

REGIONAL DISTRICT OF KOOTENAY BOUNDARY -
2020 APPLIED RESEARCH HOUSING PROJECT

Perspectives on Rural Market Housing Solutions



TABLE OF CONTENTS

Publication Details	3
Acknowledgements	3
Executive Summary	4
Terms	5
List of Acronyms	7
Introduction	8
Project Background	8
Purpose	8
Report Structure	9
Methodology	9
Part 1: Understanding Rural Housing Approaches	10
Defining the Problem	10
Influences on Housing Shortages in Rural Communities	12
Barriers to Development	12
Rural-specific Barriers	13
Rural Case Studies: Emerging Best Practices	14
Part 2: RDKB Findings	16
RDKB: Housing Needs Report Summary	16
Additional RDKB Observations	17
Builder, Developer, and Realtor Perspectives	20
Promising Solutions for the RDKB	23
Part 3: Summary of Opportunities	27
References	31
Appendix A: Extended Development Models	33
Appendix B: Continuum versus Wheelhouse	36
Appendix C: Case Studies	38
Appendix D: Developer Insights Questions	40

PUBLICATION DETAILS

Project Team

- Tara Howse
- Ingrid Liepa
- Blake Glassford
- Lauren Rethoret
- Sarah-Patricia Breen

Publication Date: May 10, 2021

ACKNOWLEDGEMENTS

This report was conducted as part of the *Local Government Economic Development Research and Capacity Building program*, a regional-scale economic development initiative focused on business attraction, land development, and economic resilience for the Kootenay/Lower Columbia and Boundary regions. Funded by the Province of BC's Rural Dividend Fund in 2019, a total of \$500,000 from the Province of BC was matched with \$250,000 from Columbia Basin Trust and the Regional Districts of East Kootenay (RDEK), Central Kootenay (RDCK), Kootenay Boundary (RDKB), and the Town of Golden.

We acknowledge the following individuals for their contributions to this report:

Regional District of Kootenay Boundary Project Advisory Committee:

- Donna Dean
- Elizabeth Moore
- Sandy Elzinga
- Linda Worley
- Katie Erickson

The Research Team would also like to thank the numerous individuals who spent time discussing housing with Research Team members, both from within and outside the RDKB. These insights proved invaluable in grounding the research to a local context.

The Research Team and the RDKB acknowledge and appreciate that the land on which we gather is the converging, traditional, and unceded territories of the Sinixt Arrow Lakes People, the Okanagan Syilx People, the Secwepemc People, and the Ktunaxa People, also wish to acknowledge the Métis Peoples whose footsteps have marked these lands. There are nearly 2,000 Indigenous Peoples in the RDKB and it is recommended that any housing projects consider the compounding and intersecting impacts of colonization on Indigenous populations.

EXECUTIVE SUMMARY

The Regional District of Kootenay Boundary (RDKB) is facing an inadequate supply of market housing to meet current and future housing needs in the region. The purpose of this research was to:

- 1) Identify successful local and regional approaches to rural market housing development, and
- 2) Engage housing developers and housing professionals to pinpoint challenges and barriers to developing new market housing.

Key findings include:

Gaps in research

- There is a gap in research on rural market housing models.
- Most housing research is focused on urban settings where best practices are supported by economies of scale and population density.
- Most rural housing research has been focused on subsidized housing for low-income households and/or addressing immediate housing needs of the homeless.

Challenges and barriers

- Attainable market housing developments in the RDKB are constrained by inadequate return on investment and insufficient local data to inform the business case for investment.
- There is uncertainty in development processes, which includes factors such as timing and communications required between multiple jurisdictions or agencies.
- There are four overlapping issues that impact the demand-side of market housing and what builders and developers are choosing to build:
 - 1) Aged housing stock
 - 2) Existing homogenous housing supply (single-detached homes)
 - 3) Cost of housing (rental or purchase price)
 - 4) Consumer desire for single-detached homes, also described as “white picket fence syndrome”

Best practices:

- Five broad themes emerged that will serve to support market housing developments in rural areas:
 - 1) Partnerships and collaboration
 - 2) Prioritized housing and strategies
 - 3) Collection and publication of local data
 - 4) Clear and streamlined process
 - 5) Creative and flexible with new ideas

The overall conclusion from this research is that housing in the RDKB – and in rural communities in general – needs to be addressed using an integrated approach that is more collaborative, embraces mixed-used models, and that serves mixed-income and multi-generational needs. By developing stronger relationships between the community, government, builders, developers, and other stakeholders in the housing sector around housing needs, local communities and rural regions can benefit both economically and socially.

TERMS

Absorption rates, refers to how much demand there is within the community and is typically demonstrated through sales and turnaround time to sell. Traditionally it has been expressed as the ability to sell, however, rural builders and developers further noted that absorption rates can also refer to a community's infrastructure and resource capacity, including access to supplies, labour, sewer and water capacities, or healthcare.

Affordable housing, is when a household is paying 30% or less of their gross income on housing costs.

Agrihoods, master-planned communities that put agriculture and food at the centre and typically focus on sustainability, community- and place-based design.

Attainable housing, for this report, is unsubsidized, market-priced housing that is affordable for low to middle income households and will vary in price based on local median income levels.

Bare land strata, land that has both common property and individually owned lots.

Cohousing, typically either a strata or cooperative form of ownership, occupants own private dwellings with central shared spaces. All decisions are consensus-driven, from design to operations, and members are expected to fully participate in all aspects.

Community land trust (CLT), CLT owns the land and grants the use of that land to third parties through long-term leasehold agreements.

Cooperative, individuals join as members and have shares in either the building or full development, with associated management and upkeep shared amongst members.

Core housing need, households living in housing that is inadequate (in need of major repairs, such as plumbing or electrical) and/or unsuitable (too small for the number of people) *and* the household would need to spend more than 30% of gross income to find acceptable housing.

Development models, refer to the type of development a builder, developer, local government, or non-profit aims to build. These models can take various forms of ownership and occupancy. For descriptions of development models, please see Appendix A: Extended Development Models.

Freehold, the owner owns the house and grounds.

Housing continuum, a linear model most often used to depict housing options; it illustrates the range of social, non-market and market housing options available in a community, from temporary to permanent housing.

Life leases, a hybrid form of tenure that permits the purchaser to occupy a residence for life in exchange for an initial lump sum payment.

Market housing, refers to both purpose built rental and ownership-based housing where the burden and risks of development are on the developer or builder.

Missing middle, refers to the unmet housing demand by young families, active and independent seniors, retirees, and the younger workforce.

Mixed-use, a planning principle that integrates residential, commercial and/or public service areas.

Multi-unit, can be semi-detached or apartment/condominium style housing.

Non-market housing, is housing that is developed and operated through community-based, non-profit organizations or local government that receives financial assistance to keep rents affordable.

Pocket neighbourhoods, clusters of dwellings with a shared open space, i.e., a neighbourhood within a neighbourhood.

Rental, unit is owned by either a private entity or public non-profit and the occupant pays monthly fees.

Secondary rental market, dependent on the research, it can refer to a hidden market, such as subletting, or to homeowner-built secondary suites (both legal and illegal).

Shared equity, restricts the resale price of homes through agreements in place before the initial sale and can be delivered through local governments, non-profit organizations, or developers.

Shared ownership, owners purchase a share of the property through a mortgage and pay a rent to the managing housing association for the remaining share, with the option to increase their shares to the property.

Secondary suites, any type of accommodation on a property that is not the primary dwelling.

Seniors housing, is demographic-specific housing that varies greatly in form and can range from long-term supported care to mainstream housing, with similarly broad age bracket ranges.

Single detached home, a single dwelling not attached to any other dwelling or structure (except its own garage or shed). It has no dwellings either above or below, and has open space on all sides.

Strata, owner owns the individual dwelling unit plus a share of the common areas.

Wheelhouse model, an alternative model of housing that shifts the focus away from homeownership as the end goal and recognizes that housing needs will shift and change for people through their lifetime. All types, forms and tenures of housing are seen as vital components for creating and maintaining a healthy, sustainable and adaptable housing system. See Appendix A for more information.

Tiny homes, dwellings generally considered under 500 square feet, they can be movable or permanent and may or may not be connected to sewer or grey water.

LIST OF ACRONYMS

BC, British Columbia

CMHC, Canadian Mortgage and Housing Corporation

DCC, Development Cost Charge

FCM, Federation of Canadian Municipalities

HNR, Housing Needs Report

NIMBY(ism), Not In My Back Yard

OCP, Official Community Plan

RDEK, Regional District of East Kootenay

RDKB, Regional District of Kootenay Boundary

UBCM, Union of British Columbia Municipalities

INTRODUCTION

PROJECT BACKGROUND

The Regional District of Kootenay Boundary (RDKB) is facing an inadequate supply of market housing to meet current and future housing needs in the region. It is not alone in the housing challenges it faces. Housing affordability and accessibility have become well-recognized issues across Canada.¹

While housing has traditionally been considered a provincial matter, the federal government entered the arena in 2017 with a National Housing Strategy called *A place to call home*², which is focused primarily on affordable housing for low-income families, leaving gaps in regard to seniors' housing and young people and families. As a result of the federal strategy, British Columbia (BC) developed a provincial housing strategy, called *Homes for BC*³, a 30-point plan to address housing affordability in BC. Through a bilateral agreement with the Canadian Mortgage and Housing Corporation (CMHC), both the federal and provincial strategies are being implemented.

Despite these plans and increased funding from senior levels of government, there remains a critical housing gap in what has come to be described as the *missing middle*, which typically encompasses the lower end of market housing, including rentals and entry-level home ownership.

Within the RDKB, the missing middle is impacted by the existing housing stock. With limited new housing development over the decades, the RDKB has an aged housing stock in need of repairs and major energy efficiency upgrades.⁴ The housing stock is predominantly single-family housing, which limits options for individuals and families and drives up the cost of rental and ownership options; accessible seniors and attainable market rental housing have both been identified as gaps across the region.⁴

PURPOSE

Facing an inadequate supply of market housing for the missing middle, the Regional District of Kootenay Boundary (RDKB) identified priorities for review:

- 1) identification of successful local and regional approaches to rural market housing development, including mixed-use and mixed-income models;
- 2) engagement of housing developers to pinpoint challenges and barriers to development of market housing;
- 3) two supplementary reports to (a) apply rural market housing options to an RDKB-owned parcel in Genelle and (b) provide an economic snapshot of the Boundary-region to complement the findings of the RDKB's 2020 Housing Needs Report⁴; and
- 4) an inquiry into relevant practices of post-disaster rebuilding and rehousing, with analysis and recommendations of applicable regional and community-specific models.

This report addresses (1) and (2) above. The supplementary report and disaster recovery housing findings are addressed in separate reports.

Concurrent to this project, the RDKB completed the provincially mandated housing needs report.⁴ This RDI research project is intended to complement the housing needs report by highlighting market housing solutions to address the needs of underserved demographics such as active seniors and seniors looking to downsize, mobile workers, low to moderate income households that are being priced out of the housing market, young people, and first-time home buyers.

There are multiple, interconnected drivers impacting the problem of rural market housing availability – both general and region-specific. Solutions must recognize the complex and dynamic relationships between the social, economic, and environmental drivers in the RDKB that permeate rural housing issues.

The City of Kelowna adopted *The Wheelhouse Model* as an alternative to CMHC's *Housing Continuum* to address housing using a systems approach – including social, economic, and environmental drivers.⁵ While the *Housing Continuum* is a linear progression toward home ownership, the *Wheelhouse Model* includes all forms of housing, recognizes that people may move around the Wheelhouse throughout their lives, and de-emphasizes homeownership as the final goal (see Appendix B: Continuum versus Wheelhouse). This report takes a similar approach, seeking to understand housing issues beyond simply addressing profitability concerns. There are policies and actions that a local government can take to facilitate market development but also recognition that there are forces beyond the sphere of local government's control that have contributed to a lack of suitable housing to meet demand.

REPORT STRUCTURE

This report is structured into three parts:

- 1) Part 1 provides the general context for rural housing by highlighting the interconnected issues driving the housing shortage, including large-scale demographic trends. A review of the barriers inhibiting new development is followed by a summary of best practices.
- 2) Part 2 focuses on the RDKB and understanding local needs, projections, and factors that are driving housing issues in the region. Potential solutions are presented that emerged out of the review of general best practices and were informed by insights from local developers, builders, and realtors on unique barriers specific to the RDKB.
- 3) Part 3 concludes the report with a summary of opportunities.

METHODOLOGY

Drawing on a combination of literature reviews, case studies, and targeted conversations with experts and stakeholders, this report summarizes available information on market housing developments in rural Canada, with a focus on British Columbia and the Kootenay/Lower Columbia region.

It became evident during the project that there is a general gap in research on rural market housing models. Most housing research is focused on urban settings where identified best practices are supported by economies of scale and population density. When rural models were identified, they were typically focused on subsidized housing for low-income households or addressing immediate housing needs of the homeless. This finding was corroborated by inquiries to organizations addressing housing issues (e.g., Generation Squeezeⁱ and BC Housing) and can also be seen in the housing data gaps that exist outside census metropolitan areas, a critique that has been documented elsewhere.⁶

Another limitation is that most of the research and interviews were completed prior to the release of the RDKB's 2020 Housing Needs Report. As a result, analysis of the targeted demographics for this housing research was based largely on older reports and anecdotal information.

The observations and opportunities identified in Parts 2 and 3 are based on generally accepted good practices in respect of zoning bylaws and Official Community Plans (OCP). It is recognized that some communities in the RDKB have recently updated, or are in the process of updating, their zoning bylaws and/or OCP.

During the scope of this research, nearly every report that discussed either non-market housing or innovative types of lower-end market housing options noted the need for community consultation to reduce the barriers caused by neighbourhood opposition (NIMBYism). While engagement and consultation best practices were beyond the scope of this research it is recommended that any significant housing development should embrace a collaborative, community-level, decision-making process.

ⁱ A national research, education, and advocacy organization for Canadians in their 20s, 30s, and 40s. See <https://www.gensqueeze.ca>.

COVID-19 impacts on housing remain uncertain

The ongoing COVID pandemic has further exacerbated housing issues. Within BC, renters have been harder hit than homeowners, with available data indicating that 54% of renters reported a loss of income in their households.⁷ Of those 54%, two thirds reported either a temporary layoff or job loss, and the remaining one third reported a reduction in hours or business income; renters reported the highest proportion of income loss, with one third of renters losing 60% or more of their income.⁷

The impacts of COVID on younger Canadians remains to be seen, but concerns over education debt and employment opportunities have been raised – concerns that will impact housing.⁸ As of October 2020, 18.8% of Canada’s youth remain unemployed, with that number expected to increase with the second wave of COVID.⁸ Further, of the 39% of renters who reported receiving COVID-related benefits from either federal or provincial supports, those who remained concerned about making rent were more likely to be young (i.e., within the 18-49 years age group) or to belong to a visible minority.⁷

COVID has also heightened rural housing pressure in some communities as a result of urban migration to small towns.⁹ Families and individuals are moving from urban centres, including Vancouver, Kelowna, and Calgary, to smaller centres and rural regions. This may increase competition, make it more challenging for those with lower-to-moderate incomes to enter or stay in the market due to higher prices, and/or shift new housing development toward higher-end and luxury homes and condos.¹⁰

Although no research has been conducted on how COVID has impacted economic and housing indicators in the RDKB, investment readiness assessments were completed for three sub-regions of the Regional District of East Kootenay (RDEK) in September 2020.¹¹ RDEK respondents were asked about COVID impacts with many remarking that COVID has led to urban migrants “bugging out of the city” while some with second homes in East Kootenay communities were choosing to work remotely.¹¹

PART 1: UNDERSTANDING RURAL HOUSING APPROACHES

DEFINING THE PROBLEM

Across BC, housing continues to be a pressing issue.¹² Indeed, housing has become an issue affecting Canadians across the country, which prompted the federal government’s first ever *National Housing Strategy*,² released in 2017. The National Housing Strategy has been generally well-received, but its priority focus on the most vulnerable Canadians does not address the approximately 1.2 million people estimated to be in core housing need, including those who are being priced out of their local markets due to rising house prices.¹³ These people include seniors and young people who are earning moderate and stable incomes and who are seeking suitable rentals or home ownership options.¹⁴ Housing prices have been increasing for decades - over 154% since 1999; and, in every major Canadian city, prices have at least doubled in this period.¹⁵

The target demographic for this report, as identified by the Advisory Committee, was to understand barriers to home ownership for young families, independent and active seniors looking to downsize, and market rentals (including workforce and seniors). What follows is a snapshot of current trends related to these two demographic groups and renters and landlords.

Younger Canadians

For younger Canadians the housing affordability price gap is significant. For a typical person aged 25-34 to enter the housing market, the average home price would need to drop nearly 50% or their earnings would need to double.¹⁶ In 1976, it took an average of five years for a young person to save up for a 20% down payment on an average priced home in Canada. Today, it takes an average of 13 years to save up for a

down payment on an average priced home in Canada. This timeframe holds true for Kelowna (the nearest community studied).¹⁶

The affordability gap varies across the country but is seen as greatest in both British Columbia and Ontario.¹⁶ To achieve the CMHC's 2030 goal of affordable housing for all, the average home price in BC would have to fall \$452,000 or full-time earnings would need to increase to \$136,200/year, nearly triple the current level. In Kelowna, prices would need to fall \$239,000, nearly half current values, or earnings would need to nearly double to \$100,000/year.¹⁶ This type of data is not available for smaller communities and rural regions such as the RDKB – which is, in itself, an issue.

The 2008 recession resulted in significantly fewer full-time employment opportunities, forcing younger workers into under-employment scenarios, which has been compounded by increasing tuition-related debt as a result of provincial and federal budget cuts.¹⁵ As of 2016, one in six bankruptcies is attributed to the over \$36 billion owed in student debt, with 39% of post-secondary students struggling with food insecurity.⁸

As noted by Paul Kershaw of Generation Squeeze: “Hard work pays off less here [BC] for younger generations.”¹⁷

Seniors

The fastest growing age group in Canada, seniors (aged 65+) currently represent 16.9% of the population and are expected to reach 24% by 2036. Approximately 25% of all households are led by seniors, with 75% being home-owners and the remaining being renters. Nearly one quarter of seniors in Canada are living below suitable standards and are in core housing need. Of the seniors living below suitable standards, 57.4% of the households are single women and most are renters in apartments. Beyond affordability and adequacy concerns, housing developments can often lack good environmental design concepts, such as aging in place considerations; this is particularly noticeable in older housing developments.¹⁸

Location has been identified as the single-most important factor for seniors' housing developments, with access to grocery stores or shopping centres, medical care, and public transportation being deemed a necessity.¹⁹ Car-oriented communities with limited or restrictive public transportation, as is often the case throughout rural BC, can create social isolation and lead to significant health and safety concerns as seniors transition from active and independent lifestyles to requiring care. With limited opportunities and longer wait lists, seniors' communities located outside of walkable neighbourhoods are less likely to be sustainable over time as seniors age out, become less mobile, and require more care.²⁰

Renters and landlords

British Columbia has one of the lowest vacancy rates in the country, averaging 1.3% and trending as low as 0.9% in some communities. On average, renters are younger but over one quarter of renters are over 65 and two thirds of renter household incomes are less than \$60,000.⁷ The Province convened a *Rental Task Force*²¹ in 2018 to provide recommendations on improving the security and fairness for renters and rental housing providers. The top issue across the province was a lack of available supply. The supply issue was noted as a contributing factor to conflicts between landlords and tenants and tenants living in undesirable situations. At the Nelson, BC input sessionⁱⁱ, renters identified the top issue as landlords being difficult or abusive.²¹ The landlords identified their top issue as difficulties surrounding evictions. The renters felt that improving the maintenance of units and increasing the supply would alleviate conflict between providers and tenants.²¹

An additional issue with rental availability involves equitable access for young people. Some landlords will target advertisements to desired tenants, such as seniors, which creates an inequity for singles or young

ⁱⁱ Eleven community meetings were held across the province: Burnaby, Kelowna, Maple Ridge, Nanaimo, Nelson, Prince George, Salt Spring Island, Surrey, Terrace, Vancouver, and Victoria.

couples seeking housing.¹⁴ This inequity is worsened if the tenant-applicants have children, a trend that is being seen in Nelson.⁹

INFLUENCES ON HOUSING SHORTAGES IN RURAL COMMUNITIES

The shortage of market housing options in the RDKB is a result of complex relationships that include historical, social, economic, and environmental influences, within the local region but also more globally. Many of these are far outside the scope of local government and can be traced to shifts in the global economy and political realms.²² This includes widely accepted social norms such as the onus of responsibility on the individual as the sole driver of their housing situation without recognition of the systemic issues that prevent people from having access to safe and suitable housing.¹⁴ These norms also include the socio-cultural emphasis on home and land ownership as a primary goal for building personal wealth^{23,22}, which is, in turn, driving local demand for single-detached homes. There must also be recognition that wages have not increased at the same rate as inflation.ⁱⁱⁱ

In decades past, the federal government was actively involved in housing. In 1946, the CMHC was created for housing returning veterans after the second World War.²⁴ Between 1973 and 1992, the federal government incentivized over 200,000 units of housing, including market-priced rentals.¹⁴ Although it is beyond the scope of this research to address these broader issues, it is worth noting that senior levels of government can play a significant role in addressing housing needs.²²

Locally, the economy has an important influence on housing affordability. For example, the boom-and-bust cycles associated with resource extraction²³ in the RDKB has resulted in an aged, poor quality housing stock as this housing was not built for longevity.⁴ Other local economic factors include transportation access, which can increase “flat costs” (e.g., the cost of materials and labour without overhead or profit) and impact access to building materials. A general labour supply shortage, both in skilled trades and unskilled labour, can create delays in construction. Lastly, the costs of upgrading or adding necessary servicing and infrastructure either creates too great of a financial burden on local builders or severely restricts the profitability for developers.

The key takeaway is to recognize that housing – market and non-market – is influenced by a number of factors. Simplifying the issue to a basic equation of “costs plus regulations equals lack of affordability”²⁵ fails to address the numerous variables at play.

BARRIERS TO DEVELOPMENT

Barriers to development refer specifically to issues that are negatively affecting the development of new housing. Local government and their staff can encourage or inhibit development based on policies, processes, strategies, staffing, and political will. Within a municipality or regional district, the planner has been described as a keystone to the process of development.²⁶ At the same time, private sector developers base their decisions on bottom lines and will not build without a reasonable likelihood of profit. To encourage builders and developers to create more market housing stock, barriers to profitability need to be mitigated or reduced where possible.

Another barrier is the cultural phenomenon of the North American “housing dream”, colloquially known as *white picket fence syndrome*.²⁵ Housing has expanded beyond being a place of shelter and is now a commodity^{25,23} that often comes with explicit or implicit expectations of aesthetics, such as design, size, and colour schemes. Driven by profit and margins, builders are responding to consumer demands for the single-detached housing ideal, which limits the availability of other housing options.

ⁱⁱⁱ Additionally, it is worth noting that the concept of ‘affordable’ housing being at 30% of income is arbitrary: the CMHC used to use 20% as the cut-off. See Careless, 2020 (#22 in References).

RURAL-SPECIFIC BARRIERS

Within the context of market housing, the issue of profitability can be impacted by a number of factors. Poor profitability is exacerbated by lower population densities and absorption rates, both of which limit economies of scale and the turnover time for sales or rentals.

Development cost charges were identified as one of the most “prominent challenges”²⁷ for housing development, and a lack of land being another. In rural communities, lack of land is generally not viewed as a primary barrier. Rather it is the lack of *served* land that creates a substantial barrier¹, albeit with the recognition that land availability varies widely. Within the RDKB, unserved land (as opposed to lack of available land) constitutes the major barrier to builders from within the region and to developers from outside the region.²⁵ The costs to bring sewer and water servicing to a development parcel, or to upgrade existing infrastructure to allow appropriate densification, is often cost prohibitive in rural communities. In contrast to urban areas where neighbourhoods are geographically closer and more dense, rural subdivisions outside of an incorporated community will be further from the main infrastructure, which can require installation of utilities and servicing over significant distances.²⁵ For communities on septic systems, densification is further complicated due to system capacity restrictions, and upgrading to sewer servicing is generally cost-prohibitive.

Additional complications that tend to be more common in rural communities are overlapping jurisdictions between incorporated municipalities, electoral areas, regional districts, Ministry of Transportation (highways), agricultural land reserves, and/or First Nations communities (particularly in areas of unceded territories), which demands a coordinated, multi-jurisdictional approach.²⁸ These jurisdictional overlaps can impact development in two broad ways. The first is conflicting or contradictory policies and strategies across jurisdictions.²⁹ For example, lands that appear suitable for housing development may be located in the Agricultural Land Reserve (ALR), which is intended to safeguard lands for agricultural purposes. A recommendation from a regional district to exclude a parcel from the ALR may or may not be followed by the Agricultural Land Commission. The second issue relates to a need for greater collaboration between multiple levels and jurisdictions of governments.^{30,28} For example, a desired development may be located within municipal boundaries but the water service is provided by the neighbouring electoral area; or approvals from the provincial Ministry of Transportation would be required for new access from a provincial highway running through a community.

Housing in rural areas may be viewed as more desirable by urban residents, due to the lower cost of real estate relative to urban areas. This can be a factor in the purchase of secondary/vacation homes, as well as urban out-migration, as is being seen with COVID-19.³¹ However, this can also increase housing costs and competition. Examples of this in the RDKB, include housing issues at Big White and in Rossland where socio-economic gaps exist and where secondary and vacation housing is a factor driving costs.⁴

Rural areas tend to have higher homeownership rates, but these rates often hide issues related to inequity and exclusions, such as power relations that exclude demographics within development decisions to large socio-economic gaps.²³ Furthermore, poverty rates are consistently higher in rural areas, yet affordable housing and other government assistance projects are least likely to occur in rural communities.²³ Despite the recognition that British Columbia has an “acute housing crisis”, as of September 2020, only 0.5% of the National Housing Strategy funds have been approved for the province.³² In the RDKB, the 2020 Housing Needs Report notes that there is “a large degree of inequity across the region” with those who are in the low-to-moderate income bracket living in older homes, mobile dwellings, or rental housing; in comparison, high-income households are living in new and large homes with mountain views, waterfront, or large acreages.⁴

Limited resources can be a key constraint for rural communities that impacts their ability to take direct action solutions.¹ Often, even within an incorporated municipality, limited capacity and budget

restrictions limit the ability of the oft-cited ‘go-to’ person on housing matters: the planner.^{iv} Within the RDKB’s incorporated municipalities, only the City of Rossland and the City of Grand Forks have a designated planner.

It is recognized that there are various constraints to solutions, some of which are outside the direct influence of a municipality³⁰ or regional district. To adequately address market housing challenges in the RDKB, additional supports from the provincial and federal governments are required. These supports broadly fall under additional resources for local government to address common barriers, such as lack of local data, infrastructure, and regional coordination.^{30,28}

RURAL CASE STUDIES: EMERGING BEST PRACTICES

With limited research on rural housing to identify rural-specific best practices, case studies provided an opportunity to identify commonalities amongst rural housing projects in BC. At the direction of the Advisory Committee, six BC housing developments (see Table 1) were analyzed to determine common approaches and noteworthy practices. Cases were selected using criteria such as targeted or planned demographics for the development, local population, and proximity to the local area. Of the six developments, three are operational, two are in the planning stage, and one failed.

Table 1: Developments chosen for case study

	Project	Location	Model	Target Demographic
Completed	Catherine Gardens ^v	Vernon	Life lease	Active and independent seniors
	Sunkatchers	Keremeos	Cooperative	Snowbirds
	Veneto Place ^{vi}	Fernie	Mixed-use	Below-market rental and ownership
Planning	Mountain Village	Sea-to-Sky	Co-housing	Multi-generational and mixed-income
	Former Beaver Valley Middle School	Fruitvale	Mixed-use	Rental: accessible and low income Ownership: young families and seniors
Failed	Grandview Heights	Castlegar	Cooperative	Seniors

Three common elements emerged from the three completed projects that could be considered as “noteworthy practices” for rural contexts. Table 2 summarizes these similarities and Appendix C: Case Studies provides additional details, including an analysis of the elements noted within the failed project.

Table 2: Noteworthy practices from rural case studies

Common element	Description
Non-profit model	Projects are managed by non-profit organizations, which facilitated lower initial capital costs (e.g., land donation) and/or lower operating costs (e.g., volunteer labour).

^{iv} FCM notes that 60% of municipalities in Canada have five or fewer staff members. See Federation of Canadian Municipalities, 2018 (#1 in References).

^v The operating organization, Shubert Centre, is in debt and the impact on Catherine Gardens is unknown at the time of research/publication. See McIntyre, P. (2020). *Schubert Centre faces financial crunch; seeking community support*. Vernon Matters. Retrieved from <https://vernonmatters.ca/2020/01/19/schubert-centre-faces-financial-crunch-seeking-community-support/>

^{vi} Fernie Family Housing Society (FFHS) was an original partner in this development and ended their involvement in 2012.

Common element	Description
Relationships	Projects had a strong network of relationships that spanned from local government to key individuals with access to equity or cash to local businesses that wanted the development in the community.
Demonstrated need	A clear and demonstrated need existed prior to construction.

Table 3 summarizes the available literature and resources on leading market housing barriers, solutions and best practices. It is worth noting that:

- The available literature is largely urban-centric, but listed solutions can be adapted to address rural concerns.
- “Best practices” are a collation of best practices. Some may not be within local government jurisdiction but are noted for potential advocacy actions.
- The potential solutions are rural in general and not specific to a particular region, electoral area, or municipality.
- Each of the issues/barriers can be evidenced across the entire housing continuum.
- Not In My Back Yard (NIMBY) is most often associated with social or subsidized housing, but lower-end market housing can also attract NIMBYism on issues of density, parking, or housing style.

Table 3: Barriers, solutions, and best practices to increase market housing supply

Issue/Barrier	Potential solutions	Best practices
Zoning or bylaw restricts new housing options	Update zoning and/or bylaws	<ul style="list-style-type: none"> • Allow densification • Allow secondary & accessory dwellings • Allow smaller & tiny homes • Eliminate house size minimums • Reduce parking requirements • Allow earlier occupancy permits
Empty homes	Penalize owner/builder	<ul style="list-style-type: none"> • Increase taxes on empty and recreational properties • Bylaw that limits secondary/holiday home builds; support new open market housing for principal residences
New development lacks adequate return on investment	Reduce costs where possible	<ul style="list-style-type: none"> • Reduce land purchase price • Facilitate partnerships with province and/or health authority • Reduce/eliminate development cost charges (DCCs) • Cost-share infrastructure • Reduce labour using sweat equity models • Build smaller dwellings • Establish partnerships and relationships with community to reduce building costs
Mixed or unclear messaging for local government staff and builders/developers	Revise/develop strategies & policies with clear guidelines for local government staff	<ul style="list-style-type: none"> • Family Friendly/Age Friendly plans • Integrated Sustainability plans • Affordable & Homelessness strategies • Policies supporting adaptable housing • Task Force or housing position to identify local barriers, including identifying

Issue/Barrier	Potential solutions	Best practices
	and builders/developers	contradictory policies, plans, or strategies across governments <ul style="list-style-type: none"> Streamlining development process for developers
Limited land for new development	Support redevelopment	<ul style="list-style-type: none"> See Zoning above Support and incentivize mixed-use development
Undeveloped land	Tax revision	<ul style="list-style-type: none"> Tax vacant land to encourage development Tax relief or incentives on desired housing developments (e.g., rental guarantees)
NIMBYism	Effective community engagement and education	<ul style="list-style-type: none"> Early and inclusive engagement with neighbourhoods/community
White picket fence syndrome	Promote alternative options	<ul style="list-style-type: none"> Limit single-family detached zoning Incentivize multi-family and mixed-use developments
Local government	Prioritize housing	<ul style="list-style-type: none"> Require all new development to make an affordable housing contribution (cash or in-kind) Develop and implement local or regional housing strategies
Lack of local data	Collect and share local data	<ul style="list-style-type: none"> Collect secondary rental market Conduct local housing assessments with locally-gathered data
Overlapping jurisdictions	Facilitate navigation of jurisdictions	<ul style="list-style-type: none"> 'Point person' to facilitate navigation of development processes Integrate approach to housing development across departments and agencies Improve coordination between jurisdictions

PART 2: RDKB FINDINGS

RDKB: HOUSING NEEDS REPORT SUMMARY

As mandated by the *Local Government Act*, the RDKB conducted its first Housing Needs Report⁴ (HNR) in 2020, which identified housing needs, gaps, and issues across eight municipalities and five electoral areas. While recognizing that each sub-region within the RDKB has unique variables impacting housing needs, a number of common issues were observed, such as increases in the cost of living; considerable existing poor and old housing stock in need of repair; an overall lack of suitable housing across multiple demographics; discrimination and stigma towards vulnerable populations; and the high costs involved in both construction and renovations.

The HNR identified the following housing gaps across the region:

- Year-round emergency shelter
- Youth safe house
- Transitional housing for women and children

- Transitional housing for persons experiencing homelessness
- Supportive housing
- Non-market rental housing
- Attainable market rental housing
- Market rental housing
- Short-term rental and tourist accommodation
- Accessible seniors-oriented housing
- Lack of suitable options

The HNR projects an overall population from 33,042 in 2019 to 31,576 in 2031, representing a drop of 694 households and 1,466 individuals across the RDKB. There are slight differences across each sub-region and, broadly speaking, it is expected that the Kootenay/Lower Columbia region will have a slight population increase, whereas the Boundary region is projected to decline in population.

This decline is expected to increase housing vacancy. However, as the current aged housing stock means many housing options require major energy efficiency upgrades and/or major repairs, this presents an opportunity to remove unsuitable homes from the housing stock. As noted in the report, “[a] key challenge for the region will be to pursue new housing projects or initiatives to address housing needs and gaps, while not unintentionally creating an oversupply situation”.⁴

There is a degree of uncertainty with the HNR’s projections as they are based on macro-level analysis of fertility, mortality, and migration rates. Extrapolated from federal census data, the projections may prove inaccurate as there is limited localized data (particularly in relation to the rental and secondary rental market), COVID-19 impacts on long-term urban-to-rural migration are unknown, and no in-depth economic expansion analysis was conducted.

The following areas require further exploration to provide additional context for the HNR projections:

- Analysis of planned economic development projects, including business expansion and attraction efforts
- Understanding COVID-19 impacts on:
 - Urban migrants relocating to rural areas
 - Remote worker opportunities
 - Remote schooling
 - Tourism
- Grand Forks flood recovery plan
- Secondary rental markets
- Collecting and analyzing localized (not-Census) data to ground-truth local trends

ADDITIONAL RDKB OBSERVATIONS

The following observations are in addition to the rural considerations listed above, including lower population density and absorption rates, unserviced land, complex jurisdictions, urban pressures, and limited capacity.

Risk, scale and return on investment

While the RDKB lacks ‘true’ developers in the standard sense of large urban centres, it has a number of builders who may act as developers.²⁵ This nuance is relevant for rural areas because it highlights a primary barrier to housing developments in rural areas: the limited capacity of a small-scale builder to carry the financial risk associated with larger developments.³³ Unless there is an incentive or other opportunity, such as land gifts, servicing breaks, or public funding partnerships, the financial investment is often too great for a small builder to carry and the return on investment is generally not large enough or fast enough to attract a larger outside developer to come in to build.

Unclear pathways and points of contact

Housing developments require knowledge of multiple authorities, codes and regulations, and how they interact, including, but not limited to, provincial building codes, health codes, fire codes, highways access, Crown land, and local zoning.³⁰ In the RDKB, these bodies are not perceived as being well coordinated.²⁵ This is further complicated by the existence of multiple municipalities and rural areas with unknown or unclear points of contact (e.g., no planner on staff). To an outside developer, the lack of clear points of contact within local government and the absence of clear communication pathways discourages interest and sends the signal that development is not a priority.²⁵

Aged housing stock

The RDKB's aged housing stock impacts housing and development in a few different ways. For newcomers to the area, there is a hesitancy to purchase older homes that may require immediate major repairs and/or major energy efficiency upgrades that extend well-beyond the current offerings of rebates from BC Hydro and FortisBC. For example, the traditional "miner's shack" style of home in Rossland contains little to no insulation. Insulating the exterior walls involves wrapping the entire house and would cost upwards of \$20,000 on a ~900 sq ft home. Current rebate offerings would be less than \$1,000 on the same house.³⁴ This extra cost drives the purchase of empty lots for new home developments, which are likely to be single-detached houses. As the availability of easily developable lots diminish, the remaining parcels will often have extra costs, such as remediation, servicing, and/or excavation, which lessens the likelihood of building attainable market housing on those parcels.²⁵ Secondly, for rentals, aged housing becomes a burden through either high monthly energy costs for occupants or for costly upgrades by the landlord that are frequently passed on to the occupant via higher rents.²⁵

Limited insights on rental market

The RDKB's rental market is not adequately understood. CMHC's *Rental Market Survey* does not collect data for communities of the size found in RDKB^{4,6} and the secondary rental market is largely overlooked.⁶ This lack of data can hide true rates of homelessness or near homelessness as individuals and families live in buildings not purposed for human dwellings (e.g., barns or sheds)²³ or in substandard conditions, such as a mattress on the floor with their child.⁹ The HNR found that the rentals available in the RDKB were limited in number and high in price relative to local incomes. When discussing purpose-built rental opportunities with one realtor, it was noted that even when creative market options are sought, property and casualty insurance coverage can prove prohibitive. For example, one local market-driven solution to lower end market rental housing was the development of an independent living, rooming-house style building with minimal but functional kitchens in each unit (i.e., 2-burner stovetop). Obtaining insurance was very challenging, with only one insurer in Canada willing to offer coverage – and with the requirement that no room may have a built-in stovetop.²⁵

Parking requirements

The issue of parking and its corollary of minimum parking requirements, while not unique to the RDKB, is complicated due to topographic restrictions, such as mountainous terrain or narrow river valleys. Until car culture took over, parking requirements were minimal.³⁵ The combined lack of purpose-built parking, combined with narrowed streets, can impact safety. Drivers are impacted by the need to park on the street and pedestrians may be navigating areas without sidewalks, which can be worsened in winter months when snow removal equipment is also on the roads.³⁶ In rural areas with fewer public transportation options and greater distances to travel, adults are more reliant on car travel than their urban counterparts, which puts a demand on housing developments to provide parking spaces, thus influencing minimum parking requirements at the local government level.³⁷ However, within the Columbia Basin-Boundary Region, 57% of commuters travelled less than 15 minutes to work,³⁸ which may be within

the ideal travel distance^{vii} for active transportation opportunities (less than 15 kilometers one-way^{39,viii}). Eliminating parking minimums, as is often suggested in urban centres with multiple forms of transportation options, may not be feasible nor safe in every sub-area of the RDKB. However, this practice should still be considered, particularly in areas located on public transportation routes or in neighbourhoods with high walkability scores.

One option, as suggested by noted Canadian transportation planning expert, David Cooper, is to work with major employers to stagger start times to better align with and allow for alternative transit options.³⁵ In the RDKB, Interior Health and Teck, Trail Operations are two employers to consider. To paraphrase a professional planner in the Kootenays, it's more of a walking problem than a parking problem,⁴⁰ referencing the lack of safe active transportation infrastructure.

Kootenay premium

Within the RDKB (and as echoed by key informants in the Regional District of East Kootenay), a factor that came up repeatedly through conversations with local staff, housing advocates, real estate agents, and builders/developers is that construction costs are significantly higher in the East and West Kootenays than in major centres or even other similar rural areas, including some ferry-accessed communities. Dubbed the *Kootenay Premium*,^{25,ix} the following factors were identified as driving higher construction costs:

- Labour shortages causing higher wages^x and construction delays.
- Building materials were noted as being significantly more expensive, which was attributed to transportation issues affecting delivery access to the communities. For example, concrete is widely reported as being more expensive in the Kootenays than in Kelowna.
- Supply chain strains have resulted in either excessive price hikes or an inability to meet demand for some building materials, which has been magnified by COVID-19.

In contrast, one builder suggested that there are opportunities to mitigate these higher costs through effective business processes and practices, such as thorough resource-sourcing for materials and keeping current with modern building techniques, particularly those related to energy efficiency. This builder emphasized that achieving a high level of energy efficiency (e.g., up to Step Code 4) should not result in significantly higher costs, stating that “energy efficiency is not a barrier. It’s the goal and I figure out how I’m going to get there”. There is a requirement to shift the traditional build model from individual components to building housing as a system and drawing on available education and supports, including local Step Energy Advisors.²⁵ This perspective suggests a potential disconnect between energy efficiency building techniques and the knowledge and application of these practices by local builders.

In sum, and as will be expanded on in the next section, attainable market housing developments in the RDKB are constrained by a lack of profit, a lack of local data, and compounded by uncertainty in development processes, including the communications required between multiple jurisdictions or agencies.

^{vii} Assuming average travel speed of 60 km/hr.

^{viii} It is highly dependent on the sub-region. For example, in the Kootenay/Lower Columbia, Rossland to Trail is approximately 10 km, but in the Boundary, Rock Creek to Midway is approximately 19 km. Developments need to be assessed on individual amenities and access.

^{ix} This term came from developers and builders outside the Kootenay/Lower Columbia. It is the understanding of the Research Team that it may apply to both the Boundary and Kootenay/Lower Columbia regions but conversations only noted it in the Kootenay/Lower Columbia.

^x For example, it was reported that a drywaller in Kelowna is paid about \$25 per hour whereas in the RDKB they are paid \$31 per hour.

BUILDER, DEVELOPER, AND REALTOR PERSPECTIVES

At the outset of this research, a “Developers’ How-To Toolkit” was identified as a project deliverable to assist builders and developers building in the RDKB. After an initial round of conversations with local and outside builders and realtors from the Kootenay/Lower Columbia, Boundary Region, Columbia Valley, and Kelowna, it became evident that this was not a need or priority. Builders and developers already know how to apply for and go about creating a housing development. This finding shifted the conversation to identifying what would be helpful. Three themes emerged from the preliminary round of conversations: (1) streamline development processes, (2) collect and publish local data, and (3) reduce costs associated with building.

A second round of discussions with builders, developers, and realtors in the Kootenay/Lower Columbia, Columbia Valley, Kelowna, the Lower Mainland, and Vancouver Island probed these three themes to better understand the delays in process, type of data required, and areas that were increasing costs of building in the RDKB. The following presents what was heard – which does not necessarily reflect the reality of local government processes or existing housing resources.

Table 4 summarizes key findings from the discussions. Discussion questions are available in Appendix D.

Table 4: Builder, developer, and realtor perspectives

Theme	Key critique	Summary of findings
1) Streamline development processes to reduce uncertainty and timelines	Ambiguity around inspection process, length of time for approvals, and regulatory requirements	<ul style="list-style-type: none"> General agreement that local government staff are performing well, notably in comparison to other communities in the province Recognition that staff are under-resourced and overworked
2) Collect and publish data	Lack of easily accessible and up-to-date local data on the community and the housing market	Demand for general indicators: <ul style="list-style-type: none"> Population and demographics Economic drivers and business information Amenities Demand for housing specific indicators: <ul style="list-style-type: none"> Disaggregated sales history by type of housing Length of time to sell Migration rates Land inventory Wait lists and vacancy rates Costs of and access to materials and labour
3) Construction Costs	Higher construction and development costs contribute to higher housing prices	Key areas identified that increase cost: <ul style="list-style-type: none"> Labour Transportation of materials Infrastructure and servicing

Theme 1: streamline development processes

Initially streamlining processes was identified as a need that would improve development processes within the initial round of discussions. However, subsequently there was general agreement that municipalities within the Regional District were performing efficiently, especially in comparison to other areas in the province. Some areas of concern were relayed, but through discussion these were

downplayed as major barriers to development. The critiques were usually followed or prefaced by recognition that staff are under-resourced and overworked.

Nonetheless, the critiques formed around the issues of communication and clarity. There is a desire for greater clarity when it comes to the application of development rules, regulations, and process times.

Specific to Rossland, it was felt that there is ambiguity surrounding the inspection process and requirements of what constitutes a pass/fail. In Trail, it was noted that the rezoning process could be shortened. For the Regional District generally, it was reported that there is a lack of clear communication regarding regulations and variances.

One realtor said they wished for a 'go-to' person at the RDKB to provide one-stop shop answers to zoning, mapping, variances, and other regulatory matters. Another developer noted that local government needs to prioritize housing and then champion it.²⁵

Theme 2: data

Lack of local data has been identified as a general barrier, particularly for attracting developers or builders from outside the region. A developer relies on local data to understand housing needs and trends to determine if a project will sell. Statistics Canada, CMHC, or BC Housing (including the Housing Hub for developers) tend to present data in aggregate form or data that has been inferred from representative samples. There was a consensus that more granular localized data is required.

Suggestions for local data varied across respondents; however, taken together, responses indicated the need for up-to-date community profiles with additional housing-specific data.

General indicators requested:

- population and demographics
- economic drivers and business information
- amenities.

Housing-specific data requested:

- disaggregated sales history by type of housing
- length of time to sell
- migration rates (including where people are coming from and age ranges)
- mapping services to show zoning and other regulatory data
- wait lists for demographic-specific housing
- vacancy rates
- costs of and access to building materials and labour.

Although one developer reported that, ideally, this data would be updated on a quarterly basis, an annual report would be sufficient. While most respondents prefer data to be presented at the community level, one realtor requested it at the regional level as it assists in promoting the region to attract outside investment.

With the exception of one local builder, there was an agreed need to have a designated person to bring together information and create easily accessible community profiles that would be available via municipal or Regional District websites. To assist with planning or policy decisions, the Urban Development Institute (Kelowna) was noted as a best practice to consider attracting for a satellite office to the region. It could act as a communication bridge between economic development offices (i.e., Lower Columbia Initiatives Corporation) and Selkirk College's Rural Development Institute, providing planning guidance from locally-developed information.

Builders and developers require better data to understand the actual nature of local housing demand. Locally, builders reported a general lack of consumer interest in higher density housing options. Local staff, local builders, and outside developers alike noted that white picket fence syndrome has most developers focused on building single-detached homes. As people are leaving the urban centres in search of more affordable homes, they are frequently bringing their desire for private greenspace with them.²⁵ This perceived trend contrasts with HNR recommendations that higher density options are required to create alternative choices for people. This mismatch in demand versus supply is likely a result of:

- (a) builders not providing consumers with higher density options; or,
- (b) HNR respondents may have provided perceived desirable answers that do not match behaviours; or,
- (c) Limited understanding of local rental market and actual core housing need within the missing middle

Theme 3: construction costs

A common complaint heard amongst respondents, along with early anecdotal reports, was the high cost of housing construction in the Kootenay/Lower Columbia.^{xi} Assessing the average square foot for building in the RDKB was difficult due to the number of variables involved; however, a range of \$250-\$300 per square foot was consistently heard from local builders and realtors, as well as outside developers. In contrast, in Vancouver this amount is between \$180-\$200. Specific to Rossland and its mountainous terrain, excavation costs were identified as driving those costs even higher in some cases.

In exploring the reason for this cost differential, three key areas were identified: (1) Labour costs, (2) Transportation costs on materials, and (3) Infrastructure.

Labour costs

Wages have been reported as higher overall in both the East and West Kootenay. Kelowna builders reported up to a \$6/hour wage difference for drywall installers (\$25/hr versus \$31/hr). This difference was attributed to both an overall smaller population to draw labour from and the influence of higher paying unionized jobs in the area (e.g., Teck, Celgar). Current high demand on trades people and contractors has resulted in longer construction times as builders await services (e.g., plumbing, roofing, drywall). In both the East and West Kootenay,^{xii} solutions have included importing construction and trades people from Alberta or a major BC centre; however, additional costs accrue due to accommodation and meal requirements.

Transportation of materials

The higher cost of materials was routinely noted by respondents, either through access to materials (with supply chain pressures exacerbated due to COVID) or due to the higher costs of shipping materials to the region. Outside of the developer and realtor interviews, one housing consultant corroborated this fact by noting both building costs in the East and West Kootenay^{xiii} are similar to areas in remote and inaccessible parts of the province. This higher cost is due to transportation access and weather. For example, air transport can be regularly delayed or cancelled and closure of mountain passes impact highway transportation. Due to the secondary and even tertiary highway routes in the RDKB, even in comparison to similarly distanced communities such as Williams Lake, the cost of transportation presumably increases costs. It is worth noting that this sentiment is difficult to corroborate within the scope of this research and little information is published on these types of costs.

^{xi} High costs of construction was heard consistently from Kootenay/Lower Columbia from practitioners, builders, and realtors. This was not heard from the Boundary representatives.

^{xii} As with costs, importing labour did not come up for Boundary representatives.

^{xiii} This comment is in specific reference to the East and West Kootenay based on the respondent's experience. They were unable to comment on material costs for the Boundary region.

Infrastructure

A common issue for communities across the province is aging and inadequate servicing infrastructure (e.g., sewer and water). Varying by community, the cost of infrastructure connection, installation, and/or upgrading can pose a significant barrier to development. One realtor noted an empty lot in Rossland that could be subdivided into six units would cost the developer or builder an additional \$200,000 to upgrade the existing servicing.

PROMISING SOLUTIONS FOR THE RDKB

Drawing from best practices outlined in Table 3, developer, builder and realtor feedback, and emerging and recognized best practices, five broad themes emerged that formed promising solutions governments can take to support market housing development in rural areas. They are:

- 1) Partnerships and collaboration
- 2) Prioritized housing and strategies
- 3) Collection and publication of local data
- 4) Clear and streamlined processes
- 5) Creative and flexible with new ideas

The focus of this research was to understand and consider the supply-side of market housing development (developers and builders) and what local governments can do to encourage more of it. As noted earlier, housing is a complex issue that requires an interdisciplinary approach, even more so in rural communities. Drawing from the HNR and from what was heard from the local builders and developers, there are four overlapping issues influencing the demand-side of market housing, which impacts what builders and developers are choosing to build:

- 1) Aged housing stock
- 2) Homogenous housing supply (single-detached)
- 3) Cost of housing (rentals or purchase)
- 4) White picket fence syndrome

Table 5 and Table 6 provide a summary of promising solutions to attainable market housing in the RDKB, organized by:

- 1) *Supply side* (Table 5: Addressing supply side barriers to attainable market housing developments): addresses barriers heard from builders and developers in building attainable market housing.
- 2) *Demand side* (Table 6: Addressing demand-side barriers to attaining attainable market housing): addresses concerns related to those seeking to attain market housing as based on the literature, conversations with experts, and the HNR.

Many of the promising solutions for action will require additional staffing and other resources, and some issues will require advocacy work through Union of British Columbia Municipalities (UBCM) or Federation of Canadian Municipalities (FCM). Nonetheless, there is an overwhelming consensus that local government has considerable influence on the development process to facilitate new market housing. As illustrated in each table, these promising solutions can be achieved through either direct action, advocacy, or a combination of both. They are presented for consideration by local government staff, elected officials, and economic development practitioners. It is recognized that each sub-region of the RDKB will have distinct needs and capacity to act:

- 1) *Direct Actions* are within the sphere of control for local government to implement.
- 2) *Advocacy* involves seeking additional supports and political interest, via organizations such as UBCM or FCM.

Partnerships and collaboration

A key takeaway from rural development literature, and demonstrated by the case studies, is the need for strong partnerships and collaboration. Successful housing models in rural areas relied on partnerships that subsidized the cost of development in some capacity, including land gifts, cost shared or reduced servicing costs, sweat equity or other volunteer labour, or guaranteed purchases from government agencies. The additional complication in rural areas of multiple and overlapping jurisdictions require partnerships and collaboration that may extend beyond a municipality's boundary and, in the case of mixed-use developments, the business sector or government authority (e.g., health) may be drawn upon.

This integrated and inclusive approach to housing is in line with the FCM's *Sustainable Neighbourhood Development*.³³ Considering the rural nature of the RDKB, combined with the HNR projections, it is recommended that all actions be conducted within this partnership-focused and collaborative approach. This is meant to be interpreted in the broadest terms possible: that research and data be shared and collected in a regional manner, that solutions be developed in a collaborative effort, and that mixed-use developments serving mixed-income and multi-generational opportunities be favoured over single use or a specific demographic type.

Prioritized housing and strategies

Prioritizing and creating strategies to address housing were identified as a best practice in the literature and validated by builders and developers. When a local government explicitly prioritizes housing, related issues (such as data access or communications) are lessened as local government staff and economic development practitioners have clear direction on housing as a priority. This leads to improved communications between builders or developers to understand local governments' priorities and working within that system. Prioritizing housing – and having the strategy to support those housing initiatives – also allowed for increased creativity amongst staff and builders or developers.

For example, the Whistler Housing Authority⁴¹ was created due to local government's recognition that attainable housing was impacting their workforce and their economy. An independent but municipally-owned corporation, their goal is to ensure that at least 75% of employees are able to secure housing locally. By prioritizing housing with clear a clear goal and developing a strategy, communications and expectations to developers are clear along with the ability to support creative and flexible solutions.

Collection and publication of local data

Locally-collected and curated data provides builders and developers with clear and locally-relevant information. Data includes both land information (e.g., infrastructure, title, and costs) but also to demographics and demand to build business cases for private builders or developers. For the latter, the HNR is based on aggregate data from Statistics Canada. This data, which is often the only reliable source for rural communities, is then extrapolated to develop projections and assumptions. For example, in the HNR, some data sources were not available and older sources were used (e.g., incomes for renters versus owners) or data was based on 25% sample data (e.g., housing in need of major repairs). While it is statistically accurate, as a community becomes more rural with less population, those assumptions may be distorted and not reflect the actuality of a community. This data provides macro-level information but fails to reflect nuance in local, rural realities and can hide issues or opportunities.

For example, there is no data available for secondary rentals in the RDKB. Anecdotally, there is recognition that rental vacancy rates are low (reported to be 0% in the Boundary-region). However, no systemic analysis has occurred to accurately identify rental data. There is no information about the secondary rental market, which includes secondary dwelling units (e.g., carriage homes) and room rentals in a house. Collecting this information, alongside rental rates and wait lists, could provide a business case for a builder or developer to build purpose-built rental units. Without this information, the risk may be too great for a builder or developer to take on.

Clear and streamlined processes

Heard from the builders, developers, and realtors, unclear processes are intertwined with priorities (or lack thereof) and communications. When a process for development appeared convoluted with no clear person to speak with, a developer may choose to take their business elsewhere. This process spanned from seeking information about available land (which is tied with data) to understanding local permitting or planning requirements to the final phase of building inspection.

Due to the rural complications of overlapping jurisdictions plus capacity concerns at the local government level, a point-person was routinely commented on as a best practice, a practice that can be seen in the literature as a common solution for rural communities. Having an individual or organization that serves the region and focuses on housing streamlines communications, can identify the processes (saving a builder or developer time), assist in navigating the jurisdictions, and provide data and information.

Creative and flexible solutions

Underscoring each of the identified best practices is the need to be creative and flexible. The need for creative and flexible solutions at the local government-level is well within local-government jurisdiction. Planners are a cornerstone to the development processes. One forum suggested to “let the planners get reckless for awhile”²⁶, emphasizing that overly narrow or restrictive regulations and policies limit a planner from creating innovative solutions that reflect an area’s unique needs and characteristics. Whether a result of political will (or lack thereof), conflicting and confusing communications, lack of planning or policies documents with clear directions (e.g., Official Community Plan; Housing Strategy), or a lack of capacity, planners in rural areas can be constrained or limited in their ability to support innovative options or partnerships.

The traditional suburban, single-detached housing development approach is difficult for rural communities. In the RDKB, higher overall costs associated with building (e.g., wages, materials, and infrastructure) plus the lower population base means that the builder or developer must carry a high amount of risk. The single-detached development approach works best in higher population centres as quicker turnaround times for sales or rentals can be realized (reducing the amount of risk being carried at one time), economies of scale in material costs can be had, and opportunities for lower labour costs due to a larger labour pool. As explored above, barriers for developers in the RDKB can be summarized in three themes (lack of profit, lack of local data, uncertainty in development processes), with the likelihood of profit being the primary factor in a private builder/developer’s decision to proceed. There is a tension, and potential incompatibility, with strictly private (market) development and rural areas that highlights the need for additional approaches to address unmet market housing needs. This is not meant to imply or be interpreted as there not being a need for private developments in rural communities: it does reflect the various constraints that exist, combined with the demand of what is being requested, and the need to be creative and flexible with solutions.

Table 5: Addressing supply side barriers to attainable market housing developments

Barrier	Solution or action	Direct actions (D) or advocacy (A)
<i>Lack of Profit</i>		
	Gift land	D
	Manage land via non-profit or housing authority	D/A
	Reduce/waive development cost charges (DCCs) on priority housing types	D
	Tax breaks for priority development types	D
	Cost share servicing cost requirements	D/A
	Eliminate or reduce parking minimums	D/A
	Education to support energy efficiency builds	A
	Programs to reduce supply chain and materials costs	A
<i>Lack of Local Data</i>		
	Collect local data	D/A
	Publish local data	D/A
	Ensure coordinated communications across governments and organizations	D/A
	Develop housing strategies	D
	Develop regional growth strategy	D
	Development of regional planning institute	A
<i>Process Uncertainty</i>		
	Create clear point of contact for builders/developers	D/A
	Ensure mandatory processes (e.g., application, building inspections) are transparent	D
	Develop various strategies to communicate housing priorities (e.g., housing strategies, growth strategies, economic development strategies)	D
	Encourage early and inclusive community engagement for new developments	D
	Update zoning and bylaws to support local housing needs and priorities, for example: <ul style="list-style-type: none"> • Secondary suites • Densification • Small/tiny homes • Eliminate/reduce minimum parking requirements • Mixed-use development • Review short-term accommodation policies 	D

Table 6: Addressing demand-side barriers to attaining attainable market housing

Barrier	Solution or action	Direct actions (D) or advocacy (A)
<i>Aged stock</i>		
	Support for major energy efficiency upgrades	A
	Prioritize redevelopments for densification and energy efficiency	D
<i>Lack of suitable options</i>		
	Prioritize development types based on needs and strategies	D
	Review short-term accommodations policies to support long-term rental options	D
	Implement principal residence requirements on new builds	A
	Require in-kind or cash contributions on new developments to support affordable housing	D
	Increase taxes on empty/secondary homes (e.g., Speculation Tax; Empty Homes Tax)	A
	Increase taxes on empty lots	D
<i>Cost of housing</i>		
	Support alternative ownership and management models: <ul style="list-style-type: none"> • Cooperatives • Land trusts • Housing Authorities 	D/A
	Implement Guaranteed Liveable Income and Living Wage programs ^{xiv}	A
	Expand property and casualty insurance coverage	A
	Apply excise or consumption tax on larger sized dwellings	A
<i>White picket fence syndrome</i>		
	Promote alternative ownership models	A
	Provide alternative housing development options	D

PART 3: SUMMARY OF OPPORTUNITIES

As well-documented elsewhere, housing is a complex issue that cannot be understood from a narrow perspective or considered a singular event. Housing impacts our lives in social, economic, and environmental spheres and, in turn, those spheres impact housing. The need for cooperation, partnership, and flexibility is even more evident within rural areas and requires greater adaptability and innovative solutions that draw on multiple jurisdictions and expertise.

This report aimed to:

- 1) Identify successful local and regional approaches to rural market housing development; and
- 2) Engage developers to pinpoint challenges and barriers to development of market housing.

Recognizing that the private sector is driven by profit, barriers that limit profitability for builders and developers are identified and offered as standard solutions, such as waiving DCCs or cost-sharing infrastructure needs. Whereas economies of scale and absorption rates allow for solutions that increase densification in urban areas, these solutions do not necessarily transfer easily to rural contexts and

^{xiv} Guaranteed Liveable Income (for individuals) and Living Wage (for families with children) programs are poverty reduction programs to ensure that everyone has access to liveable (versus poverty-level) incomes. They are situationally and geographically sensitive to address individual and local needs. The 2019 Living Wage for Trail was \$18.83/hour, see www.livingwageforfamilies.ca.

smaller communities. In the RDKB, some of these contexts are historical, such as the resource extraction economy and the boom-and-bust cycle of housing that has resulted in aged and undermaintained housing stock.

Data is a key barrier that limits understanding needs, emerging trends, and limits planning for the future, as demonstrated by the limitations of extrapolated general data from Statistics Canada due to a lack of local data within the housing needs report. The Kootenay Premium is a locally recognized yet less-understood phenomenon that deserves additional study to identify potential for locally-developed solutions.

Taken together, the overall conclusion from this research is that housing in the RDKB – and in rural communities in general – needs to be addressed using an integrated perspective that embraces mixed-use, mixed-income, and multi-generational models. By developing relationships between the community, government, and the private sector to address housing needs, the local community stands to benefit, both economically and socially.

Table 7 lists opportunities and practices for consideration by RDKB and its municipalities. These actions vary in complexity and cost, with some requiring additional research to identify details around lead organizations, service delivery, and costs (see Table 7). The list is comprehensive, and it is recognized that some local governments in the RDKB have – or are in the process of – enacting some of the opportunities listed (e.g., updating zoning bylaws).

The table is organized into three broad categories:

- Direct Action (items the RDKB or other local government have within their powers to address)
- Local Partners (items that required additional partners to complete)
- Outside Partners or Advocacy (items that are beyond the scope of local government and/or need significant additional supports to complete).

The five best practices are represented by the following symbols:



Partnerships and collaboration



Prioritized housing and strategies



Collection and publication of local data









Clear and streamlined process








Creative and flexible with new ideas

Table 7: Summary of opportunities and best practices

					
Direct action					
Create point person(s) to coordinate and streamline housing development processes for: <ul style="list-style-type: none"> • Kootenay/Lower Columbia • Boundary 	✓	✓	✓	✓	✓
Develop a Regional Growth Strategy.	✓		✓		

					
Develop housing strategies to address market and non-market housing needs, based on growth strategy (if available): <ul style="list-style-type: none"> • Municipalities • Electoral Areas/RDKB 	✓	✓	✓		
Update zoning bylaws to allow densification and alternative models of housing.	✓	✓		✓	✓
Coordinate bylaws and policies across the RDKB to complement and support regional efforts.	✓	✓		✓	
Reduce, waive, cost-share, or eliminate DCCs and permit fees on: <ul style="list-style-type: none"> • Smaller-foot print homes • Multi-family housing • Guaranteed rental units 		✓		✓	✓
Conduct annual data collection, as identified in Table 4, that is published and made available to municipalities, realtors, and economic development practitioners: <ul style="list-style-type: none"> • Locally • Regionally 	✓	✓	✓	✓	
Address building inspection concerns, as noted from developers' perspectives and indicated in Table 4: <ul style="list-style-type: none"> • Establish clear and publicly available expectations of timelines, regulations, and processes • Assess feasibility of virtual/video inspections 	✓			✓	✓
Develop an easily accessible and regularly updated lands inventory: <ul style="list-style-type: none"> • For developers to identify new opportunities • For municipalities and the Regional District to identify redevelopment and repurposing options 	✓	✓	✓	✓	
Research the Kootenay Premium claims with comparative indicators on labour, transportation, and material costs	✓	✓	✓		✓
Local partners					
Create a business attraction program that targets opportunities for various building development stages, e.g., drywalling; interior painting.	✓	✓	✓	✓	✓
Conduct research on the primary and secondary rental markets in each community.	✓	✓	✓		
Explore alternative ownership models for new housing developments.	✓	✓			✓
Identify gaps in local training or trades schools for BC Step Code and other sustainable building technologies and methods.	✓	✓	✓		✓

					
Create a best practices guide for alternative models of rural housing developments that support local builders and housing innovation.	✓	✓		✓	✓
Outside partners or advocacy					
Develop programs and relationships to support major energy upgrades, both for individual homeowners and landlords.	✓	✓			✓
Conduct a transportation audit to better understand issues around supplies and materials <ul style="list-style-type: none"> Identify supplies that could be accessed locally (e.g., lumber acquisition process) 	✓	✓	✓	✓	✓
Advocate for amendments to property and casualty insurance to allow innovative housing options.	✓	✓			✓
Advocate for senior-level government supports for upgrading/developing infrastructure to unserved lands to reduce or waive DCCs on: <ul style="list-style-type: none"> Smaller-foot print homes Multi-family housing Guaranteed rental units 	✓	✓	✓		✓
Explore development of a regional planning institute, either new or satellite office of an existing institute.	✓	✓			✓
Advocate for Speculation or Empty Homes Taxes to be applicable in rural areas		✓	✓		✓

REFERENCES

1. Federation of Canadian Municipalities. *Rural challenges, national opportunity*. <https://fcm.ca/en/resources/rural-challenges-national-opportunity> (2018).
2. Canadian Mortgage and Housing Corporation. *Canada's National Housing Strategy: A place to call home*. <https://www.placetocallhome.ca/> (2018).
3. Province of British Columbia. *Homes for B.C. A 30-point plan for housing affordability in British Columbia*. http://bcbudget.gov.bc.ca/2018/homesbc/2018_Homes_For_BC.pdf (2018).
4. CitySpaces. *House and Home: RDKB Housing Needs Report*. (2020).
5. Elver, D. The Wheelhouse: A New Way of Looking at Housing Needs. <https://www.cmhc-schl.gc.ca/en/housing-observer-online/2019-housing-observer/wheelhouse-new-way-looking-housing-needs> (2019).
6. Leviten-Reid, C., Horel, B., Matthew, R., Deveau, F. & Vassallo, P. Strong Foundations: Building Community through Improved Rental Housing Data. *J. Rural Community Dev.* 14, 74–86 (2019).
7. Hemingway, A., Daub, S. & Lee, M. *BC's housing crisis during the pandemic: A snapshot*. (2020).
8. Canadian Federation of Students. Students and Graduates Demand Emergency Pandemic Relief to Canada's Post-Secondary Education Sector. <https://cfs-fcee.ca/emergency-pandemic-relief/> (2019).
9. Farooqui, S. Small towns in interior B.C. and Alberta face intense housing crunch. *The Globe and Mail* (2020).
10. Gold, K. Small-town B.C. sees a rental boom as people migrate from urban centres. *The Globe and Mail* (2020).
11. Columbia Basin Rural Development Institute. *Investment Readiness Assessment*. <http://www.cbrdi.ca/BuildingLocalGovernmentCapacityForRuralEconomicDevelopment> (2020).
12. Lee, M. *Will the BC government ramp up its affordable housing efforts in Budget 2020?* <https://www.policynote.ca/housing-budget2020/> (2020).
13. Generation Squeeze. 4 Housing Commitments We Want from Federal Parties. <https://www.policynote.ca/housing-budget2020/> (2019).
14. Leviten-Reid, C. & Parker, B. Left out? Housing insecurity for one-person, low-income, non-senior households in Cape Breton Regional Municipality. *Can. Geogr.* 62, 470–481 (2018).
15. Carr, D. B. Why I can't afford to buy a house. *Behind the Numbers, Canadian Centre for Policy Alternatives* <https://behindthenumbers.ca/2015/11/10/why-i-cant-afford-to-buy-a-house/> (2015).
16. Kershaw, P. & Eaves, S. *Straddling the Gap: A troubling portrait of home prices, earnings and affordability for younger Canadians*. (2019).
17. Kershaw, P. Housing Affordability. in (Economic Development Practitioner's Network, 2020).
18. Puxty, J., Rosenber, M. W., Carver, L. & Crow, B. *Report on Housing Needs of Seniors*. <https://www.nesc.ie/publications/report-on-housing-subsidies/> (2019).
19. Brown, H. C. & Teixeira, C. Aging-in-place in a mid-sized Canadian city: A case study of the housing experiences of seniors in Kelowna's housing market. *J. Rural Community Dev.* 10, 98–119 (2015).
20. Basis, J. *Personal communication*. (2020).
21. British Columbia Rental Housing Task Force. *Rental Housing Review: Recommendations and Findings*. (2018).
22. Careless, J. Exploring the Trajectory of Housing Assistance Policies in Canada. *Altern. Routes A J. Critrical Soc. Reserach* 2 31, 135–158 (2020).
23. Gkartzios, M. & Ziebarth, A. Housing: A Lens to Rural Inequalities. in *International Handbook of Rural Studies* (eds. Shucksmith, M. & Brown, D.) 495–508 (Routledge, 2016). doi:10.4324/9781315753041-57.
24. Canadian Mortgage and Housing Corporation. History of CMHC. <https://web.archive.org/web/20140909232847/https://www.cmhc-schl.gc.ca/en/corp/about/hi/index.cfm> (2014).
25. Developer conversation. (2020).
26. Vancouver City Planning Commission, Simon Fraser University City Program & Smart Growth BC.

- Affordability By Design: Affordability For All. in (2006).
27. BC Housing Research Centre. *A Scan of Leading Practices in Affordable Housing*. <https://www.bchousing.org/research-centre/library/housing-affordability/scan-leading-practices-affordable-housing&sortType=sortByDate> (2017).
 28. Development, O. for E. C. and. *Rural Well-being: Geography of Opportunities*. <https://www.oecd-ilibrary.org/sites/d25cef80-en/index.html?itemId=/content/publication/d25cef80-en> (2020).
 29. Phillips, L. *Decentralisation and Governance in the Housing Sector*. <https://www.oecd-ilibrary.org/docserver/2d3c3241-en.pdf?expires=1593432474&id=id&accname=guest&checksum=BCC18E67833895799AE01EBB7344AD3F> (2020).
 30. Hastoe Housing Association. *Affordable Housing: A Fair Deal for Rural Communities*. (2016).
 31. Weeden, S. A. The coronavirus pandemic is pushing Canadians out of cities and into the countryside. *The Conversation* <https://theconversation.com/the-coronavirus-pandemic-is-pushing-canadians-out-of-cities-and-into-the-countryside-144479> (2020).
 32. Fumano, D. Numbers don't like: B.C. gets just 0.5% of federal housing program funds. *The Vancouver Sun* (2020).
 33. Whitelaw, P. & Barrs, R. *Sustainable Neighbourhood Development: Practical Solutions to Common Challenges*. www.fcm.ca/gmf (2016).
 34. BC Hydro. Renovating insulation. <https://www.bchydro.com/powersmart/residential/savings-and-rebates/current-rebates-buy-backs/home-renovation-rebates/renovating-insulation.html> (2020).
 35. CBC Radio Spark. A brave new road: how transportation might look post-pandemic. (2020).
 36. Advisory Committee Feedback. (2020).
 37. Hansen, S., Newbold, K. B., Scott, D. M., Vrkljan, B. & Grenier, A. To drive or not to drive: Driving cessation amongst older adults in rural and small towns in Canada. *J. Transp. Geogr.* 86, 102773 (2020).
 38. Applied Research & Innovation Centre. *State of the Basin: Snapshot Report 2020. State of the Basin* (2020).
 39. Edge, S. & Goodfield, J. Response to electric bikes (e-bikes) amongst stakeholders and decision-makers with influence on transportation reform in Toronto, Canada. in *52nd Canadian Transportation Research Forum* 1–10 (2017).
 40. Personal communication. (2020).
 41. Whistler Housing Authority. Whistler Housing Authority. <https://whistlerhousing.ca/> (2021).

APPENDIX A: EXTENDED DEVELOPMENT MODELS

Development models

Agrihood

Organized around food production, the agrihood is a new form of master development that supports sustainable and ecological living methods.^{xv} They vary in size and ownership structure, and integrate farms or gardens into the development model. They have been proven to support a developer's bottom line, create a sense of community and attachment, and improve various community health and environmental goals.

Cohousing

Cohousing is a Scandinavian model that started to be adopted in North America in the 1980s. However, application of the model remains relatively rare, although there is growing interest. While it builds community and a shared sense of space, the challenges associated with the development, management, operation, and resale can outweigh the positive aspects of this model.

Cohousing requires a group of people to build cohabitate and share the duties of a household. Aside from the significant amount of capital required, the people involved must have a unique set of skills to see the development through to the end. This skill set includes being a real estate developer, a community developer, a manager, and a facilitator. Many decisions must be agreed to by the community, which can cause delays and add to price. Cohousing is rarely done as affordable housing or even as moderate income housing due to the higher costs involved. One cohousing volunteer estimated he volunteered up to \$300,000 in professional time to see the project come to fruition. Although this person loves the end result and what was created, he expressed the sentiment that he would never do it again and cautions against anyone thinking it will be an easy housing solution.

Mixed-use

Mixed-use development is more of a planning principle or philosophy than a housing model. If supported by local bylaws (and maximum height restrictions), mixed-use developments can offer a solution to rural communities' housing needs, if appropriate planning staff and political will allow it.

By combining residential with a commercial and/or public use space, the risk for developers can be mitigated (assuming appropriate commercial users and/or public services are secured). This model further mitigates the absorption rate and economies of scale concern by allowing a smaller number of overall housing units to be offset by the commercial or public space.^{xvi} Housing units can be designed for rental or ownership and partnerships can exist between public authorities (such as health authorities) or with the private sector.

Multi-unit

This is a classification of housing where multiple housing units are contained within one building or multiple buildings within a complex or community. Common types of multi-unit housing include duplexes, townhomes, and apartments, mobile homes and manufactured-home parks.

Pocket neighbourhoods^{xvii}

Pocket neighbourhoods are small clusters of dwellings that share a common outside space or commons, such as a courtyard, an alley, or joined backyards. They are often cohousing communities. The neighbourhood is generally limited to 8-12 dwelling units as more dwellings result in greater separation -

^{xv} Urban Land Institute. (2018). *Agrihoods: Cultivating Best Practices*. Washington, DC: Author

^{xvi} BC Housing. (2020). Personal communication.

^{xvii} *ibid*

a key component to the pocket neighbourhoods is the shared commons. The commons has clearly defined boundaries but the occupants share communal sense of care and security over the area. The design and orientation of the dwellings maximize individual privacy by creating 'layers' of space.

The dwelling type is flexible as long as the common space exists. Homes can take the form of detached homes, townhouses, or apartments and thus can be designed to meet a wide-range of needs from affordable to full-market pricing. Due to the smaller size, the dwellings, in general, tend to cost less. Although each neighbourhood is different, there are some common design traits:

- 8-12 households
- Common space that is active and safe
- Pedestrian access over car access
- Strong sense of community, contribution, and safety
- Layers of space to delineate and transition from public to private space
- Smaller homes with a front porch
- Nested house design preserves privacy from neighbours

Single detached

The single detached home is the traditional model of housing in North America.

Secondary suites

A secondary suite is any type of accommodation on a property that is an accessory to the primary dwelling unit. This includes basement suites, granny flats, coach, or laneway housing.^{xviii} Secondary suites are a means to increase rental supply and are largely dependent and driven by the zoning and bylaws of a municipality. There is little data surrounding illegal secondary suites, and they are noted to occur in areas with low rental vacancies and high population growths.^{xix}

The municipality must consider, in tandem, what is physically possible and what is likely to be accepted by the community. For example, basement suites require houses with suitably-sized basements and are often less noticeable. Coach houses and garden suites require property with sufficient land or a garage to accommodate the physical structure. Each type of suite can further be categorized as permitted use – where the landowner does not require special permission – or conditional use – where permission is required. Conditional use triggers a process that some landowners may deem a barrier as the municipality may reject it or it becomes open to opposition from neighbours.

Seniors' housing options^{xx}

Seniors have a vast array of needs ranging from long-term care to mainstream housing. This report focuses on the following housing options, as identified and defined in the *Report on Housing Needs of Seniors*:

Mainstream housing; seniors will either stay in place in their usual homes or downsize to ground-oriented options. They are market-priced or lower-end market priced and may not be specific to senior living but can incorporate certain design specifics for aging-in-place, such as walk-in shower stalls and wider doors to accommodate mobility devices.

Naturally occurring retirement communities (NORCS); are communities that were not intentionally designed to be senior specific but host a larger proportion of senior residents. They occur as seniors remain in their homes as they age or have congregated to a geographic area due to downsizing. Support services may develop that provide ancillary supports within a

^{xviii} Province of Manitoba. (n.d.). *Municipal Planning Guidelines for Secondary Suites*.

^{xix} *ibid*

^{xx} Puxty, J., Rosenberg, M. W., Carver, L., & Crow, B. (2019). *Report on Housing Needs of Seniors*.

preventative health and social determinants model. For example, the OASIS Senior Support Living in Kingston converted a space within a building for common dining and recreation.^{xxi}

Retirement residences; often privately owned and residents are responsible for costs. They may also be managed by a non-profit organization and receive outside funding to keep costs low. Private accommodation is complemented by communal spaces that are dependent on cost and can include dining areas, lounge space, or pool facilities.

Independent living and active lifestyle accommodation; are designated, seniors-only housing that vary from detached homes to apartment buildings. These arrangements often combine accommodation and amenities and can take the form of various ownership models, including shared home ownership, co-housing, life leases.

Tiny home neighbourhood or community

A tiny home neighbourhood or community is a development that brings tiny houses together in one area. Tiny homes, and their communities, are based on ecological principles that promote lifestyle simplicity, affordability, and flexibility.^{xxii} A community is often initiated by citizens who have found a parcel of land for development and come together in a collaborative manner to work with local government on bylaws, with parking^{xxiii} and greywater systems^{xxiv} being top barriers. The tiny home movement continues to grow in Canada and the US. In partnership with UBC, the BC Tiny House Collective conducted a survey that found affordability was a driving factor for tiny home interest, with 86% (of 1,013 respondents) indicating they were planning on relocating in the next two to five years and would build tiny.^{xxv}

^{xxi} Puxty, J., Rosenberg, M. W., Carver, L., & Crow, B. (2019). *Report on Housing Needs of Seniors*.

^{xxii} BC Tiny House Collective. (n.d.). *Go Tiny*.

^{xxiii} Developer conversation. (2020). Personal communication.

^{xxiv} Jamal, A., Esau, C., Aamer, O., Thornton, C. (2017). *Legal Barriers to Greywater Management Practices in Metro Vancouver*. BC Tiny House Collective.

^{xxv} BC Tiny House Collective. (2017). *Assessing Demand and Support for Tiny Houses in British Columbia*. Retrieved <http://bctinyhousecollective.com/research/>

APPENDIX B: CONTINUUM VERSUS WHEELHOUSE

The Housing Continuum

Figure 1: Housing Continuum, Canadian Mortgage and Housing Corporation



The most often used image to depict housing options, this linear progression tends to overemphasize the importance of market home ownership, ignoring other models and that housing situations may not ‘flow’ in a linear process. To address this limitation, some communities are creating innovative models that allows them to be more flexible in their approach and recognize that the needs of people are diverse, creates a more inclusive view that addresses people do not necessarily move forward in a linear fashion, and adapts to the reality that not everyone has a goal of home ownership.^{xxvi}

The Wheelhouse Model

Figure 2: Wheelhouse Model, City of Kelowna



The City of Kelowna has adopted The Wheelhouse Model, which gives planners, developers, and housing providers an alternative view to understand and plan for their current and future housing needs. It has allowed them to shift their housing vision from solely homeownership as an end goal to a systems

^{xxvi} Elver, D. (2019). *The Wheelhouse: A New Way of Looking at Housing Needs*, CMHC.

approach that includes all forms of housing and recognizes that people may move around the Wheelhouse throughout their lives.

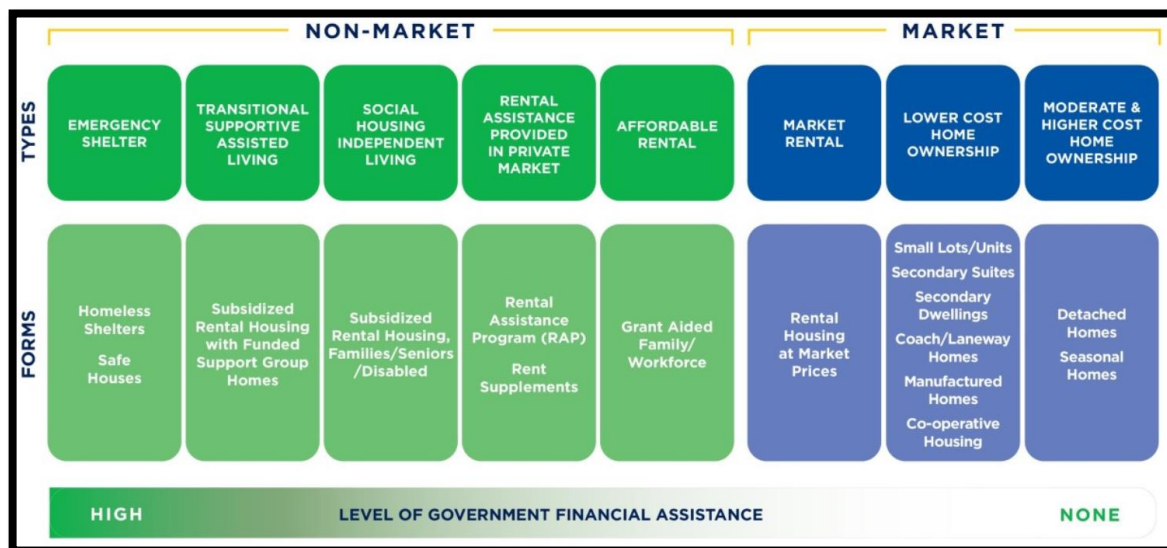
The Wheelhouse defines the following categories of housing as^{xxvii}:

- **Emergency Shelter**, non-profit providers offer temporary shelter, food, and other supportive services.
- **Ownership Housing**, ownership can be fee simple, strata ownership, or shared equity (i.e., mobile home park, cooperatives) and includes multi-unit and singled detached housing.
- **Rental Housing**, *Primary market* is purpose-built units constructed for the purpose of long-term rental tenure, typically in apartments or townhomes; *Secondary market* is private housing that contributes to the rental market and includes apartments, townhomes, secondary suites, carriage homes, and single-family dwellings.
- **Subsidized Rental Housing**, operated by non-profit housing providers, BC Housing, and cooperatives. These organizations provided subsidized rents through monthly government subsidies or one time government capital grants for low to moderate income households.
- **Long-term Supportive Housing**, housing providers offer long-term housing with ongoing supports aligned with need. This level varies from supportive, to assisted, to residential care.
- **Short-term Supportive Housing**, non-profit housing providers offer stable housing as a step between shelters and long-term housing. Stays are typically two to three years, with supportive services aligned with need.

Revised Housing Continuum

The RDKB Housing Needs Report provides another example based on the housing continuum, but modified to be a more innovative and inclusive model, including a range of housing types and forms, as well as consideration of level of government assistance required.^{xxviii}

Figure 3: Housing Continuum, RDKB Housing Needs Report



^{xxvii} City of Kelowna. (2017). *Our Homes Today & Tomorrow: Housing Needs Assessment*

^{xxviii} CitySpaces. *House and Home: RDKB Housing Needs Report*. (2020).

APPENDIX C: CASE STUDIES

The completed case study housing projects shared three key elements: (1) use of non-profit model reduced costs for development and operations; (2) network of relationships or partnerships; and (3) demonstrated need. These key elements are further described below. The developments were reviewed by gathering information from online sources (e.g., news articles, organization websites, BC Housing summaries) and attempts were made to speak with at least one representative involved in each project.

1. **Non-profit model:** for each of the three projects that are still operating, none are managed for-profit. Sunkatchers is a cooperative and Catherine Gardens and Veneto place are both run by non-profit organizations. The non-profit model has assisted in reducing operating, development, and management costs. Sunkatchers emphasized that two areas made their project successful: (1) access to relatively cheap land that would not typically be found today (land purchased in 1994) and (2) extensive volunteer labour.^{xxix} Veneto Place, with a focus on below-market units, obtained substantially discounted land, which reduced costs.^{xxx} Catherine Gardens is operated by the Schubert Centre (the adjacent seniors centre), which contributes to lower operating and costs.^{xxxi}
2. **Network:** all three completed projects had a number of relationships or partnerships in place to facilitate the development. This spanned from government support (both provincially and locally) to key individuals with access to equity or cash, to local businesses that wanted to work with the developments to see the project through for the community.
3. **Demonstrated need:** each of the projects had clear and demonstrated need or interest prior construction. In Vernon, there was a history showing a steady increase in population over the previous 20 years with additional growth anticipated in the upcoming 25 years.^{xxxii} Sunkatchers emerged from an existing community of snowbirds who were originally seeking a common goal (a summertime 'homebase').^{xxxiii} As a result of short-term tourism accommodations, Fernie was experiencing a housing crunch for residents that was particularly difficult for those in lower income brackets.^{xxxiv}

One of the reviewed projects failed. Located in Castlegar, Grandview Heights was a seniors housing project that resulted in bankruptcy due to a number of overlapping factors,^{xxxv} some of which were within the cooperative's capacity to have mitigated (e.g., greater engagement to secure interest; create a master plan) and others that were outside their ability to control (e.g., 2008 financial crisis; CMHC reluctance to approve cooperative mortgages). Ultimately, delays and unexpected infrastructure costs drove the costs upwards while sales stalled, causing the cooperative to collapse and, unfortunately, leading to significant

^{xxix} Plews, J. (2020). Personal Communication.

^{xxx} BC Housing. (n.d.). Building Knowledge: Housing Project Profiles, Veneto Place, Fernie.

^{xxxi} Schubert Centre. (2019). *Catherine Gardens at Schubert Centre*. Retrieved <https://www.catherinegardens.ca/life-lease/>

^{xxxii} City of Vernon. (2019). 2019 Community Profile. Retrieved https://www.vernon.ca/sites/default/files/docs/community-economic/vernon_community_profile_2019.pdf

^{xxxiii} Sunkatchers RV Park Cooperative (n.d.) Retrieved <https://sunkatchers.com>

^{xxxiv} BC Housing. (n.d.). *Building Knowledge: Housing Project Profiles, Veneto Place, Fernie*.

^{xxxv} Verigin, E. (2016). *Grandview Seniors Speak From The Ledge (The Facts About Kootenay Columbia Seniors Housing Cooperative [blog]*. Retrieved <https://elmerverigin.wordpress.com/2016/03/21/grandview-seniors-speak-from-the-ledge-2/>.

financial hardship for some involved in the project.^{xxxvi} Reviewing the project, the following lessons are evident:

- For a cooperative model, engagement beyond the ‘core group’ is required to secure homeowner interest and determine feasibility.
- Consultation and engagement with the community and various partners is required.
- A Master Plan is needed to identify approach, costs, and potential barriers.
- Know the demographic and need: best practices in seniors developments indicate the importance of having a central location that is *walkable* (e.g., Catherine Gardens; Veneto Place). In contrast, the site selected for Grandview Heights was a 17-minute bus ride plus a 23-minute walk to Safeway.

Analysis of the two projects in-progress to determine likelihood of success is more challenging, but some key elements, based on best practices, can be identified:

1. *Mountain Village*^{xxxvii} is a mixed-income, multi-generational cohousing project. Their member recruitment process is in-depth and requires multiple steps to ensure interest and fit prior to being accepted as a full, voting member. It is an approach to partnership and relationship development that will be able to identify the skill sets that are available to move the project forward. They have clearly articulated the steps, plan, and anticipated costs indicating a high-level of research and planning.
2. *Beaver Valley Middle School* has demonstrated a high-level of community engagement^{xxxviii} and council support.^{xxxix} It has been a community-driven project with the Village of Fruitvale acquiring the site in January 2019 to repurpose it into a mixed-use and multi-generational development. There are multiple partners involved in this project: BC Housing, Lower Columbia Affordable Housing Society, Village of Fruitvale, Electoral Area A, RDKB, Family Support Institute of British Columbia, and CitySpaces Consulting.

^{xxxvi} Kline, (2015, September 30). *Grand disaster at Grandview Heights*, Castlegar News, Retrieved <https://www.castlegarnews.com/news/grand-disaster-at-grandview-heights/>

^{xxxvii} The Mountain Village. (2020). Retrieved <https://themountainvillage.ca>

^{xxxviii} Over 60 community members and stakeholders attended a three-hour morning input session on the weekend. CitySpaces Consulting. (2020). *Workshops Summary Report: Former Middle School Master Planning Project*.

^{xxxix} Zhou, A. (2020). Personal communication.

APPENDIX D: DEVELOPER INSIGHTS QUESTIONS

Respondents & Questions

Round 1:

- 1 Realtor (Invermere)
- 6 Builder or Developers (Rossland, Grand Forks, Kelowna)

Questions:

1. What are the biggest needs of developers operating in the RDKB?
2. What are the largest gaps in service that you see in achieving those needs in terms of planning, application, or building process?
3. What do you find are the biggest mistakes made by small developers or builders acting as developers when they approach development projects?
4. By your best estimate, how well do smaller developers understand the permit application process and their necessary function?
5. From what we have already discussed, what would the most valuable items of interest to be included in a guild [toolkit] be?
6. What are some of the things the municipality/RD can do, through administrative or policy avenues, to help approve the affordability of projects?

Round 2:

- 2 Realtors (Trail, Rossland)
- 8 Builder or Developers (Rossland, Kelowna, Trail, Duncan, Vancouver, Kimberley)

Questions:

Streamlining

1. In your experience within the RDKB, do you have concerns with the processes? If so, which community or area?
2. What process(es) are the most onerous for you?
What are the issues you've experienced with that process(es)?
3. How could that process be improved?
4. Do you have an example of a community with a well-streamlined process?

Data

1. What data are you looking for?
2. What indicators would be most useful?
3. How would you like that data to be accessed or presented?

Costs

1. What is the average cost of construction/square foot?
 - a. How does that compare to other communities/areas you've built in?
2. What aspects of housing development cost the most?