

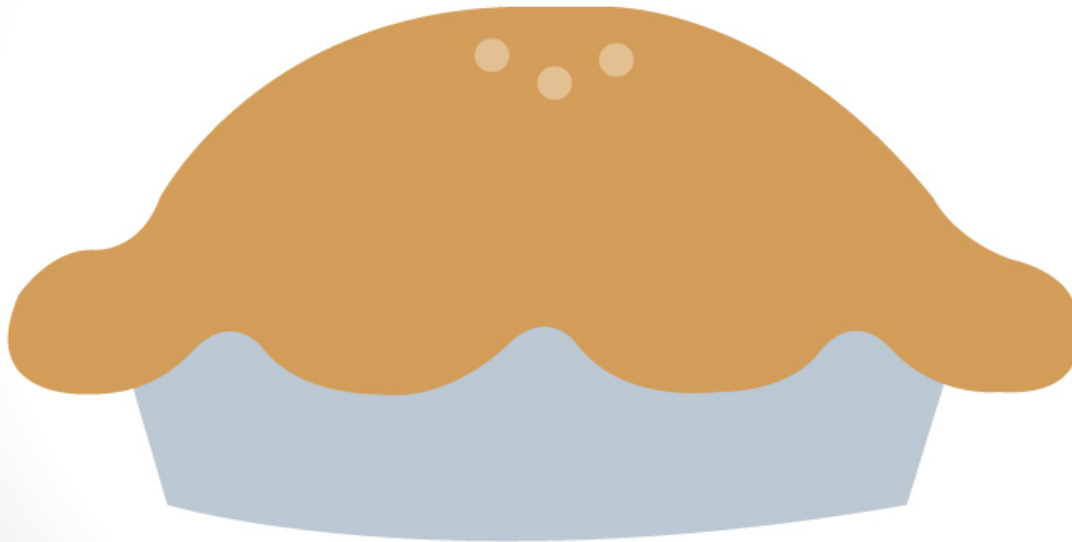


2019 Chair/CAO Forum

Affordable Housing – *Are we helping to make housing unaffordable?*

- ▶ Russell Dyson, Comox Valley Regional District
- ▶ Casey Edge, Victoria Residential Builders Association
- ▶ Lee Nicol, Local Government Division | Ministry of Municipal Affairs and Housing

What makes up the Single Family Pie...?



.....It's a complicated recipe!

Ingredients

- + **BC Housing**
 - Home protection warranty
 - + **Island Health**
 - Septic and water
 - + **Local Government**
 - Land-use regulations
 - + **BC Building Code**
 - + **Safety Authority**
 - Gas and Electrical
 - + **Ministry of Transportation and Infrastructure**
 - Road access
 - + **WorkSafeBC**
 - Worker safety (asbestos)
 - + **Easements, covenants, SRW, building schemes**
 - Various agencies
-

New Home Building Costs

1999

MUNICIPAL FEES

Building Permit Fees
Engineering Department Fees
Damage Deposit to Protect Civic Property

CONSULTING FEES

Designer / Architect
Surveyor
Structural Engineer
Geotechnical Engineer

1999

MUNICIPAL & CONSULTING FEES

7



2019

MUNICIPAL & CONSULTING FEES

15

2019

MUNICIPAL FEES

Building Permit Fees
Engineering Department Fees
Damage Deposit to Protect Civic Property

➤ Landscape Deposit +

CONSULTING FEES

Designer / Architect
Surveyor
Structural Engineer
Geotechnical Engineer

➤ Civil Engineer +

➤ Building Envelope Engineer +

➤ Certified Energy Consultant +

➤ Fire Sprinkler Design & Installation +

➤ Hazardous Materials Report & Removal +

➤ Arbourist Report +

➤ Landscape Designer +



Housing by the Numbers: Paths to Affordability, Health & Safety

Casey Edge, Executive Director
Victoria Residential Builders Association

\$678,426

- BC - \$678,426, Canada - \$493,827, New Brunswick - \$173,000
- BC lowest unemployment in Canada – 4.4%
- New Brunswick – 8.4%
- People still need jobs to buy even affordable homes
- 20+ years ago bestseller “Boom, Bust and Echo” by demographer David Foot predicted today’s housing demand
- Demographics (millennials), strong economy, employment, interest rates drive demand
- Limited supply & cost inputs drive rising prices

\$264,000

- **Housing supply** depends on land use often choked by regulation
- Greenbelts prevent housing expansion while aggressive environment bylaws (EDPA) in urban containment zones obstruct housing
- Municipalities say housing undermines urban canopy in “climate emergency” while CRD parks increasing from 8,200 to 13,000+ hectares
- BC Assessment: 1963 CRD home: House - \$112,000 Lot - \$775,000
- Australian study: Restrictive zoning raised prices 73% in Sydney, 69% in Melbourne, 42% in Brisbane
- BC’s policy of self-determination for municipalities inhibits responsible regional planning, land use, transportation & infrastructure
- Portland started LRT with same population as CRD (climate emergency?)
- **Rising cost inputs** = materials labour fees taxes inspections building regs
- CD Howe Institute: govt regs & fees add \$264,000 to new housing in CRD
- GST, Property Transfer Tax (PTT) did not exist 35 years ago, \$2 billion PTT
- DCC’s for sewer, water & parks increasing by double and triple digits & municipalities still ask for green space donated by developers
- Inspection/building permit fees charged as “value of construction” like PTT - a tax, not fee for service = big surpluses as home prices rise

Builders' Recommendations on Process

- Require **Complete Applications**: Pre-meetings but not 5 or 6 with changes
- **Avoid spending majority of staff time teaching** homeowners how to build
- Create **Best Practices for Community Associations** & enforce deadlines for responses
- Assign **higher priority to Development Applications** over other planning work (sign approvals)
- **Prioritize applications based on community objectives** such as housing affordability eg a gatekeeper shepherds applications (FlexPlex)
- **Pre-Zone focused areas** after community planning process complete
- **Broaden delegated authority** for minor development applications
- For many permits, **approval by staff** should take place if application meets the bylaw (eg garden suites)
- Planning Dept should **focus on planning, not design** issues
- **Advisory Design Panels should only include practitioners** like designers, landscape architects, developers
- **Increase the number of council meetings**
- **Eliminate unnecessary council reviews** where they are not the decision-making authority (eg) signs

Flex Plex Housing Project

- VRBA launched partnership with BC Housing and Habitat for Humanity to create first legal suites in Saanich (started 2001 & completed 2010)



\$55k to \$110k

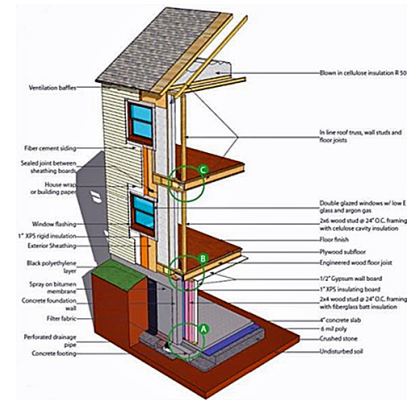
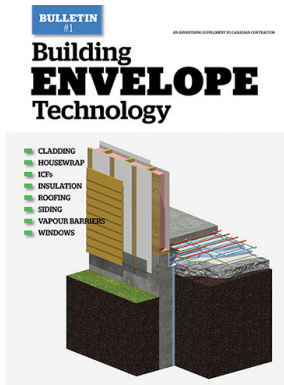
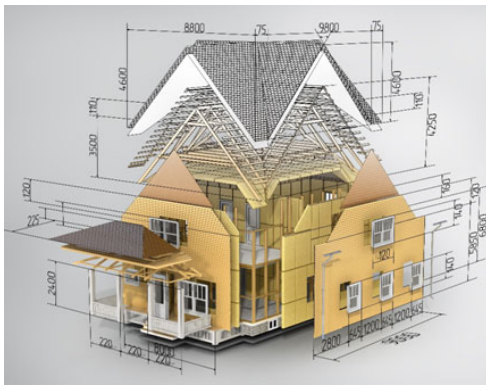
- Building Code focus has changed from basic health and safety to political/social issues (climate change)
- Six countries = 60% GHGs: China U.S.A India Russia Japan Germany
- Canada = 1.6% GHGs
- PM Trudeau: “Even if Canada stopped everything tomorrow and the other countries didn’t have any solutions, it wouldn’t make a big difference.”
- New homes reasonably safe, healthy and energy efficient yet great effort and resources spent on regs like Step Code (law of diminishing returns)
- VRBA survey (incl Built Green, Passive Home builders): Step Code Tier 5/ Net Zero-ready adds at least \$55,000 to \$110,000 to cost (\$80K avg)
- BC govt study claims cost only \$17,450 above basic code – get real quotes
- Step Code applies to new homes and saves 1 or 2 air changes per hour
- Most GHG’s from older homes: 10 - 40 air changes, retrofits more effective
- Step Code is really a Leap Code - municipalities often bypass Tiers 1 & 2
- Past unintended consequences from from fast-tracking energy efficiency include asbestos insulation (CHIP), urea formaldehyde, leaky condo
- Study shows very energy efficient homes draw in 35% more radon

Real Cost of Step Code

- Affordable Built Green home costs \$800 annually to heat – 3 air changes per hour
- Passive home/Step Code Tier 5 home costs \$200 to heat – 1 air change per hour
- \$600 difference
- \$60,000 additional cost over basic code home (low estimate) for Step Code Tier 5 home
- Additional \$60,000 at \$600 annual saving requires 100 years to pay off
- Add \$40,000 amortization over 25 years = \$100,000
- Real added mortgage cost to homeowner takes 165 years to pay off

Building Envelope Science

Managing water as vapour liquid solid



***“Building bylaws are one of local governments’
greatest exposures to liability risks.”
- Municipal Insurance Association***



Beware Municipal Liability for Step Code

- Step Code is enacted as a voluntary local bylaw, not mandatory BC Building Code
- \$3 million Supreme Court judgment against Delta in 2001 re: leaky condo
- Mayor: “put a big hole in the municipality’s budget.”
- Water is a vapour, liquid, solid: physics as well as carpentry
- Water pooling on flat roofs by permeating poly through osmosis
- According to a building envelope specialist, recent BC code changes may result in two virtual vapour barriers trapping moisture in walls
- ***“The BC Energy Step Code does not specify how to construct a building, but identifies an energy-efficiency target that must be met and lets the designer/ builder decide how to meet it.”***
- While home may pass initial target, building envelope failure may be fast-tracked in more energy efficient homes using some code-approved materials/applications. Like racing the family car at NASCAR.
- National Building Code committee reviewing energy efficient housing, including radon risk, and results expected within a year
- Langford supports Built Green, not Step Code & waiting for National Code diligence, also most efficient municipality building 40% of region’s homes – energy efficient & most affordable

Paths to Affordability

- Single provincial building code standard supported by diligence, research, education, affordability, proven practice
- Do not fast-track energy efficiency in new homes via municipal bylaws/Step Code – harmonize with National Building Code
- Remove multiple PTT charges on development of a single home & index GST New Home rebate to inflation
- Amalgamate local govts when in best interests of regional planning, transportation, infrastructure
- Build affordable housing on vacant municipal land - BC announced \$7 billion over 10 years for affordable housing but municipalities must contribute land
- Change “value of construction” to fee for service for permits/inspections
- Create mandatory development approval timelines & affordable fees
- Review municipal urban containment boundaries
- Use fact-based 3rd party analysis for environment issues (EDPA)
- Housing education needed for councillors & community associations
- Need enforceable Best Practices for community associations
- New “Housing Supply Challenge” announced in federal budget to encourage local govts to break down barriers - \$300 million available

Make Best Use of Available Land



2 townhomes & 2 live/work lofts on 1,800 sq ft lot in Sidney by Aryze builders

Visit www.vrba.ca & www.careawards.ca

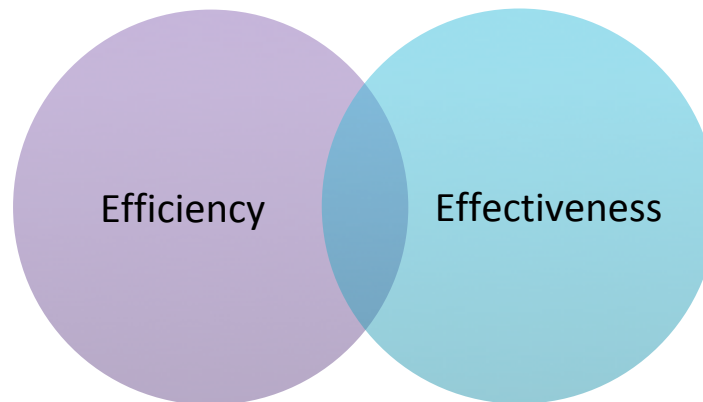


Development Approvals Process Review (DAPR)

**2019 Regional District Chair/CAO Forum Agenda
March 26th and 27th, 2019**

Project Purpose

To provide a range of stakeholders an opportunity to **reflect on the current approaches** to development approvals processes, identify challenges and best practices, and **suggest ideas** to increase the efficiency and effectiveness of these processes in the local government system across the province.



Project Objectives

Engage stakeholders in a robust conversation to:

- Identify **core qualities** of a sound development approval process
- Clarify **challenges and opportunities** within current development approval processes
- Identify and analyze **potential solutions** and action ideas to address challenges



Project Scope

All elements related to **LG development approval processes**, including:

- RGS amendments
- OCP amendments
- Zoning amendments
- Development Variance Permits
- Development Permits
- Building Permits
- Public Hearings
- Other related approvals



DAPR Project Stakeholder Roles

Working Group	Technical Committees
<p>1 Province-wide Development Approval Process Working Group (DARWG)</p>	<p>4 Regional Development Approval Process Technical Committees (DARTC) [Kelowna, Nanaimo, Prince George, Vancouver]</p>
<ul style="list-style-type: none"> • Guide the Development Approval Process Review • Identify qualities of a sound development approval process • Identify key challenges and opportunities to guide DARTC discussions • Validate and refine DARTC ideas and possible solutions 	<ul style="list-style-type: none"> • Identify and analyze challenges and opportunities put forward by the DARWG • Develop ideas and possible solutions for review and validation by the DARWG

Project Success

- Move toward a shared and holistic understanding of the Development Approvals Process (DAP).
- Try not to focus on the hot topic of the day but rather on the goal of increasing efficiency and effectiveness of DAPs.
- Understand potential consequences of ideas being put forward on all parties involved.
- Recognize a one size fits all approach may not be appropriate for all circumstances.

Challenges

Challenges have been grouped into six categories:

1. Approval processes – elected and staff approvals, public processes
2. Local government internal processes
3. Local government fees and requirements
4. Subdivision
5. Proponents and qualified professionals
6. Provincial processes and regulations

Project Process

	Phase 1	Phase 2	Phase 3
Timeframe	<ul style="list-style-type: none"> November–February 	<ul style="list-style-type: none"> February–April 	<ul style="list-style-type: none"> April–June
Purpose	<ul style="list-style-type: none"> Identify DAP qualities Identify challenges and opportunities 	<ul style="list-style-type: none"> Develop ideas and potential solutions to improve DAPs 	<ul style="list-style-type: none"> Document and refine ideas and potential solutions
Events	<ul style="list-style-type: none"> DARWG meeting Four regional DARTC meetings 	<ul style="list-style-type: none"> DARWG meeting Four regional DARTC meetings 	<ul style="list-style-type: none"> DARWG meeting Stakeholder teleconference calls as needed
Deliverable	<ul style="list-style-type: none"> Phase 1 Brief 	<ul style="list-style-type: none"> Phase 2 Brief 	<ul style="list-style-type: none"> Summary report of action ideas and potential solutions

What we have done and what comes next

- Phase 1 and Phase 2 are complete
- Development Approvals Review Working Group meeting in May
- Final report – summer 2019

Thank you

Questions?