Office of the Mayor

July 9, 2024

Via email to: Housing.Targets@gov.bc.ca

Attention: The Honourable Ravi Kahlon, Minister of Housing

Dear Honourable Minister:

On behalf of Council, I am writing in response to the proposed housing targets for the District of North Saanich outlined in your recent correspondence dated June 17, 2024. We appreciate the opportunity to provide feedback and express our position on this critical matter.

Firstly, we agree and appreciate the need to address the pressing issue of housing supply and affordability in our community and within the wider region and province. The housing target program provides an opportunity to discuss and explore how the housing needs of our population can be met in a sustainable manner over the next five years. We recognize the importance of collaboration between provincial and municipal governments to achieve these goals.

Recognizing that the main role of local governments is to set the policy framework and process development applications for new housing, North Saanich is dedicated to taking a sustainable approach to community planning that seeks to address the local constraints and opportunities, the needs of those living here today, and those of future generations. One of the five strategic goals set out in Council's 2023-2026 Strategic Plan is to support growth that is environmentally, socially, and economically sustainable. This goal will remain as one of the key focuses during the work currently being undertaken to update our Official Community Plan.

After careful review and analysis of the proposed targets, the District of North Saanich has several observations and recommendations we would like to bring to your attention.

1. **Need for Partnering with Local Government**

   While municipalities can reasonably be expected to establish appropriate policy frameworks and efficient development application review processes (i.e., creating favorable conditions), we lack the necessary controls to ensure the construction of new housing units. Moreover, they do not have the legislative mandate, financial resources, or revenue mechanisms to make substantial investments in housing projects. According to the Federation of Canadian Municipalities, local governments are responsible for nearly 60 percent of the nation's public infrastructure, yet they receive only about 12 cents of every tax dollar collected in Canada.

   Without a significant overhaul of this funding model, local governments can only play a limited role in addressing the housing crisis, compared to senior levels of government. This situation highlights two important principles of municipal-provincial relations as outlined in the Community Charter: first, the citizens of BC are best served when municipalities and the Provincial government acknowledge and

respect each other's jurisdictions; and second, responsibilities should not be assigned to municipalities without the necessary resources to fulfill them.

The Strong Fiscal Futures Report – A Blueprint for Strengthening BC Local Governments' Finance System was developed in 2013 and presented to UBCM membership and the provincial government as a blueprint for change to the British Columbia local government financial system. Without a commitment from the province to meaningful engagement through a working partnership with UBCM in order to meet the respective mandates of strengthening the local government finance system, municipalities can only reasonably be expected to focus on their current jurisdiction, which is primarily about creating the conditions for housing construction.

2. **Alignment with Local and Regional Plans**:
   The proposed targets should consider the unique characteristics and capacities of individual municipalities, as well as the important role that rural communities play in regional plans.

   The District of North Saanich is a collection of coastal focused neighbourhoods which surround agricultural lands. The community's long term development plans are based on the desire of residents to retain rural character and safeguard environmental qualities. The District's policies and plans reflect a strong commitment to preserve the agricultural land base and agricultural activities in the municipality.

   The Regional Growth Strategy (RGS) for the Capital Regional District outlines objectives for managing and balancing growth in the region by keeping urban settlement compact and protecting the integrity of rural communities. To support quality of life and community character in rural areas, urban containment directs growth into complete communities to reduce development pressures in the Saanich Peninsula, rural West Shore, Sooke and the Juan de Fuca Electoral Area. The District does not have any lands within the urban containment boundary.

   We suggest that the targets be aligned with these local and regional plans to ensure feasibility and effectiveness. This alignment will facilitate better integration and coordination of efforts between our municipal initiatives and the provincial objectives. There are currently a number of provincial, regional, and municipal policies which aim to protect and enhance the region's food and farmlands, minimize urban/agricultural land use conflict, enhance local food security, and foster resiliency in the face of an unpredictable climate.

3. **Local Conditions and Constraints**

   The District of North Saanich faces several local conditions and constraints which will challenge the ability of the municipality to achieve the proposed housing targets.

   1. ***Infrastructure and Services****:*
      Adequate infrastructure and public services are critical to supporting increased housing supply and the creation of sustainable and livable communities. The infrastructure deficit in the District spans across the water, sewer, and storm systems. In addition to failing condition, much of the infrastructure is under capacity. For instance, the District's water distribution system is currently undersized to provide adequate fire flows for the current land-use configuration. Only limited areas of the District are sewered, with only roughly half of our

residential properties connected, and the drainage system is in poor condition with increasing annual failures.

Our current capital asset management approach is focused on addressing the current infrastructure deficit and accommodates historical and incremental growth. This approach will now require review and revision in context of the Housing Target Order as well as adjustments made to similar plans with our regional service provider.

2. ***Land Availability***
   The District of North Saanich has a unique profile in the region since it has a land base of almost 40 percent agriculture and over 21 percent federal lands. In addition, North Saanich's unique waterfront of more than 700 properties is highly valued as it is situated in a semirural area near an urban centre which drives the average real estate price amongst the highest in the region. The combination of limited land availability with the high cost of land within the District are local conditions which challenge the delivery of diverse housing, such as rental and affordable housing options.

3. ***Resourcing and Capacity***
   The District has a small planning department that faces significant capacity constraints in updating community plans and zoning bylaws, processing complex development applications and reporting on housing targets. Our staff is often required to manage multiple roles simultaneously, from reviewing development proposals to conducting site visits and community consultations, stretching their capacity thin. The complexity of development regulations and the necessity to ensure compliance with local, provincial, and federal guidelines add to the workload, often leading to delays. Along with inadequate funding, the small engineering department is under-resourced to meet capital asset renewal requirements.

North Saanich's ability to quickly deliver additional housing is significantly influenced by market conditions and development constraints, outside of our influence, that have worsened housing supply and affordability issues throughout the province and country. In addition to increasing land costs, these factors include labour shortages, rapidly rising construction costs, and increasing interest rates.

4. **Affordable Housing and Diversity**:
   It is imperative that the proposed targets not only consider the quantity of housing but also the affordability and diversity of housing options. While we appreciate that specific unit types have been provided as guidelines, we note that the proposed housing target methodology does not currently address the affordable and diverse housing needs of all demographics, including seniors and individuals with disabilities.

   It is also important to note that some of the housing types specified in the proposed housing targets require senior government investments. Without private or senior government initiatives for below-market rental or supportive housing units, the District owns little to no land to initiate projects. District-owned lands are pre-dominantly used for community purposes such as parks and trails, emergency services, municipal services or are within the ALR. Potentially expanding the use of these lands to include housing elements would require careful long-term planning and consultation with the community to ensure an appropriate level of public access (current and future) to spaces, services and

amenities that foster community connectedness, livability and well-being. Taking parks as an example, demand for such will increase as the community grows and more residents are living in smaller housing units with no or limited private outdoor space.

5. **Agricultural Land Reserve**:
   The District values its agricultural land reserve (ALR) and recognizes its importance in preserving farmland and supporting local agriculture. We recommend that the proposed housing targets consider the boundaries of the ALR and avoid encroaching on these vital lands. Preserving the ALR is crucial for maintaining food security, protecting the environment, and sustaining the agricultural heritage of our community and the region. We recommend that the proposed housing targets respect the boundaries of the ALR and avoid encroaching on these vital lands.

   Federal and Provincial Crown Land:
   Close to 30% of the land in North Saanich is Crown Federal or Provincial land. North Saanich exists on the traditional territories of the W̱SÁNEĆ people and Pauquachin First Nation and Tseycum First Nation hold existing titles on reserve lands within the District's borders.

   The District is home to the Swartz Bay Ferry Terminal, and several large federally-owned properties, including the Victoria International Airport, the Center for Plant Health, the Institute of Ocean Sciences and the Coast Guard. These properties are large employers in the District and we understand that there is a need for workforce housing development. The District has no jurisdiction over federal or provincial lands. With limited ability to develop District owned land for workforce housing, we would expect that available federal and provincial lands, outside of the ALR, would be explored to meet the workforce housing needs in North Saanich.

6. **Support for Municipal Implementation**:
   Achieving the proposed targets will require significant effort and resources at the municipal level. We request that the Ministry provide additional support to municipalities in the form of funding, technical assistance, and streamlined regulatory processes. This support will be crucial in overcoming potential barriers and expediting the implementation of housing projects.

7. **Monitoring and Flexibility**:
   The establishment of monitoring and evaluation mechanisms is essential to track progress and make necessary adjustments. We advocate for a flexible approach that allows for periodic review and modification of targets based on real-time data and changing circumstances. This flexibility will enable municipalities to adapt and respond effectively to emerging challenges and opportunities, including but not limited to, provincial and federal mandates on environment protection and climate change mitigation strategies.

8. Requests for Provincial Action to Explore Opportunities

   1. Provincial funding and technical assistance will be a critical component in the District achieving the proposed housing targets.

   2. A Provincial information sharing hub where communities can share ideas on how they plan to create optimal conditions to achieve housing targets would be an asset.

3. A focus on provincial partnerships to provide affordable, supportive, and below market housing initiatives, including funding for land purchases, will be vital to achieving the housing diversity outlined in the provincial guidelines.

4. Advocating on behalf of the District to the federal government on their role in addressing the housing crisis, and supporting the District in exploring opportunities to provide workforce housing on federal lands.

In conclusion, the District of North Saanich is committed to working collaboratively with the Ministry of Housing to achieve the proposed housing targets. We believe that with thoughtful consideration of our recommendations, we can create vibrant, inclusive, and resilient communities that meet the housing needs of all residents.

Thank you for your attention to our feedback. We look forward to continuing our partnership and dialogue on this important issue. Please do not hesitate to contact us if you require further information or wish to discuss our recommendations in more detail.

Yours sincerely,



Mayor Peter Jones

Copy: All Council
Stephanie Munro, Chief Administrative Officer
Rachel Dumas, Deputy CAO/Director of Corporate Services