stratification under the Building Strata Act. Task force recommended further exploration using a couple of test cases to review alternative stratification scenarios and economic considerations. **Action: Staff to further explore suite stratification per task force discussion above.**

General points of discussion:

- ❑ Zoning Considerations: With the stratification of an auxiliary suite, does the suite become another principal dwelling, with the end result that there would be 2 principal dwellings on the same parcel, which is currently not permitted by zoning. Task force also considered whether such stratification would conflict minimum parcel sizes. **Action: Staff to further evaluate legal considerations.**
- ❑ Building code issues: With suite stratification, there are building code considerations as the requirements for another principal dwelling are of higher standards [i.e. fire separation etc.]
- ❑ Economic considerations: Market value of unit \$350/sq.ft., with price restriction required to sell at \$175/sq.ft. Some members suggested that the economics don't work [high opportunity costs] without consideration of the value of being able to cash-in on some of the value of the dwelling, while being able to stay in Whistler. WHA estimated that at least 5 people have inquired about stratifying suite.
- ❑ Question regarding impact to bed units: Suite stratification is a form of subdivision; as bed units are tied to zoning, if no rezoning required, stratification does not impact the bed unit allocation.

Mike clarified that a consultant is working on a review of the Employee Housing Works & Service Charge Bylaw. **ACTION: Staff to provide update next meeting.**

The task force also asked for clarification around the maximum number of permitted bedrooms for auxiliary suites. Task force had previously recommended policy change to increase not only suite size [from 75 to 90 sq.m] but to increase the maximum number of bedrooms to 3. Subsequent Zoning Bylaw Amendment No. 1621, 2003 did not include this bedroom increase, and currently a maximum of 2 bedrooms is permitted for aux. suites. *The net effect is a decrease in affordability of units [i.e. same number of residents with a larger area and higher rent tied to gross floor area.* **ACTION: Staff to report back on this issue at next meeting.**

**WORKSHOP SESSION:
Neighbourhood Infill
Opportunities****Policy Context – Whistler 2020**

Staff reviewed relevant policy with respect to resident housing opportunities through infill development. Staff further presented opportunities and challenges of developing existing under-utilized or vacant lots, as well as general strategies for facilitating infill.

General Discussion

- Task Force discussed whether W2020 target of at least 1,000 beds to be secured in existing subdivisions through expanded non-cost initiatives [lot splits, duplexes, suites] is achievable. Staff clarified that this is a *target for 2020 and not an estimate*; the 1,000 bed units equates to between 150-250 dwelling units. The task force agreed that this was a good target. The potential yield for additional beds is currently being investigated, as outlined in the staff presentation.

Visual Analysis – Infill Opportunities

As a starting point for developing broad consensus around desired infill development and assessing alternative development options, staff presented a preliminary visual survey of existing neighbourhoods. This survey involved visually mapping neighbourhood character, development patterns, lot characteristics and densities. Staff reviewed both neighbourhoods with infill potential [Emerald, Alpine, White Gold, Creekside], as well as neighbourhood examples of alternative densities [Spruce Grove, Tapley's, Whistler Cay Heights, Nordic]. For each neighbourhood with infill potential, staff visually inventoried neighbourhood character [terrain, slope, vegetation characteristics, streetscape], zoning, lot and dwelling characteristics.

**Note: Creekside was not included in this preliminary inventory; task force agreed that Creekside requires its own separate evaluation; there is considerable infill potential in the Creek, which has a very distinct character and location at Whistler Mountain base, particularly related to resident housing opportunities for employees due to proximity to Creekside base. This also includes considerable multi-family infill opportunities.*

General Discussion

- The task force discussed key development factors that are to be considered for the establishment of infill policy & guidelines, and added that the condition of existing buildings, view impacts, shadow impacts, site disturbance should be incorporated into the potential infill analysis and development permit design guidelines for infill development.

Initial Recommendations for Lot Splits & Duplexes

Staff requested input from the task force to define parameters for minimum lot size and FSR to ultimately determine initial recommendations for lot splits and duplexes and the estimated potential by neighbourhood. Based on the subsequent discussion and group evaluation, the task force recommended going forward with the infill potential by neighbourhood analysis based on the following initial considerations:

A. Lot Splits

Minimum parcel area for subdivision: 1,100 sq.m

[RS1 lot @ 695 sq.m. + RS6 sized employee lot @ minimum 400 sq.m]

Permitted Density of 0.35 FSR

*Consider addition of regulations that limit the maximum size of lot and dwelling size for employee lot to influence affordability.

*Considerations for lot splits: neighbourhood acceptance, economic considerations

and potential uptake, character issues and site considerations.

B. Duplexes

Minimum parcel area of 850 sq.m. with Permitted Density of 0.35 FSR

*Overall massing of duplex is key consideration; maintain same density as for detached dwellings to maintain consistency in existing predominantly SF neighbourhoods.

*Duplex infill should encourage efficient design, and be understood as simply the reconfiguration of densities to provide alternative housing options.

*Task force considered alternative configuration of conventional duplexes with 50/50 breakdown of GFA to move away from mirror image duplexes; What about 60/40?

Considerations for both Lot Splits & Duplexes:

*A member of the task force pointed out that as proposed, a lot split or duplex could result in a significant density bonus. That is, many larger lots that have not been subdivided are subject to maximum buildable of 3,500 sq.ft because they do not have the minimum frontage and setbacks to allow a larger home. This limitation should be maintained and applied to lot splits and duplexes so that there is no “density bonus” beyond what could be presently achieved.

Further General Discussion

- ❑ Panhandle Lots – Allowing variance for lot splits. What is potential for infill here? Are there additional required guidelines? [Shared driveways...]
At the last meeting the Task Force recommended moving forward with this as “low hanging fruit” and bringing forward to Council.
- ❑ It was agreed to use criteria that excludes lots recently renovated or developed within the last 5 years when determining infill potential.
- ❑ With respect to future public consultation, the task force suggested that the visual approach was useful to showcase alternative densities and forms; perhaps a ‘this, not this’ approach or the utilization of potential massing models to clearly outline alternative options.

ACTIONS – Staff to continue evaluate infill potential by neighbourhood using initial parameters for lot splits and duplexes in order to quantify and map infill potential. Staff will also start to develop working examples, as well as to explore economic considerations [demand, supply and restrictions].

NEW BUSINESS

N/A

ADJOURNMENT

The Non-Cost Housing Initiatives Task Force meeting was adjourned at approximately 5:00 p.m.



WHISTLER

MINUTES

MEETING OF NON-COST HOUSING INITIATIVES TASK FORCE
APRIL 20, 2005 at 2:00-5:00 P.M.

Committee Room 5, Public Safety Building, Whistler Municipal Hall
4325 Blackcomb Way, Whistler, BC V0N 1B4

IN ATTENDANCE

Community Members

David McColm, Member
Drew Meredith, Member
Chris Manuel, Member
Chris Quinlan, Member
Garry Watson, Member

WHA Board of Directors, Chair

Councilor Nicholas Davies

Municipal Staff

Mike Kirkegaard, Chair, Mgr. Community Planning & Sustainability
Sarah McJannet, Planning Analyst, Community Planning & Sustainability
Craig Koszman, Building Services

WHA Staff

Tim Wake, General Manager
Marla Zucht, Housing Administrator

Member of Public

ABSENT

Ben Day, Member
Tom Horler, Member
Brian Young, Member
Shannon Byrne, Member
David Erhardt, Member

Mike Kirkegaard called the meeting to order at 2:00 p.m.

ADMINISTRATIVE ITEMS

Welcome & Agenda Review

Mike Kirkegaard welcomed the Task Force and reviewed the meeting agenda. Meeting minutes from March 30 were approved as presented.

PRESENTATIONS & ASSOCIATED DISCUSSION

Update on Previous Initiatives

Staff provided an updated list of previous initiatives explored by the task force, and reviewed initiatives proposed to date, as follows:

Permitted Bedrooms in Aux. Suites

Following some investigation, staff were still unable to confirm why the maximum number of bedrooms for auxiliary suites was not changed to 3, after the task force made recommendation to increase permitted # of bedrooms under Employee Housing Initiatives Bylaw 1621, 2003.

Staff confirmed that there were no limiting building code issues preventing 3 bedrooms in a maximum 90 sq.m suite. Task force felt that adding another bedroom would greatly enhance livability. Parking was identified as a consideration with increase in max # bedrooms from 2 to 3. Task force discussed whether this would require another parking stall (currently 1 stall is required for a suite in addition to those required for the principal dwelling, up to a maximum of 5) or whether the municipality should be actively reducing parking standards to limit parking. Building staff noted that reduced on-lot parking could exacerbate parking on roadways, and impact snow clearing etc.

Action: Task force endorsed a zoning amendment to allow a maximum of 3 bedrooms in auxiliary suites, subject to planning and engineering staff resolving parking considerations.

Employee Works & Services Charge Bylaw

Staff reviewed the initial recommendation of the task force and provided an update on the review process. Consultant is currently conducting background research, and will focus on the employee generation formula and also consider applying requirement to SF and MF residential uses. One member questioned the anticipated response from the Province because municipalities have never before charged for residential uses. Members re-confirmed their task is to build the case for incorporating residential development, and should not focus on provincial support. Staff clarified that the current charge established for the provision of employee housing services in the municipality is \$5,908 [Bylaw 1507, 2000]. Some members noted that this charge should be closer to \$20,000 per employee.

Task force noted recent Pique article mentioned Colorado mountain community that is instituting employee works and service charge for residential. WHA also noted that this was being pursued in Summit County and Eagle County in Colorado.

Task force requested more detailed update, including name of consultant as well as timeline for review, and would like to expedite this review because it is considered an important issue. Task force noted that there could potentially be a lost opportunity to institute revised fees with the ongoing development of large lots.

Action: Staff to provide further update next meeting.

Suite Stratification (cont')

Staff reviewed the legal considerations regarding whether, with the stratification of an auxiliary suite, does the suite become another principal dwelling, with the end result that there would be 2 principal dwellings on the same parcel, which is currently not permitted by zoning. Legal review confirmed that:

- Auxiliary residential dwelling unit is considered a dwelling unit that is ancillary to the principal use being made of the parcel;
- This definition, nor the requirements of the zoning bylaw, do NOT prevent placement of aux. residential dwelling unit above or alongside the dwelling to which it is ancillary. The smaller dwelling can still be ancillary to the principal dwelling even if it is a separate strata lot.
- Summary: A detached dwelling with an auxiliary residential dwelling unit may lawfully be subdivided under the Condominium Act.
- Suite stratification does not contravene our current zoning bylaw and provides good stay in opportunity for residents wishing to cash-in on some of the value of their existing dwelling. Also provides opportunity for executing resident restrictions on suite.

General points of discussion:

- ❑ Staff clarified that with a new dwelling not previously occupied, Council approval is not required for the Building Stratification. Task force considered whether a double standard would be created if the RMOW required a covenant for the suite as a condition of Council approval for those dwellings that have been previously occupied.
- ❑ Suite stratification is still more of an opportunity for current owners and not necessarily for new development (If dwelling is not previously occupied, suite stratification is currently already permitted without the need for Council Approval).
- ❑ Task force noted that suite stratification offers a more solid opportunity for financing; rather than relying on rental income as a 'mortgage helper', the sale of a suite would provide a good base for financing.

Action: Staff to bring forward and present this opportunity to Council for consideration. Building Department has identified further building code related considerations to be shared at next TF meeting.

Neighbourhood Infill Capacity Analysis

Overall Methodology & Neighbourhood Focus

Staff reviewed the methods used to estimate potential for infill development. Using the initial parameters for lot splits and duplex infill defined at the last task force meeting, staff reviewed the RS1 lot distribution by size for all of the RMOW and by neighbourhood. This base parcel inventory provides the maximum potential, which then needs to be refined with a 'fine filter' to determine the NET infill potential. The 'screens' that would have to be applied include limitations around site constraints, lot configuration, dwelling characteristics.

RS1 Lot Inventory & Parcel Distribution Summary

- ❑ There are an estimated 2000 RS1 zoned parcels in the resort community. Approximately 76% (1,550) are located within the main neighbourhoods that are the focus for infill potential [Emerald, Alpine, White Gold, Brio, Alta Vista, Whistler Creek North, Millar's Pond]. The other 24% of RS1 zoned parcels are located along Alta Lake Road, in Tapley's, Whistler Cay and Nesters.
- ❑ **Maximum Potential for Lot Splits:** Approximately 526 parcels would be eligible for lot splits (using the preliminary parameters defined as 1100 sq.m. *see meeting minutes from March 30). **Maximum Potential for**

Duplexes with minimum lot area of 850 sq.m: Another 580 RS1 parcels would be eligible for duplex dwellings.

Next Steps - Final 'Screens'

Staff suggested final steps for determining *NET infill development potential*, and explained that this is a time-intensive process to review site constraints, lot configurations and dwelling characteristics. Key tasks would include neighbourhood slope analysis to account for usable site area estimates, parcel dimension review, construction history, value of improvements, and visual survey to determine redevelopment scenario. Staff presented this task list for input: **Is it worthwhile to go through this process, or is it sufficient to have determined maximum potential and to estimate low, medium and high uptake?**

General Discussion

- ❑ Task force questioned accuracy of GIS area calculations. Staff explained that calculations are estimates based on the municipal cadastre file and do not replace certified site surveys. Building staff noted that in comparisons between GIS areas and site surveys, there can be a 5-10+- %margin of error.
- ❑ Task force noted that even if only 20% of the maximum potential lots eligible for infill pursue the non-cost housing initiative, it would be worthwhile.
- ❑ **Task force supported staff in moving forward without conducting the 'fine-filter' analysis as it was agreed that this is not necessarily the best use of staff time at this stage of the process.**

Neighbourhood Base Densities

Staff also presented estimated existing densities (using the total number of SF and duplex dwellings only). Neighbourhood densities ranged from 2.3 dwelling units per acre (upa) to 5 upa. Existing densities are very low compared to CMHC's sustainable residential development target for single-detached neighbourhoods of 7.6 upa or 18.7 uph.

Further General Discussion

- ❑ WHA noted that the neighbourhood densities being proposed for the Rainbow Lands are around 8 upa.

Infill Working Examples (PART 1) INFILL TYPOLOGIES

Staff updated task force on development of working examples to isolate and test specific infill development scenarios. Staff have retained local architect Brent Murdoch to develop working examples and to develop visual material to communicate alternative development opportunities. Potential infill development typologies include:

- Uphill Lot
- Flat Interior Lot
- Corner Lot
- Duplex Lot

General Discussion

- ❑ Task force recommended two additional typologies for exploration: Downhill Lot & Panhandle Lot.

- ❑ Task force suggested that working examples include images to show more of streetscape to illustrate lot context.
- ❑ Task force asked about what specific parameters have been given to Brent for the exercise.
- ❑ **Staff confirmed that owner consent would be required to develop these real-world infill development examples.**

ACTIONS – Staff to continue to formulate working examples with Brent Murdoch.

Infill Working Examples PART II ECONOMIC ANALYSIS

Staff provided a handout of Excel spreadsheets outlining 8 different working scenarios to test the economics of developing infill housing from both the owner and buyer perspective. Staff conducted a workshop session, reviewing each individual scenario, the assumptions, as well as owner and buyer considerations.

Scenarios:

Building Stratifications

1. Keep Main House, Sell Resident Restricted Suite
2. Keep Main House, Sell Resident Restricted Suite *Price Restricted
3. Sell Main House, Keep Resident Restricted Suite
4. Sell Main House, Keep Resident Restricted Suite *Price Restricted

Lot Splits

5. Keep Main House, Sell New Lot Resident Restricted
6. Keep Main House, Sell New Lot Price Restricted
7. Tear Down & Rebuild Main House, Sell New Lot Resident Restricted
8. Tear Down & Rebuild Main House, Sell New Lot Price Restricted

Scenario Discussion

Building Stratas –

- ❑ Marginal gains for owner (\$100,000-275,000) for scenarios with sale of restricted suite, no price restrictions.
- ❑ Upfront costs to execute and some risk to owner for sale of non-price restricted unit.
- ❑ Costs associated with building stratification include fire code upgrades, livability upgrades, survey, servicing, legal fees etc. Costs at \$50/sq.ft could total up to \$60,000 for 1,200 sq.ft. unit.
- ❑ With price restricted scenario at \$175/sq.ft., there is a significant net loss in total value to owner.

Lot Splits –

- ❑ Scenario 5 presents a situation where lot split provides smaller lot sale to finance upgrade to existing lot or to pay down the mortgage.

General Discussion

- ❑ The economics clearly showed that no one would pursue any of the options if prices area restricted to \$175/sq.ft or lots of \$150,000. In a show of hands, the majority of the task force favoured no price restrictions.

However, will Council support no price restrictions? Historically this has not been the case. This issue needs to be addressed before staff spends much more effort on planning.

- ❑ Policy Rationale: Need to mitigate damage from 2nd homes on resort community – the tear down cycle is impacting family homes as old homes are torn down and replaced with ‘mega-homes.’ Infill provides smaller compact homes in existing neighbourhoods, and allows for preservation of existing community fabric.
- ❑ Argument that price controls may damage potential uptake – act as a ‘deal breaker’? There needs to be a true incentive for owners to create these opportunities.
- ❑ This kind of housing opportunity is a different product from new resident restricted projects. Also, we are not dealing with situations where the municipality has ‘free land’ to work with. Potential infill lots are privately owned.
- ❑ Strategy focus on homes available to employees
- ❑ Discussion around occupancy restricting both lots as an option? It was decided this was not realistic and a ‘deal breaker’. Too high a risk?
- ❑ Small building size of EMP lot will affect affordability more so than a price restriction.
- ❑ Need to close loop and ensure that Employee qualification system is tightened.
- ❑ Timing issue: this initiative needs to be pursued sooner than later, as there is less and less incentive over time.
- ❑ Issue – False conclusion of exercise that these housing opportunities only work if it is economically viable. Community should consider ‘intrinsic’ value of staying in the community, not just pure economic terms. What about longer-term objectives? Instead of thinking about loss in equity, think about opportunities that can be afforded... On some levels, it seems that owners could be giving up wealth, or cashing out of a retirement ‘nest egg’ but this is not necessarily true.
- ❑ Other alternatives to consider: No price restriction at first, then restrict future sales, indexed to GVRD similar to how WHA price restricted units are administered. This is being considered for seniors housing.

NEW BUSINESS

Task Force to reconvene in 2 weeks to summarize discussion, and formulate next steps.

ADJOURNMENT

The Non-Cost Housing Initiatives Task Force meeting was adjourned at approximately 5:15 p.m.



WHISTLER

MINUTES

MEETING OF NON-COST HOUSING INITIATIVES TASK FORCE
May 11, 2005 at 2:00-5:00 P.M.

Council Chambers, Whistler Municipal Hall
4325 Blackcomb Way, Whistler, BC V0N 1B4

IN ATTENDANCE

Community Members

David McColm, Member
Drew Meredith, Member
Chris Manuel, Member
Chris Quinlan, Member
Garry Watson, Member

WHA Board of Directors, Chair

Councilor Nicholas Davies

Municipal Staff

Mike Kirkegaard, Chair, Mgr. Community Planning & Sustainability
Sarah McJannet, Planning Analyst, Community Planning & Sustainability
Craig Koszman, Building Services

WHA Staff

Tim Wake, General Manager
Marla Zucht, Housing Administrator

Member of Public

ABSENT

Ben Day, Member
Tom Horler, Member
Shannon Byrne, Member
David Erhardt, Member

Mike Kirkegaard called the meeting to order at 2:12 p.m.

ADMINISTRATIVE ITEMS

Welcome & Agenda Review

Mike Kirkegaard welcomed the Task Force and reviewed the meeting agenda. Meeting minutes from April 20 were approved as presented.

PRESENTATIONS & ASSOCIATED DISCUSSION

Taking Stock: Infill Housing Opportunities

Staff began the session with a brief review of the Non-Cost Employee Housing TF mandate, and clarified non-cost initiatives as “methods by which the community can secure resident housing without contributing to the capital funds required for housing.” Key community policy directions from Whistler 2020 and the draft CSP Resident Housing Strategy Foundation (‘Descriptions of Success’ and ‘Potential Actions’) were highlighted to provide context for the workshop session on maintaining affordability.

General points of discussion:

- The TF clarified that the focus of the non-cost initiatives is on housing for employees AND retirees, as defined by the RMOW and WHA.

Policy Foundations

A number of policy foundations were presented by staff, intended to be used to clarify areas of agreement in order to move forward with policy for infill housing. Each statement was considered by the task force, and refined where necessary. The following summary presents the revisions made during the session (bold text represents additions), which is followed by general points of discussion.

1. Whistler 2020 supports resident housing infill within and adjacent to established residential neighbourhoods.
2. Non-cost resident housing initiative involves a significant community planning process. ~~There must be considerable ‘uptake’ to make the effort worthwhile.~~
3. Deliver new resident housing units and contribute to diversity of housing types, prices & restrictions.
4. Secure resident housing at no-cost* to the community (e.g. without **requiring** contributing to capital funds for housing).
5. Infill housing must be attractive to **applicants** ~~property owners~~ and provide adequate incentive.
6. Infill is recognized as a unique and different resident housing opportunity than typical resident housing developments:
 - ~~7.~~ Typical resident housing developments are often larger scale, multi-unit projects involving consolidated parcels, sophisticated developers and a mix of market and resident restricted units ~~under different economic circumstances~~
 8. Infill involves individual property owners and their unique circumstances; small scale, site specific
 9. Contributes to mix and diversity of resident housing types for both short-term and long-term employees
 10. Preserves resident housing base in existing subdivisions
 11. Provides desirable SF and Duplex resident housing in lower-density established neighbourhoods to meet demonstrated community need
 12. Supports housing objectives by allowing alternative ownership and

- ‘stay-in’ options
- 13. Provides alternative tenancy and ownership options
- 14. Allows for better, more efficient utilization of land and existing services; reduces amount of new land required for future development [footprint]
- 15. Significant potential exists for lot splits, duplexes, and multiple suites.
- 16. Focus infill development on large lots in existing ~~RS+~~ neighbourhoods.
- 17. Development approval process to utilize broadly-applicable policies and land use regulations, not parcel-specific “spot-zoning”.
- 18. Apply Development Permit Guidelines for “intensive residential development” to protect and enhance neighbourhood character.
- 19. Ensure streamlined development approval process.

General points of discussion:

- Point # 2: How to define considerable? Focus on potential uptake. There are 15 interested parties for lot splits, multiple suites etc. Assumption at Council table was that there would only be relatively small uptake for these non-cost initiatives but still deemed to be worth pursuing. Task Force questioned how much more work is required; staff noted that while a lot of staff time has been spent so far, more effort is required to develop DP guidelines, draft the bylaw and in the public consultation. Task Force noted that even if there are 50 restricted units gained over the next 20 years, this is in effect an entire subdivision, but units to be developed in existing neighbourhoods. The planning effort is considered to be worthwhile.
- Point #5: Clarification needed: ‘Attractive’ to who? Applicants? Neighbours? Staff clarified intent to develop broadly applicable policy that has the support of the community, rather than to spot zone, which could potentially exacerbate ‘NIMBY’ issues. Task Force suggested that the word ‘property owner’ be replaced by ‘applicant’.
- Point #6: Task force requested that staff remove ‘different economic circumstances’ from the statement.
- General Point: Development Approval Process – staff clarified that through a zoning amendment, RMOW can provide trigger for employee covenant through a process similar to our current ‘density bonus’ provision in Zoning Bylaw 303.
- General Point: How to recognize large degree of variables for each situation? Staff pointed out that we could address unique variables through a development variance process, which is an available mechanism currently.
- Servicing impacts are to be evaluated and addressed *This was added to the list after the presentation was initially provided to the Task Force. Staff noted that servicing impacts, while they might be negligible in theory, must be considered. Current engineering standards allow for full

occupancy (designed for maximum potential). Most significant servicing impact is likely to be for water.

- WHA clarified the percentage of occupancy and price restricted employee units available in the total resident restricted inventory of 1,334 units:

Restricted Ownership:

Price & Occupancy Restricted Units (ownership): 384 units

Occupancy Restricted Units (ownership): 204 units

Total 588 Resident Restricted Ownership Units (Occupancy restricted represents 35% of all Resident Restricted Ownership Housing)

Restricted Rental:

Price & Occupancy Restricted Rental Units (WHA owned): 164 units

Other Restricted Rental Units: 582 units

Total 746 Resident Restricted Rental Units

Grand Total: 1,334 Resident Restricted Units

(*Occupancy only restricted housing represents 15% of all Resident Restricted Housing)

Action: Staff to revise policy foundation statements for future incorporation into formal recommendations.

Alternative Approaches to Maintain Affordability

Affordability Exercise

Staff facilitated an exercise involving the consideration of 10 alternatives for maintaining affordability. The Task Force individually reviewed each alternative, noting both advantages and disadvantages for each, then discussed as a group. Alternatives were then ranked, with each member noting their top 5 alternatives in order of priority. Staff has compiled the results of this exercise, which is attached to these minutes for review.

Revised Approaches

The following summary presents the revisions made during the session (bold text represents additions), which is followed by general points of discussion.

1. Don't worry about it; this is a different product in the larger housing mix.
2. Tighten 'loop-holes' to limit resident market; "affordability" will be defined by this market.
3. Place restrictions on the size and gross floor area of the resident units to keep values and prices low.
4. Price restrict at prevailing WHA rates for major projects (\$175/sq.ft of GFA or \$150,000 lot).
5. Establish higher prices that consider property owner expenditures, market value of existing property and improvements to offset risk, effort and potential discount in value of remaining lot.
6. Establish higher price but do not achieve current full market value (owner gives up some value to stay-in).

7. Allow first sale to be unrestricted and subsequent sales to be tied to this price plus appreciation tied to GVRD index.
8. First sale unrestricted; subsequent sales tied to initial price plus appreciation at **fixed rate** ~~inflation (CPI)~~.
9. Utilize density bonuses; allow greater than 3,500 sq.ft combined but restrict to 0.35 FSR; use this value to subsidize employee unit.
- ~~10. Establish maximum price ceiling for sale of employee unit.~~

General Discussion

- ❑ Approach #4: Task Force questioned the source of rate for employee lot (\$150,000). WHA clarified that there is currently no 'prevailing rate' for restricted lots, and that the WHA has not been involved in lot sales (and will not be for Rainbow). The price range for restricted lot could more accurately be described as ranging from \$100,000 to \$150,000, based on Barnfield, Spruce Grove and discussions for Rainbow.
- ❑ Approach #8: Task Force recommended that the approach be revised such that the rate of inflation (CPI) be replaced by a 'fixed rate'.
- ❑ Approach #10 was deleted as it was deemed to be similar to Approach #6.

Wrap Up/Next Steps

Staff to provide summary of affordability exercise (see attached). Next steps involve the further refinement of the top ranked approaches and development of a formal policy recommendation for task force input in a final meeting session before going to Council (date to be confirmed shortly).

NEW BUSINESS

N/A

ADJOURNMENT

The Non-Cost Housing Initiatives Task Force meeting was adjourned at approximately 5:00 p.m.

Non-Cost Employee Housing Task Force Affordability Exercise Summary

Based on the alternative approaches discussed today, which approach will work best to deliver new resident infill housing in existing neighbourhoods and maintain affordability?

On May 11 2005, Task Force members were asked to review alternative approaches to deliver new resident infill housing in existing neighbourhoods and maintain affordability. The TF considered the unique advantages and disadvantages of each approach with respect to Whistler's overall program of delivering of affordable housing, and discussed them as a group. Each Task Force member then selected and ranked the top 5 alternatives in order of priority, with 1 being highest priority and 5 being lowest priority. This summary presents the results of this group exercise, organized as follows:

1. Individual Commentary.
2. Group Discussion Results.
3. Ranked Alternatives.

1. Individual Commentary.

The following comments present individual responses provided by task force members.

1. Don't worry about it; this is a different product in the larger housing mix.	
Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Let existing owners decide if they want to participate and get uptake ▪ Be Happy, do noting. ▪ Occupancy restricted only. ▪ Will likely deliver greatest interest from property owners. ▪ Occupancy only. ▪ Uptake likely to be very high. ▪ Easy management. ▪ Market forces is only way to get a fair price. 	<ul style="list-style-type: none"> ▪ What does this mean? ▪ Not affordable long term. ▪ Absolutely need re-sale price restriction to avoid "highest bidder housing" ▪ Do nothing. ▪ Does not make any provisions for maintaining affordability. ▪ No consistent message for community. ▪ What's the point of investing staff time and efforts if not concerned about the future implications on the community? ▪ Will not maintain affordability. ▪ Open to abuse, net affordability will be low. ▪ Does not effectively protect internal market from outside income externalities; remove issues such as purchase for investment, collateral deals, etc.

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2. Tighten 'loop-holes' to limit resident market; "affordability" will be defined by this market.

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Brings on used restricted suites etc into employee market. ▪ Owner occupied as a requirement protects against absentee landlord abuses and improves affordability. ▪ Increases availability. ▪ Make owner-occupied. ▪ Ensure housing delivered to resident employee ▪ WHA, 5 year minimum residence requirement, owner occupied ▪ Yes, require that any occupancy-only restricted property must be owner-occupied, no rentals allowed ▪ Minimal management and policing ▪ Will perhaps improve affordability slightly ▪ Necessary to actually distinguish between contributing employees and subsidy seeking investors ▪ Yes, creates equity in terms of eligibility of employees ▪ Market forces is only way to get a fair price. 	<ul style="list-style-type: none"> ▪ Enforcement ▪ Absentee owner more inclined to cheat and rent gouging. ▪ Takes considerable effort; will only be applicable to new or resale. ▪ No absolute control; ability to address loop-holes ▪ What is "this market"? If unencumbered by restrictions, then won't benefit many in the community. ▪ Bad Optics = Lorimer Ridge ▪ Less expensive than current market, still may not be affordable ▪ Current WHA "wait list" will be purged slightly ▪ Lower, but with more justified ▪ Prevents potential "cheating" ▪ Fear of recommending a policy which runs contrary to individual perceptions of public expectations

3. Place restrictions on the size and gross floor area of the resident units to keep values and prices low.

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Low price, low costs ▪ Sustainable ▪ Increases availability ▪ Will result in greatest potential # of new units ▪ Tendency to deliver small lots; doesn't provide for diversity ▪ Yes, consistent with 2020 actions for smaller housing and compact neighbourhoods, but price restrict also ▪ Easy solution, lower cost ▪ Will keep total price lower ▪ Preferred to price restrictions as it minimizes bureaucratic price controls ▪ Need to maintain principal vs. auxiliary 	<ul style="list-style-type: none"> ▪ Limits resident family size, thus market of buyers ▪ Need a range of sizes to accommodate needs of different sized families' ▪ May not satisfy all needs/wants ▪ Not necessary; we need a mix of smaller and larger units ▪ Limits diversity ▪ Restrictions need to be placed on total volume as well as floor area ▪ Restrictions may limit flexibility and remove incentive ▪ "Small" and "price" are not necessarily directly related

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<p>dwelling unit size relationship (for building stratifications)</p> <ul style="list-style-type: none"> ▪ Could potentially help to maintain neighbourhood character ▪ None. 	
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4. Price restrict at prevailing WHA rates for major projects (\$175/sq.ft of GFA or \$150,000 lot).

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Maintains affordability long term for entry level employees ▪ \$175/sq.ft GFA includes the land cost. Lot prices will vary but should still allow housing to be delivered at the \$175/sq.ft GFA price ▪ Increase availability, increase quality ▪ Consistent with policy ▪ Yes, will keep the units affordable and accessible to employees and retirees in perpetuity ▪ Easy solution, is affordable ▪ Maintains affordability ▪ Simple to publicly describe and control ▪ Using base of \$175/sq.ft GFA if all cost to owner could be redirected this could be attractive ▪ Consistent community messaging for restricted product ▪ None 	<ul style="list-style-type: none"> ▪ Limits # of perspective opportunities for lot splits etc based on owner need/desire to make money ▪ Reduced uptake ▪ Increase sale price, decrease affordability ▪ Won't work, will get zero uptake ▪ Unrealistic, different situation, net some leverage ▪ Not realistic of current pricing ▪ May reduce uptake ▪ Too restrictive on many opportunities; zero uptake ▪ May not provide adequate incentive ▪ Still no clear idea how this would work

5. Establish higher prices that consider property owner expenditures, market value of existing property and improvements to offset risk, effort and potential discount in value of remaining lot.

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Allow owners of prospective lots to achieve significant access to equity without incurring costs. Make initiative non-cost for participants ▪ Maintains affordability ▪ Increase availability ▪ Increase flexibility ▪ Takes into consideration various cost factors ▪ If price is restricted after being established 	<ul style="list-style-type: none"> ▪ Higher price to buyer. ▪ RMOW or WHA establishing the higher price would be complicated and likely dissuade owner ▪ Let the owner set the initial price as in approach #7, 8 ▪ Decrease affordability ▪ Need higher prices but not more bureaucracy ▪ Difficult to determine price; every situation is different

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<p>would be more acceptable</p> <ul style="list-style-type: none"> ▪ More buy in ▪ All price control is determined by government ▪ None 	<ul style="list-style-type: none"> ▪ How to establish price and what happens for subsequent sales ▪ May not be affordable ▪ Very challenging to administer/determine value (Barnfield experience) ▪ Difficult to consistently apply to the many different situations ▪ Hard to peg this price - arbitrary figure? ▪ Really somebody else making best guess at market value - why not let market decide
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6. Establish higher price but do not achieve current full market value *of original lot/improvements* (owner gives up some value to stay-in).

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Allow owners of prospective lots to achieve significant access to equity without incurring costs. Make initiative non-cost for participants ▪ Allows equity to reduce expenses for homeowner ▪ Yes, recognizes the value to owner of staying in their own home but being able to downsize and pull out some equity and price restrict ▪ More buy in ▪ All price control is determined by government ▪ None 	<ul style="list-style-type: none"> ▪ Higher price to buyer. ▪ Bureaucratic ▪ As above in #5; it's a disincentive ▪ More affordable than full market ▪ Getting better but we still need to keep in simpler ▪ Unrealistic; can obtain line of credit, reverse mortgage ▪ May not be affordable ▪ Not much help with affordability ▪ Poor uptake expected if owner value loss is significant ▪ Owners will no "give up value to stay in"; still the price issue

7. Allow first sale to be unrestricted and subsequent sales to be tied to this price plus appreciation tied to GVRD index.

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Initial rush to purchase available lots drive price bubble up. Bubble bursts, prices come down. ▪ Attractive to owner, and still avoids future "highest bidder housing" ▪ Flexibility for developer; keeps appreciation low. ▪ "Simple" to manage ▪ Market forces at work with buyer and seller 	<ul style="list-style-type: none"> ▪ High price for initial purchase. ▪ GVRD index quite volatile. ▪ Owner has to find an employee willing to accept his price along with resale price control. ▪ Profit to developer; high inflation could cause problems. ▪ Uncertain impact on price ▪ "Property Appreciation Rate"

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<p>on board</p> <ul style="list-style-type: none"> ▪ Control maintains long term affordability, allows appreciation ▪ Yes, but should read 'appreciation tied to GVRD index and price is based on lesser of the indexed price of % cap' ▪ Allows for diversity of size and quality ▪ Allows owner to relate cost to price but still maintains long term affordability ▪ Add owner-occupant restriction ▪ Good potential for uptake by current owners; risk is on purchasers ▪ Allows for consideration of market value ▪ Fairer, but not so fair as no price restriction. 	<ul style="list-style-type: none"> ▪ May get flack from existing restricted ▪ "Price restriction" is a poor description and scares off potential uptake, should use "property appreciation rate equivalent to lower mainland" ▪ Requires more administration ▪ still the issue that price restriction defeats success of policy
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8. First sale unrestricted; subsequent sales tied to initial price plus appreciation at FIXED RATE.

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ More long term affordability since the CPI is more modest rise ▪ As above in #7 removes profit motive and speculation ▪ Flexibility for developer; keeps appreciation low. ▪ Whether it is GVRD index and cap, or CPI, it must be reasonable, fair ▪ Yes, same qualities and inclusion as above ▪ Allows for diversity of size and quality ▪ Removes profit motive from purchaser ▪ Add owner occupancy requirement ▪ Simple and predictable 	<ul style="list-style-type: none"> ▪ Higher initial price for less opportunity for equity build ▪ Not as attractive as a fixed rate (e.g. 3%) ▪ Inflation at 20%+ could make unaffordable ▪ May get flack from existing restricted ▪ CPI and GVRD are opposite trends ▪ CPI is meaningless index for this purpose ▪ Even less likely to succeed

9. Utilize density bonuses; allow greater than 3,500 sq.ft combined but restrict to 0.35 FSR; use this value to subsidize employee unit.

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Increases potential uptake as owners realize greater GFA for privacy with little cost for splitting ▪ Prefer word "justify" to "subsidize" ▪ Good incentive ▪ May create additional opportunities 	<ul style="list-style-type: none"> ▪ Neighbourhood impact ▪ Not presently being pursued except in isolated cases ▪ Gain goes to a fund ▪ Do not allow greater GFA than would have been permitted before the lot split - goes against idea of

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<ul style="list-style-type: none">▪ Extra value to work with▪ Not complicated▪ Provides incentive while still allowing for total density restriction▪ Most efficient use of available land	<ul style="list-style-type: none">compact housing▪ May impact neighbourhood character▪ Doesn't encourage smaller unit size, neighbourhood impact▪ Negative impact in neighbourhood▪ With infill approach we need to limit not expand▪ Not a "density bonus" but a "setback relaxation"▪ Public perception; larger houses not supported▪ None
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Additional Alternative Suggestion:

Approach: No restriction on subsequent sale price if permitted GFA for the lot is reduced by 15% for the divided lot

Advantages: Encourages for compact housing per W2020; Neighbours will see reduced scale of development on the lot; value of the 2 units will decrease but increase affordability over time; bureaucracy of managing price restriction over time is gone.

Disadvantage: Loss of price restriction.

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2. Group Discussion Results.

1. Don't worry about it; this is a different product in the larger housing mix.	
Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ High Uptake ▪ Easy to manage, no bureaucracy, straightforward ▪ Least restrictive approach ▪ Buyer gets market price; buyer and seller agree and establish price between the 2 parties [A1] 	<ul style="list-style-type: none"> ▪ Enforcement issue: How to ensure unit is employee occupied? [D1] ▪ Allows for outside purchase for investment, creating need for owner-occupancy restriction [D2] ▪ No price restriction will not maintain affordability over time [D3]

2. Tighten 'loop-holes' to limit resident market; "affordability" will be defined by this market.	
Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ High Uptake (but not as high as #1) ▪ Ensures unit is owner-occupied ▪ Limits "externalities" and allows price to be determined by "inside" Whistler market ▪ Will perhaps improve affordability ▪ Reduces waitlist by eliminating loopholes 	<ul style="list-style-type: none"> ▪ No price restriction will not maintain affordability over time [D3+] ▪ Less expensive than open market alternative ▪ No absolute price control ▪ Some potential that outside forces impact affordability

3. Place restrictions on the size and gross floor area of the resident units to keep values and prices low.	
Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Approach is consistent with Whistler 2020 for compact housing ▪ Lower cost to building ▪ Price is intrinsically controlled by size 	<ul style="list-style-type: none"> ▪ Limits flexibility ▪ Lacks diversity for meeting resident needs ▪ Restrictions may be arbitrarily determined; may not fit with individual lot configurations and may not necessarily promote efficient land use ▪ * There is only partial correlation between unit size and price; this is not the only factor in maintaining affordability

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4. Price restrict at prevailing WHA rates for major projects (\$175/sq.ft of GFA or \$150,000 lot).

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Maintains affordability ▪ Simple to describe, promote to community ▪ Consistent messaging around delivery of resident housing 	<ul style="list-style-type: none"> ▪ Zero uptake ▪ None!

5. Establish higher prices that consider property owner expenditures, market value of existing property and improvements to offset risk, effort and potential discount in value of remaining lot.

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Deals with owner concerns around costs, risks and incentives ▪ Potential for greater net financial gains in sale of resident unit 	<ul style="list-style-type: none"> ▪ Cumbersome approach; difficult to determine higher price, then apply and administer [D4] ▪ Prone to abuse ▪ Little to no uptake

6. Establish higher price but do not achieve current full market value *of original lot/improvements*(owner gives up some value to stay-in).

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ May create stay-in opportunity (depends on market price discount) 	<ul style="list-style-type: none"> ▪ Cumbersome approach; difficult to determine higher price, then apply and administer [D4]

7. Allow first sale to be unrestricted and subsequent sales to be tied to this price plus appreciation tied to GVRD index.

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Allows for diversity of size and quality ▪ Buyer gets market price; buyer and seller agree and establish price between the 2 parties [A1] ▪ Good uptake ▪ Shifts "risk" from current to future owner ▪ Allows reasonable return ▪ Potential appreciation for owner ▪ Adds a price restriction/cap 	<ul style="list-style-type: none"> ▪ Limits 'profit motive' ▪ Price restriction (initial price) impacts potential supply and uptake [D5] ▪ Noted refinement: Use terminology "property appreciation rate" instead of "price restriction" to limit confusion?

APPENDIX A

8. First sale unrestricted; subsequent sales tied to initial price plus appreciation at FIXED RATE.	
Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Simple; understandable ▪ Predictable for buyer ▪ Provides a cap 	<ul style="list-style-type: none"> ▪ Market may be flat but price may continue to escalate which impacts affordability over time ▪ Price restriction (initial price) impacts potential supply and uptake [D5]

9. Utilize density bonuses; allow greater than 3,500 sq.ft combined but restrict to 0.35 FSR; use this value to subsidize employee unit.	
Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Increase potential uptake (increased incentive through density bonus) ▪ Can promote more efficient use of land 	<ul style="list-style-type: none"> ▪ With increased GFA, could create neighbourhood character issues and concerns around massing ▪ Contrary to encouraging compact housing espoused by Whistler 2020 ▪ Potential for extraordinary gain to owner ▪ More administrative issues to ensure gain is properly managed

~~10. Establish a maximum price ceiling for sale of employee unit.~~ Deleted; deemed to be the same as Approach #6.

APPENDIX A

3. Ranked Alternatives.

Task Force members selected and ranked the top 5 alternatives in order of priority, with 1 being highest priority and 5 being lowest priority. These rankings were weighted, as shown below, and the final tabulation for each alternative is presented in the last column on the far right.

Alternative	RANK 1	RANK 2	RANK 3	RANK 4	RANK 5	Score	
Value	5	4	3	2	1		
1	Don't worry about it; this is a different product in the larger housing mix.					1	1
2	Tighten 'loop-holes' to limit resident market; "affordability" will be defined by this market.	2	2	3	1		29
3	Place restrictions on the size and gross floor area of the resident units to keep values and prices low.		1	1	2	2	13
4	Price restrict at prevailing WHA rates for major projects (\$175/sq.ft of GFA or \$150,000 lot).	1	1	1	1		14
5	Establish higher prices that consider property owner expenditures, market value of existing property and improvements to offset risk, effort and potential discount in value of remaining lot.	1	1	1		4	16
6	Establish higher price but do not achieve current full market value (owner gives up some value to stay-in).			2	1	2	10
7	Allow first sale to be unrestricted and subsequent sales to be tied to this price plus appreciation tied to GVRD index.	4	4		1		38
8	First sale unrestricted; subsequent sales tied to initial price plus appreciation at FIXED RATE.	3	2	2	1	1	32
9	Utilize density bonuses; allow greater than 3,500 sq.ft combined but restrict to 0.35 FSR; use this value to subsidize employee unit.			1	4	5	16



MINUTES

MEETING OF NON-COST HOUSING INITIATIVES TASK FORCE
June 8, 2005 at 2:00-5:00 P.M.

Council Chambers, Whistler Municipal Hall
4325 Blackcomb Way, Whistler, BC V0N 1B4

IN ATTENDANCE

Community Members

David McColm, Member
Drew Meredith, Member
Chris Quinlan, Member
Garry Watson, Member
Ben Day, Member

WHA Board of Directors, Chair

Councilor Nicholas Davies

Municipal Staff

Mike Kirkegaard, Chair, Mgr. Community Planning & Sustainability
Sarah McJannet, Planning Analyst, Community Planning & Sustainability
Craig Koszman, Building Services
Guy Patterson, Housing Planner

WHA Staff

Tim Wake, General Manager
Marla Zucht, Housing Administrator

ABSENT

Chris Manuel, Member
Tom Horler, Member
Shannon Byrne, Member
David Erhardt, Member

Mike Kirkegaard called the meeting to order at 2:05 p.m.

ADMINISTRATIVE ITEMS

Welcome & Agenda Review

Mike Kirkegaard welcomed the Task Force and conducted a brief 'check-in' with the members.

Staff indicated that support from the task force will be instrumental as we move forward with recommendations for Council. Mike asked if this is an initiative that members feel is worthwhile and one they can stand behind despite the potential challenges including neighbourhood acceptance. The task force members confirmed that they are supportive of the initiative, that it is a good initiative and that we have generally achieved consensus around the key issues.

Meeting minutes from May 11, 2005, were approved as presented.

PRESENTATIONS & ASSOCIATED DISCUSSION

Affordability Exercise Results Staff began the session by reviewing the results of the affordability exercise conducted at the May 11 meeting, where members considered 10 alternatives for delivering resident restricted infill housing in existing neighbourhoods and maintaining affordability. Staff compiled the individual and group discussion points for each alternative, and distilled the advantages and disadvantages to highlight the relative merits of each approach. Staff noted that this input is useful to inform the final policy recommendations, and explain the rationale for the rankings.

The common themes that were underlying the issues and rankings were:

- Likelihood of delivery of new units (program uptake by existing property owners)
- Ability to maintain affordability
- Ease of administration (process to establish price and enforcement)
- Flexibility to meet housing needs/owner and buyer desires (existing property/site considerations; financial considerations; livability choices)
- Consistency with housing policy

* See attached powerpoint presentation for full summary of distilled advantages and disadvantages.

Top ranked alternatives were presented, as follows:

1. Allow first sale to be unrestricted and subsequent sales to be tied to this price plus appreciation tied to GVRD index (38 points)
2. First sale unrestricted; subsequent sales tied to initial price plus fixed rate appreciation (32 points)
3. Tighten loop-holes to limit resident market; “affordability” will be defined by this market (29 points)

General Discussion

- ❑ Affordability exercise resulted in 3 clear ‘winners’ or preferred approaches (see above). Task force inquired as to whether the other alternatives reviewed could be incorporated into policy recommendations. Staff noted that this is a possibility, however the preferred alternative will inform the main future policy direction.
- ❑ A task force member expressed concern that the task force has favoured considerations around the buyer circumstances over those of the seller; he noted his concerns over the impact of future price restrictions on potential uptake.
- ❑ Other members of the task force agreed that a fundamental philosophy is the need to have some level of restrictions to control unforeseen ‘loopholes’ and externalities and maintain ensure long-term affordability for the resident restricted market. This alternative was felt to be a compromise, by allowing initial property owners to sell their a lot/unit unrestricted for the first sale, while capping the appreciation rate. This is considered essentially as a ‘back-stop’; having no price restrictions at all

was not supported by the members of the task force. Mike noted that this alternative provides a 'flexible platform' and that it provides an opportunity to move forward with this initiative. If uptake is limited due to the restriction, it can be reviewed in the future.

FIXED RATE VS. GVRD INDEX

- ❑ TF discussed the top two alternatives, and reviewed the advantages and disadvantages of linking appreciation to GVRD index vs. a fixed rate.
- ❑ GVRD index: WHA noted that this index was initially used as the preferred appreciation rate over CPI because it was considered to support the movement of employees from the lower mainland to Whistler (properties in both areas appreciate at the same rate). However, the GVRD index was recognized as being a statistical model created by the Real Estate Board; the formula used in the calculations was recently changed, highlighting that the WHA has no control over how the index is revised (which may not suit the needs of WHA).
- ❑ The majority of the task force was in favour of using a fixed rate appreciation because it provides a greater degree of certainty for buyers over the long-term and allows for advance financial planning. With respect to the determination of the fixed rate, the task force confirmed that there needs to be more research done to come up with a defensible number.
ACTION: Staff to investigate potential rates by reviewing CPI for housing over time, long-term GVRD appreciation rates (past 13 years of data) as well as rates used in comparable communities.
- ❑ Task force considered whether the preferred appreciation mechanism would be equitable and that we need to consider other existing resident restricted agreements; is there an opportunity to offer a fixed rate appreciation mechanism to existing resident owners whose home appreciation is tied to the interest rate or the GVRD index. Provides opportunity for level playing field, particularly for units where prices go up with interest rates, which is contrary to the market.

ASPEN-PITKIN COUNTY RESIDENT OCCUPIED HOUSING EXAMPLES

- ❑ Staff presented a community example of resident occupied housing in Aspen, Colorado. The Aspen-Pitkin County Housing Authority offers a range of price-restricted housing tied to income and asset categories (11 in total) as well as resident occupied housing product. RO housing was created to offer private sector incentive to deliver employee housing, and to provide diversity of product targeted to keeping middle-income professionals (health care professionals, educators, lawyers and their services etc) in Aspen and stop leakage down valley.
- ❑ Staff reviewed the RO housing restrictions and eligibility criteria, and spoke about the 'North 40' private sector housing subdivision example (Aspen Times article provided to task force by email – see link below)
<http://www.aspentimes.com/article/20050531/NEWS/105310010>

Lessons learned by the housing administrator with the Aspen-Pitkin County Housing Authority included: Need to address issue of determining value of sweat equity (similar to Barnfield); requirement to implement design controls to address neighbourhood character, and the future consideration of a cap on maximum price (\$ per square foot of built floor area) for publicly initiated projects.

Preferred Alternative – Implementation Considerations

Staff led a review and discussion of the preferred alternative: what it means, how it could work, and how it might be applied to potential development scenarios:

“Allow first sale to be unrestricted and subsequent sales to be tied to this price plus fixed rate appreciation.”

A number of development opportunities were shown in a matrix, highlighting possible unit and lot sale scenarios (see attached). Staff asked the task force to consider which alternatives are most likely, and whether there were any alternatives that should be ruled out. Further, staff asked members to consider how the ‘first sale unrestricted’ should be applied.

General points of discussion:

- ❑ Task Force agreed that the price is established at the point of the first unit sale (with subsequent sale prices tied to fixed appreciation rate). This addresses the complexity around how to calculate value of improvements.
- ❑ Other restrictions that were considered and supported:
 1. Requirement to build resident unit within 3 years of purchase of vacant lot (‘occupancy permit’ to be obtained within 3 years of date of purchase). If this requirement is not met, WHA gains right of first refusal to purchase lot.
 2. Purchaser of a lot cannot resell the lot at a profit (i.e. without a unit) to avoid speculative land purchases. Lot can change hands a number of times before unit is built, however lot sale must be same price as initial sale.
- ❑ Clarification around Density Bonus scenario: Task force agreed that density bonus should not be permitted for infill to respect neighbourhood character issues, such that maximum buildable density on both combined lots is equal to that of original parent parcel.
- ❑ Further, the same setbacks as required on the original lot (with specified unit area) must be applied to lots to mitigate impacts of additional unit. Ultimately, task force recommended more units but not more floor area. *Building staff noted that adequate building separation will have to be addressed to ensure that unit construction meets building code. **ACTION: Staff to ensure that working examples are developed and included with the policy recommendations to Council.**
- ❑ Task force discussed how to address the existence of suites in employee and market units: Can an employee unit contain a suite? The market unit? **ACTION: Staff to investigate and evaluate neighbourhood impacts through working examples.**

Resident Eligibility Criteria for Infill Housing

Staff also led a discussion around ways to tighten loop-holes to limit the resident market and restrict “externalities” (preferred alternative #3 – see above). The resident eligibility criteria for Aspen-Pitkin County employee housing was also discussed for reference.

The following recommendations were supported:

- ❑ Addition of “owner-occupied” restriction – unit must be primary place of residence; required proof of residency; some allowances (with appeal mechanism). These allowances would permit unit owners to rent their

unit for a maximum specified period to accommodate situations where owner is away on leave of absence, or traveling etc.

- ❑ Requirement that to be eligible for this product must be resident for 2 consecutive years [initial WHA suggestion of 5 years was felt to be too restrictive by many members of the task force; Aspen requires 4 years]. WHA noted concerns over new residents with wealth from outside community, waiting the 2 year period then purchasing resident restricted product vs. purchasing the market product that they could afford.
- ❑ WHA reviews proof of eligibility for the first unrestricted unit sale. When restricted how do you determine who gets to buy now price-restricted unit (consider going to the list first).

Other general points of discussion:

- WHA noted they already have existing restrictions for retiree eligibility [must have been employed in the Resort Municipality during 4 of last 5 years prior to retirement].

Wrap Up/Next Steps

Task force members supported direction that has been developed. Prior to going to Council, there is a need to develop “working examples” and design guidelines.

ACTION: to be completed before next task force meeting.

Next steps involve the refinement of the preferred approach and development of a formal policy recommendation for task force input in a final meeting session before going to Council in late July/ early August (date to be confirmed shortly).

NEW BUSINESS

N/A

ADJOURNMENT

The Non-Cost Housing Initiatives Task Force meeting was adjourned at approximately 4:45 p.m.

Enclosures

TF Powerpoint Presentation #5_06-08-05
Alternative Development Scenarios Worksheet

APPENDIX B

Review of Non-Cost Housing Initiatives (2003-04)

While the municipality has increased the resident housing stock by establishing an employee reserve fund, forming the Whistler Housing Authority and directing funds to the construction of resident housing, the demand for resident housing has remained strong. In January 2003, the Task Force on Employee Housing Non-Cost Initiatives (the ‘Task Force’) was appointed by Council to review and provide feedback on the available mechanisms for non-cost resident housing initiatives that emerged through discussions with Council, municipal staff and WHA staff and board members.

Following a series of workshops, on February 17, 2003 the Task Force presented a number of recommendations to Council, which were subsequently brought forward by municipal staff for formal Council consideration on March 3, 2003. These recommended regulatory changes and policy amendments are noted below:

RECOMMENDED REGULATORY CHANGES	RECOMMENDED POLICY AMENDMENTS
<ul style="list-style-type: none"> ▪ Institute a Density Bonus Program to facilitate the creation of auxiliary residential suites (see further information in the discussion below) 	<ul style="list-style-type: none"> ▪ Develop a Communications Strategy through the WHA emphasizing the importance of resident restricted and unrestricted resident housing to the vibrancy and health of the resort community.
<ul style="list-style-type: none"> ▪ Allow Detached Garages with Suites, Detached Suites and Increased Suite Size in existing neighbourhoods 	<ul style="list-style-type: none"> ▪ Permit Off-Site Conversions allowing developers and homeowners to provide off-site housing through the conversion of existing market stock to deed-restricted employee units
<ul style="list-style-type: none"> ▪ Amend the Works & Service Charge Bylaw including increased per unit charges and inclusion of single-family residences over 3,500 square feet, to more accurately reflect employee generation and housing costs. 	<ul style="list-style-type: none"> ▪ Permit Large Lot Subdivisions where properties meet minimum parcel size requirements and where the second lot becomes a resident restricted duplex or single-family lot.
<ul style="list-style-type: none"> ▪ Explore the creation of Tax Incentives for properties that have secondary suites. 	<ul style="list-style-type: none"> ▪ Permit Suite Stratification to allow property owners to stratify and sell a portion of their existing home, thereby enabling them to leverage some of the value in their home while staying in the community.
	<ul style="list-style-type: none"> ▪ Encourage Strata Rezonings for complexes with under-utilized spaces appropriate for the creation of employee units.
	<ul style="list-style-type: none"> ▪ Require Employee Housing in all new development.
	<ul style="list-style-type: none"> ▪ Continue to monitor non-cost initiatives.

In June 2003, Whistler’s Zoning & Parking Bylaw 303, 1983 was amended to allow for the construction of employee housing within existing neighbourhoods. Zoning Amendment Bylaw (Employee Housing Initiatives) 1621, 2003 enabled:

1. An allowable density bonus of 56 square meters for RS1, RS2 and RS3 zoned properties with the construction of an auxiliary residential dwelling unit to be covenanted by an employee housing agreement (permitted only where a FSR of 0.35 is possible);
2. Detached suites or garages with suites in the RS1, RS2, RS3 and RES1 zones; and,

3. Increased suite size from 75 to 90 square metres (up to 40% of the total density on a parcel) in the RS₁, RS₂, RS₃ and RES₁ zones.

Update on Initial Non-Cost Initiatives

As part of the ongoing monitoring of non-cost initiatives, the following progress report was provided to the Task Force in early 2005:

Density Bonus Program Uptake. While municipal staff has responded to numerous inquiries on the allowable density bonus in the RS₁, RS₂ and RS₃ zones, no property owners have formally participated in the density bonus program to date. An initial review in 2003 reported that approximately 600 properties would potentially be able to take advantage of the allowable density bonus. However, in discussions with building and planning staff, some of the common barriers to participation include lot area and density restrictions (the requirement for a floor space ratio of 0.35 means that in practicality, the density bonus will only be possible where a lot exceeds approximately 1,020 square metres or 11,000 square feet); further, the requirement to register an employee housing covenant has also acted as a 'disincentive' for many property owners concerned that such a covenant will limit the long-term value of their investment and ability to recover development/construction costs. Other factors influencing the low uptake include ongoing leakage and changing land development economics, potential building code issues and potentially a lack of communication of the program.

Auxiliary Suite Construction. In 2003, the Task Force set a target for a 25 percent annual increase in the baseline number of auxiliary employee suites constructed in the resort community. This target clearly has not been met, influenced in part by the slowdown in the number of new single-family units developed each year over the last three years.

In January 2005, the municipality had an estimated inventory of 460 auxiliary residential suites, based on those permitted by building permit and tracked by the RMOW building department.¹⁰ Despite a solid base inventory of auxiliary suites, Whistler has seen a general declining trend in auxiliary suite construction since 1996. Ten auxiliary suites were constructed in 2004 compared to an average of 53 per year between 1996 and 1999 and 20 per year between 2000 and 2003. With respect to the ratio of auxiliary suites to new single-family dwellings, in 1990, 90 percent of new single-family units approved for construction had associated auxiliary suites, compared to 30 percent in 2000-2001. In 2003-04, this ratio increased to 50-60 percent. However, 20-30 percent of the new suites constructed between 2002-2004 were required by development covenant as part of initial rezoning approval.

Despite recent data showing that a majority of new auxiliary suites were located in the principal dwelling in 2002-2004, the number of detached suites constructed after the institution of the employee housing initiatives bylaw amendment has shown a positive response – an estimated 50 percent of the auxiliary suites constructed in 2004 were detached.

Works & Service Charge Bylaw Review. Municipal staff has retained a consultant to investigate the options for amending the Employee Works and Services Charge Bylaw. The consultant is currently conducting background research and will focus on the employee generation formula and consider applying this formula requirement to SF and MF residential uses.

¹⁰ The current estimated inventory of 460 auxiliary residential dwelling units is based on a 1998 WHA inventory of auxiliary suites, augmented by the number of auxiliary suites constructed since 1998. In 1998, the WHA also estimated that an additional 300 unauthorized auxiliary suites existed in addition to those tracked in the inventory. It should be noted that auxiliary residential dwelling units have not historically been tracked in RMOW Accommodation Land Use Inventory.

Tax Incentives. Municipal staff has yet to explore the creation of tax incentives for properties with auxiliary residential dwelling units; this will be undertaken in 2005/06 when resources allow.

Communications Strategy. While a formal communications strategy has not been developed, the WHA continues to emphasize the importance of resident restricted and unrestricted resident housing to the vibrancy and health of the resort community.

Off-site Conversions & Cash-In-Lieu Policy. Council passed a resolution supporting cash-in-lieu of mandatory suites at their Regular meeting on June 7, 2004. This policy was supported on a trial basis, and requires that staff report on the results of the cash-in-lieu program in June 2006. In January 2005, the WHA reported that one off-site conversion took place in 2003 whereby a Taluswood property owner pursued the off-site conversion policy through the purchase and covenanting of a Gondola Village unit for employee housing in exchange for releasing the covenant from the Taluswood property. This policy was challenged by the property owners and in its place, the WHA Board and Council adopted a Cash-In-lieu policy which set the amount for cash-in-lieu of secondary suites at \$150,000 for the discharge of a mandatory suite covenant with the fee going to the employee housing fund.

Strata Rezonings. To date, no strata developments have approached the municipality to rezone under-utilized spaces in order to create employee units.

APPENDIX C

Subdivision of Suites: Regulations & Approval Authority

A	LAND TITLE NET SUBDIVISION	APPROVAL AUTHORITY	APPROVAL REQUIREMENTS	OPPORTUNITY FOR HOUSING COVENANT?
	EXISTING STRUCTURE	Council to approve Zoning Approving officer must approve subdivision and required easements Or will not be accepted by Land Title Office	Must meet minimum lot size by zoning Suite must be located within auxiliary building, can not be located within principle dwelling or attached to principal dwelling Servicing requirements, as necessary Easements for servicing, (water, sewer, gas, hydro, telus) and for access, as necessary Must have highway access or alternative access (e.g.. easement) Building must meet BLOC	Yes, tie to rezoning approval
	NEW STRUCTURE	Same as above	Same as above	Same as above

* Occupancy is not a factor for a Land Title Act Subdivision

B	STRATA PROPERTY ACT BARE LAND STRATA CREATES TWO STRATA LOTS	APPROVAL AUTHORITY	APPROVAL REQUIREMENTS	OPPORTUNITY FOR HOUSING COVENANT?
	EXISTING STRUCTURE	Council to approve Zoning Approving officer must approve subdivision and required provisions for servicing or will not be accepted by Land Title Office Land Title Office	Must meet minimum lot size by zoning Suite must be located within auxiliary building Servicing requirements, as necessary Easements or common property for servicing and access Building must meet BLOC	Yes, tie to rezoning approval
	NEW STRUCTURE	Same as above	Same as above	Same as above

* Occupancy is not a factor for a Strata Property Act Bare Land Strata

C	STRATA PROPERTY ACT BUILDING STRATA 3-DIMENSIONAL CREATES TWO STRATA LOTS	APPROVAL AUTHORITY	APPROVAL REQUIREMENTS	OPPORTUNITY FOR HOUSING COVENANT?
	EXISTING STRUCTURE and PREVIOUSLY OCCUPIED	Council is approving authority; will not be accepted by Land Title Office without Council approval	3 dimensional survey of strata lots, and survey of common property As determined by Council to protect public interest Must meet BLOC	Yes, Tie to Council approval

APPENDIX D

SINGLE FAMILY DWELLING/SUITE SUBDIVISION ISSUES

To: Non-cost housing committee Taskforce.

From: Craig Koszman -RMOW building department.

Summary

RS-1 zoning allows a principle dwelling and an auxiliary suite. The BCBC 9.36 allows relaxed code requirements for "secondary suites" which among other things is "located in a building which is a single real estate entity". If a subdivision were to occur then various code upgrades would be required to conform to the building code.

9.36.2.1 - minimum height of rooms- increase from 6'7" to 7'7" .

9.36.2.2. - solid blocking- required for exterior door jambs as security.

9.36.2.3. - minimum window areas- most rooms require natural light.

9.36.2.4. - exit stairs width-(not common) need increase fro 34" to 36" .

9.36.2.5. - landings- need increase to 36" .

9.36.2.7. - means of egress- corridors(not common) need increased width to 43" .

9.36.2.8. - exit fire separations- (not common) need increased fire separation.

9.36.2.9. - exit exposure- need to exit suite without passing windows of main house.

9.36.2.10. - door size- 32" minimum.

9.36.2.12. - shared egress- second egress required if main egress shared with main house.

9.36.2.14. - structural fire resistance- posts and walls supporting a fire separation need rating also.

9.36.2.15. - combustible water pipes- not allowed to penetrate fire separation between units without upgrades.

9.36.2.16 - combustible drain pipes- not allowed to penetrate fire separation without upgrades.

9.36.2.17 - fire separation- upgrade from ¾ hr to 1hr and continuous to wall or u/side of roof .

9.36.2.20 - air ducts/fire dampers- not allowed to penetrate fire separation.

9.36.2.21 - spatial separations(building to building separations)- higher standard of evaluation.

9.36.2.22 – smoke alarms- not interconnected- separate system for each unit.

9.36.2.23 –sound control- upgrade requirements apply.

9.36.2.24 – attic access- separate access required for each unit.

Other potential issues to consider are

-stratification could present difficulties.

-two hydro services required

-two water services/water meters required

-two sewer services required

Building department comments

There was some question of the ability to subdivide under the current RS-1 zoning. There was also a general feeling that the \$50 Ft² may be on the low side as the building would literally need to be gutted to the framing with major upgrades required to building services (plumbing, electrical).

Conclusion

There will be a wide variety of upgrades required depending on the existing condition and the age of the building. Hard to estimate cost but the plumbing and electrical work will likely be expensive because of extensive work required. Further investigation could be done as to “minimum requirements for subdivision”. This should be done through: RMOW subdivision approving officer, land titles office, surveyors and lawyers.

The upgrade costs and employee restriction could make it unlikely that anyone would consider it. The idea probably has merit for new construction only but this would result in a duplex that could be subdivided without municipal approval and no employee restriction.

The end result is less employee housing because the suite/ duplex unit would be converted from an existing rental unit to an open market residence. It would probably allow existing homeowners to extract equity from the property though they would need to spend a considerable amount in upgrades or reconstruction to do this.