

# Regulatory Context for Improving Affordable Housing in Kaslo, B.C.

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**North Kootenay Lake Community Services Society**

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# Regulatory Context for Improving Affordable Housing in Kaslo, BC

## 1.0 Introduction

*Affordable housing* is the latest in a list of phrases synonymous with *subsidized housing*, *social housing*, and others. Although these terms denote housing for those who cannot afford the market cost of shelter, *social housing* seems to imply that *a responsible and humane society has an obligation to assist those of its member who could not otherwise have decent housing* (Davis, 1995:1). Such housing used to be provided for the homeless, the most vulnerable segment of our society through government financed public housing. And while *affordable housing* covers part of this need, it is a more general term referring to direct and indirect subsidized housing. Over the last decade or so, the need for affordable housing in BC has considerably grown, especially for a larger number of lower and middle income working people who earlier could afford housing with their incomes. But as the gap has increased between their real income and the cost of market housing their ability to purchase decent shelter has disappeared. This growing housing sector is referred to as *non-market affordable housing* (Curran and Wake 2008). These changes are paralleled by a decrease in federally and provincially funded public housing and an increase in reliance of local governments on private sector to provide affordable housing through land use controls and regulations.

Housing affordability is measured in several ways: see especially Center for Transit-Oriented Development and Center for Neighborhood Technology (2006), Demographia (2009), Levison (2004), and Stone (1993). In Canada, the widely accepted tool used by local

governments and the Canada Mortgage and Housing Corporation (CMHC) is the shelter-cost-to-income ratio (STIR). A STIR higher than 30% of gross household income being spent on housing is taken as indicating affordability issues<sup>1</sup>. In using this measure, the recently completed 100% housing survey in Kaslo and Area D, British Columbia (BC), undertaken by North Kootenay Lake Community Services Society (a non-profit organization based in Kaslo), found that 26.5% of total households are spending 30% or more on housing. This indicates a serious housing affordability problem, but one not unique to Kaslo (see Glorioso, 2009a).

Especially in the last decade rural communities rich in natural and/or cultural amenities (mountains, forests, lakes, recreation opportunities and rural lifestyle) have been changing rapidly. Their economic base is restructuring with natural resource extraction (mainly forestry and mining) declining and service and amenity-based activity (tourism, second homes, resort development, etc.) increasing (Power, 1996; Fawson, *et al.*, 1998; Travis, 2007). Important to this change particularly recently in mountain areas, is a phenomenon called *amenity migration*, typically defined as *the permanent and part-time movement of people to places principally because of their actual or perceived higher environmental quality and cultural differentiation* (Moss, 1994, 2006; Moss, Glorioso and Krause, 2009). Where amenity migration is most advanced, the decline in housing affordability, for both purchase and rent, has become an outstanding public policy issue (Bland, 2009; Clark, 2006; Johnson, *et al.*, 2006; Moss, 2006). On the other hand, Hammer and Winkler (2006) suggests that high amenity communities have

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<sup>1</sup> This is an imperfect measure of *affordability*, as it does not take into consideration significant household characteristics (single parent, senior, disabled person, etc.) and size (Stone, 1993), and masks the needs of no income to very low-income families. Yet it remains the most common tool for measuring housing affordability because it is considered a straight forward and efficient measure for use in implementing government housing programmes (Levison, 2004).

better opportunities to address their affordable housing issue compared to other rural communities where this problem stem from long-term decline and neglect. They propose that high amenity places have a larger tax base and through land use controls can require land developers to provide affordable housing.

Land use planning and zoning are often used to address affordable housing problems. Earlier they were used principally in suburban development, but are now also used in both large urban centres and smaller, rural communities. These rural communities often argue that their situation is different from cities, citing limited financial resources and limited or lack of planning and management staff as common barriers in developing affordable housing policies. And when addressed, they have typically taken the more conventional regulatory approach to affordable housing focused on exclusionary zoning (Ministry of Social Development & Economic Security, 2000). The Village of Kaslo fits into this pattern (see further discussion below).

The primary purpose of this report is to identify and assess different land use planning and zoning tools, particularly those practiced in BC, that may be useful for assisting the Village of Kaslo (the Village) in addressing its affordable housing concern. This is done by reviewing principally the information available on BC's land use planning and zoning bylaws for affordable housing, and with particular reference to the Village's two OCPs; the existing plan and a draft revised plan. Constrained by limited information on the impact of these public management tools on affordable housing in BC, the report also draws from a larger experience with affordable housing, principally from the USA. The report concludes with some suggestions for strengthening the Village's affordable housing policies and planning. It is not within the

purview of this report to focus on the financing of affordable housing. For this subject the author recommends the work of Deborah Curran and Tim Wake (2008), especially for non-market affordable housing.

## **2.0 Land Use Planning and Zoning Tools for Affordable Housing**

Affordable housing is one part of the larger housing issue of providing equitable choices, options and alternatives, including the opportunity to rent shelter. It is only being partially addressed in BC public policy, and is a complex concern, closely linked with local community sustainability and involving people's values and behaviour, along with public transportation, utilities and service networks and resulting environmental degradation (especially associated with low density single family housing). This systemic relationship should be analyzed in a more holistic manner before affordable housing policy, strategy and plans<sup>2</sup> are formulated. And while this suggestion is returned to in the concluding part of this report, especially the opportunities available through BC's *Integrated Community Sustainability Planning (ICSP)*, such an analysis is greater than the report's terms-of-reference.

### **2.1 Official Community Plans (OCPs)**

Most local governments in BC address affordable housing issues through: 1) local land use policies expressed in a land use plan called Official Community Plan (OCP); 2) mandatory

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<sup>2</sup> The differences among these planning terms are discussed on page 21.

inclusion of affordable housing policy in the OCP; and 3) zoning bylaws used to implement the OCP.

Following the BC *Local Government Act*, an OCP is a statement of objectives and policies to guide decisions on planning and land use management within the area covered by the plan, and respecting the purposes of the local government. Regarding affordable housing, Section 877(2) of the same Act requires that an OCP must include policies for affordable housing, including rental housing and special needs housing. The intent of Section 877(2) is not to provide specific strategy for affordable housing and/ or how to finance its development, but to guide the overall development of affordable housing in a community and establish where different uses will occur. However, this does not guarantee the provision of affordable housing, as there is no law requiring a local government to implement their OCP. Section 884 (1) clearly states that *An official community plan does not commit or authorize a municipality, regional district or improvement district to proceed with any project that is specified in the plan* (Government of British Columbia , 1996).

It follows that an OCP, like other public plans, needs strong local political determination along with adequate financial and skilled human resources to be implemented, especially in view of the complexity of the housing issue now being faced. Thus, it is not surprising that communities that have adopted housing policies in their OCPs continue to have affordability housing issues. The affordable housing study undertaken for the Columbia Basin and Boundary Regions, using 2006 Census statistics (Penfold, 2009), indicates that more than 30% of Salmo and Kaslo areas residents spend 30% or more of their income on housing. This amount is 2.25% more than BC's average, and 9.45% more than that of CBT boundary area average. As noted

above, the more recent NKLCSS housing needs assessment (Glorioso, 2009a) for Kaslo and surrounding Electoral Area D indicates 26.5% of total households are paying 30% or more of their income.

## ***2.2 Land Use Regulations***

Land use regulation tools that local governments may use to encourage the development of affordable housing can be categorized as four types:

### ***2.2.1 Comprehensive Development Zoning (CD)***

Typically this zoning is used to customize mixed used development and zoning of a particular site. Its intention is to develop land in a comprehensive manner, discouraging piecemeal land development. Therefore, it facilitates site aggregation, optimizing development potential and allowing a more efficient physical lay-out. It is recommended for sites that should receive innovative treatment, such as environmentally sensitive areas, sites with topographic constraints or sites that are adjacent to existing uses (*West Coast Environmental Law*, undated). With this type of zoning, the use and the planning requirements are not listed in the CD bylaw, but are described in the developer's plan, which is negotiated between the developer and public planning staff on a case-by-case basis. This negotiation process allows staff to obtain affordable housing units, which is difficult to do via earlier, exclusionary zoning. The process can also facilitate flexibility, creativity and larger profit for the land developer. But at the same time, CD may also create uncertainty and delay for the developer (Association of Architectural Practices

Ltd., 2001). Although this is a complex process, 44 of the 131 BC local governments have used this tool by 2000 (Ministry of Social Development and Economic Security, 2000).

### ***2.2.2 Incentive Zoning***

This type of zoning is increasingly being used to influence private land use decisions. Its intention is to provide a reward-based system that encourages development that meets the needs of the local inhabitants. There are many kinds of incentive zoning and the most familiar ones used in BC are probably density bonus, secondary suites, and alternative design standard. They are listed in Table 2, along with a summary of key comparative usages, incentives to a developer, advantages and disadvantages to the community.

**Table 1. Comparative Implications of Incentive Zoning for Affordable Housing**

<b>Incentive Zoning Tool</b>	<b>Developers Incentives/ Benefits</b>	<b>Community Advantages</b>	<b>Community Disadvantages</b>
<p><b>Density Bonus</b></p> <p>– allows property owners to construct more residential units on a given parcel of land. Its intent is to save sufficient funds to offset any financial burden created by including affordable housing in the project.</p>	<ul style="list-style-type: none"> <li>• Reduces developer’s per unit land cost for both affordable and market rate housing.</li> </ul>	<ul style="list-style-type: none"> <li>• Direct costs are minimal and administrative costs are low.</li> <li>• It increases housing supply while still encouraging preserving green space.</li> <li>• It encourages compact development that reduces the per unit cost of providing public infrastructure.</li> </ul>	<ul style="list-style-type: none"> <li>• Less valuable in weak markets.</li> <li>• Potential to overburden existing public infrastructure by increasing the number of housing units they need to serve.</li> </ul>
<b>Secondary Suites</b>			

<b>Incentive Zoning Tool</b>	<b>Developers Incentives/ Benefits</b>	<b>Community Advantages</b>	<b>Community Disadvantages</b>
<p>– refers to additional separate dwelling unit on a property that would normally accommodate only one dwelling unit.</p>	<ul style="list-style-type: none"> <li>• Provides additional income that can be used to off-set mortgage costs.</li> <li>• Allows members of extended family (parents, in-laws, unmarried children, etc.) to live on the same property while maintaining a degree of independence and privacy.</li> </ul>	<ul style="list-style-type: none"> <li>• Unobtrusive and inexpensive way of integrating affordable housing in a community.</li> <li>• Increases property tax revenues for municipalities.</li> <li>• Promotes income integration as secondary suites facilitate a wide variety of income levels to live in a common community.</li> <li>• Enables a more efficient use of existing physical infrastructure.</li> </ul>	<ul style="list-style-type: none"> <li>• Due to cost involved in legalizing secondary suites (code-conforming conversions, permit fees, cost of repair/ renovations), it can be difficult to enforce the legalization of these accessory dwellings.</li> <li>• Difficult to monitor which suites are legal and illegal.</li> </ul>
<p><b>Expedited Permitting</b></p> <p>– refers to streamlining the permitting and regulatory approval process for residential development projects that include affordable housing.</p>	<ul style="list-style-type: none"> <li>• Reduces the “soft costs” required to complete a project.</li> <li>• Allows the project to move forward much faster limiting a developer’s exposure to shifts in market demand, interest rate fluctuations, etc. especially where regulatory approvals take a number of years to obtain.</li> </ul>	<ul style="list-style-type: none"> <li>• Cost-effective way to encourage the private sector to include affordable housing in market rate projects.</li> <li>• Increases housing supply by reducing pressure placed on housing price due to administrative review and related time involved, especially where regulatory approval process is cumbersome.</li> </ul>	<ul style="list-style-type: none"> <li>• Low value in housing markets with few regulatory barriers.</li> <li>• Can reduce effectiveness of review due to haste.</li> </ul>
<p><b>Fee Waivers</b></p> <p>– refers to waiving of impact fees, development cost</p>	<ul style="list-style-type: none"> <li>• Reduces the cost of “right-to-build” (the built-in cost to home buyers in</li> </ul>	<ul style="list-style-type: none"> <li>• Valuable in markets with development exactions.</li> <li>• Politically attractive.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduces the amount of funding available for the provision of</li> </ul>

<b>Incentive Zoning Tool</b>	<b>Developers Incentives/ Benefits</b>	<b>Community Advantages</b>	<b>Community Disadvantages</b>
charges, etc. in lieu of including affordable housing in a project.	places with strict land use controls). Its potential benefits to a developer is high where local governments rely heavily on impact development fees and other forms of development exactions to pay for public infrastructure.		public services needed to support new development.
<p><b>Alternative Design Standards</b></p> <p>– refers to the relaxation of some of the design standards such as setbacks, parking ratios, or constructing affordable housing units that are smaller than the market rate units included in the project.</p>	<ul style="list-style-type: none"> <li>• Economic incentive.</li> <li>• Increases a developer’s flexibility on engineering and architectural design.</li> </ul>	<ul style="list-style-type: none"> <li>• Profit motive prevents the development of substandard affordable housing even though some of the design standards have been reduced.</li> </ul>	<ul style="list-style-type: none"> <li>• Market forces and local values may require higher design standards.</li> </ul>

Sources: Canada Mortgage and Housing Corporation (1991); Center for Real Estate and the Metropolitan Studies Group (2008).

**2.2.3 Inclusionary Zoning**

This is a land use regulation that typically requires developers of market-rate residential development to set aside between 10% and 20% of their units for affordable housing. Alternatively they can choose to pay a fee or donate land in lieu of providing affordable housing (Calavita and Mallach, 2009). Its intent is to encourage the provision of mixed-income housing.

Its seeming main advantage to a community is the potential benefit of reducing spatial concentrations of poverty by integrating affordable housing units into market-rate development projects located throughout a community (Center for Real Estate and the Metropolitan Studies Group, 2008). However, its heavy reliance on continuous development activity may yield the tool ineffective in weak markets.

The three types of inclusionary zoning are:

- Mandatory inclusionary zoning, which requires land developers to set aside a percentage of the units included in the market rate residential development projects affordable housing units.
- Voluntary inclusionary zoning, which attempts to entice real estate developers to build mixed income housing by offering economic incentives (see Section 2.2.2, Incentive Zoning above).
- Conditional inclusionary zoning, which does not technically require the developer to build mixed-income housing although development permits would not be issued for any new development unless affordable housing is included in the project.

In principle, only the voluntary inclusionary zoning above needs to offer economic incentives to the private sector (Mallach, 1984). However, due to widespread concern *that costs are being borne by developers and/or market-rate homebuyers, and reflecting legal concerns associated with the “takings” issue, many municipalities enacting inclusionary ordinances [zoning] have combined them with incentives or cost offsets designed to make the imposition of*

*an affordable housing obligation cost-neutral* (Calavita and Mallach, 2009:15). Further, they argue that the dominating American attitude of “right to develop” (that it is our right to develop a property) in contrast with many European countries’ “privilege to develop” attitude, weaken this approach. It is uncertain where BC, and more particularly Kaslo and area should be located vis-à-vis this cultural trait; perhaps somewhere between the US and European attitude. Offering compensation in the form of economic incentives to developers for providing affordable housing appears generally viewed as a necessity in the USA, but needs further analysis for Kaslo and area.

Many of these incentives directly or indirectly displace costs onto the public. Costs are paid directly and indirectly by tax payers either through appropriations at the national, provincial or local level, or by redirecting revenues that would otherwise go into the local government’s general fund. When a project does not bear the full cost of the development, the local government must make up the lost revenue or allow the infrastructure or service levels to decline. To be an effective tool, the above authors recommend linking inclusionary zoning to the ongoing process of rezoning, treating it explicitly as a vehicle for recapturing for public benefit some part of the gain in land value resulting from rezoning.

Although mandatory programs had produced the most very-low- and low-income affordable units compared to units produced under voluntary programs (Zatz, 1994), it must overcome several problems including constitutional questions such as *public takings*, political objections, project’s sustainability, and the possibility of developer’s evasion of the affordable

housing requirements by building market-rate units first and then abandoning the project (Salsich, 2003).

#### 2.2.4 Development Exactions

This is a form of land use regulation whereby a property owner must provide a payment or property in order to initiate land development. It allows local governments to pass a portion of the cost of public facilities on to a developer at the time development begins, rather than waiting until tax revenue or service charges are collected from the residents. Development exactions can take in the form of: 1) dedication; 2) utility connection fees; 3) fees-in-lieu; 4) linkage fee; and 5) development cost charges or generally called impact fees. Table 2 shows the comparative differences of each type. Examples of smaller BC communities that use development exactions are Golden (Corbett, 2009), Revelstoke and Rossland.

**Table 2. Comparison of Development Exactions**

	<b>Dedication</b>	<b>Utility Connection Fees</b>	<b>Fee-In-Lieu</b>	<b>Linkage Fees</b>	<b>Development Cost Charges (DCCs)</b>
<b>Definition</b>	Requires a developer to donate land and/or facilities for public use. For example, a developer may be required to dedicate land to be used as a park for the residents of the community.	Exaction used to fund capital improvements. These fees typically covers water meters, establishing new customer accounts, inspections, and cost of tying into the infrastructure system.	Exaction that requires the developer to pay a fee instead of providing a public facility on site. Also used if a developer chooses not to provide affordable housing units (see Section 2.2.3	Exaction used to pay for the secondary effects of development. They are used to collect money from large-scale commercial, industrial, and multi-family development to	Exaction applied to new development for generating revenue for the construction or expansion of capital facilities located outside the boundaries of the new development. Most commonly used for roads, water, sewer,

	<b>Dedication</b>	<b>Utility Connection Fees</b>	<b>Fee-In-Lieu</b>	<b>Linkage Fees</b>	<b>Development Cost Charges (DCCs)</b>
			above).	provide affordable housing.	storm water, but can also be used for fire protection and schools.
<b>On or Off-site</b>	On-Site	On-Site	Off-Site	Off-Site	Off-Site
<b>Form of Contribution</b>	Land/Facility	Fee	Fee	Fee	Fee
<b>Complexity of Administration</b>	Low	Low	Low	High	High

Source: Adopted from Evans-Cowley (2006: 5).

### 3.0 Impacts of Land Use Regulations on Housing Costs

Research on impacts of land use regulations on housing cost has resulted in mixed results.<sup>3</sup> Studies conducted by Canada Mortgage Housing Corporation (2005), Demographia (2009), Glaeser and Gyourko (2003), and the Joint Center for Housing Studies (2003) all conclude that zoning and other land use regulations are significantly responsible for the high cost of housing, with the more restrictions and/or stricter land use regulations the more expensive housing becomes. Others, particularly Nelson, *et al.* (2002) argue that the question for affordable

<sup>3</sup> Available research on impacts of land use regulations on housing affordability is almost non-existent in Canada. Prof. Somerville, Sauder School of Business, University of British Columbia, attributed this condition to the lack of access of Canadian researchers to statistical information (unlike their American counterparts). He suggests that Canada should develop a set of measures that will capture not only the types of land use regulations imposed, but also the extent they are enforced. Without these measures it is impossible to assess the effects empirically of land use regulations on the cost of housing (Canada Mortgage Housing Corporation, 2005). In addition, United States unlike Canada, has long tradition of using land use regulations for the provision of affordable housing. For e.g. *inclusionary zoning* began in the USA in the early 1970s (Calavita and Mallach, 2009) while first used in Canada in the 1990s.

housing is not whether land use regulations increase housing prices but which specific regulations do. They conclude that housing affordability is impacted more by the type of land use regulations and processes rather than the number of such regulations. Their study indicates that traditional zoning practices, particularly exclusionary zoning,<sup>4</sup> are the main contributor to housing cost increases, and not the more progressive land use regulations or controls, such as growth management, inclusionary zoning, etc. Their findings are supported by other authors, such as Furman (2008), Davis (1995), Hammer and Winkler (2006), Ireland (2006), Liberty (2003), Salsich (2003), and William and Norman (1971).

Although Ireland (2006) agrees that without government interventions in the form of zoning and various land use controls, low and middle income households could not afford to own or rent a house in amenity-rich places such as Aspen, Colorado, he adds that none of these policies are as effective as understanding the underlying causes of demand for real estate. Further, Hammer and Winkler (2006) conclude that the characteristics of in-migrants in high-amenity places should be studied to understand how they impact a housing situation and its sustainability.

#### **4.0 Village of Kaslo's Official Community Plans: A Strategic Analysis**

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<sup>4</sup> *Exclusionary zoning* limits residential development to single-family housing on large lots (Liberty, 2003). The most typical exclusionary zoning practices are: 1) minimum building size regulation; 2) exclusion of multiple dwellings from single-family homes; 3) restrictions on the number of bedrooms; 4) prohibition of mobile homes; 5) lot width requirements; and lot size requirements (William and Norman, 1971).

This section discusses the strengths and weaknesses of the Village of Kaslo’s OCPs (1985 OCP amended in 1998 and the 2008 draft *Smart Growth* OCP) vis-à-vis affordable housing policies and land use zoning tools.

- The *objectives* of both OCPs include the provision of affordable housing, but the existing OCP gives this subject more weight. The whole section on residential land use in the existing OCP is about providing affordable housing.
- Both OCPs contain affordable housing policies and are summarized here in Table 3. However, compared to the existing OCP, the draft OCP policies may be considered more responsive and innovative in treating the Village’s present and likely evolving condition. In the existing OCP major policies, density bonus, housing agreements, and comprehensive development zoning are voluntary. The draft OCP has a mixture of both voluntary and mandatory housing policies. Also it promotes higher density; not only mixed use, but more importantly mixed-income housing through mandatory inclusionary zoning and incentive zoning (density bonus). In addition, the draft OCP requires developers to pay for the cost of development through development cost charges (DCC), or other cost-recovery schemes (see Section 2.2.4 above for description). Further, in the more contemporarily responsive policies of the draft OCP formulation of a property tax mechanism is proposed that would result in second homeowners paying higher property tax compared to permanent residents. This is discussed further below.

**Table 3. Comparative Affordable Housing Policies & Tools of Kaslo, BC**

Existing OCP	Draft OCP
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Existing OCP	Draft OCP
Density Bonus	Density Bonus
Housing Agreements	Development Cost Charge Bylaw or other cost-recovery schemes
Comprehensive Development Zoning	Inclusionary Zoning (Assess current bylaws options requiring developers to build affordable housing units and/or rental housing as part of development.)
Secondary Suites	Affordable housing strategy
Small-lot zoning or reduced set-backs	Support creation of a property tax mechanism that will result in higher property taxes for non-resident homeowners than for resident homeowners.
	Consider as a priority retaining Village-owned property for the potential future development of seniors and affordable housing units. Also, use the sale of village-owned land to offset the costs of developing affordable housing units.
	Secondary Suites
	Small-lot zoning or reduced set-backs
	Encourage community groups or regional non-profit organizations to liaise with national or international organizations to build affordable housing units on vacant lots.

Because of less local familiarity with these planning tools, the draft OCP policies for affordable housing may be difficult to implement. In addition, some local residents may object to higher density, since one of the reasons for living in places like Kaslo is the general low density *rural* ambiance. Feiock (2009) in studying how communities can overcome the barriers and resistance to high density development stated that *all land use decisions are made in the context of local political institution, which determines the rules for making collective decisions* (p. 10). Further, he stated that public decision-makers play a critical role as suppliers of change in land use rules.

An instructive example of response to the above conditions is that of the Town of Canmore, Alberta. Canmore is a premier mountain amenity migration destination bordering Banff National Park and Kananaskis Provincial Park. Before the 1970s it was a natural resource town dependent on coal extraction. Since then Canmore has actively pursued natural and rural amenity-based development, resulting in 5000 new dwellings and accommodation units, with over 30% of its total population second home or multiple-dwelling owners. While there are many benefits associated with amenity migration, there are also many issues that have to be addressed to harness its positive effects. Key issues stemming from second homes are: difficulty in maintaining and operating public infrastructure, such as water and sewer systems; increasing high cost of housing, with a shortage of affordable housing for rent and purchase, and difficulty in maintaining the municipal property tax list. Additional costs arising from second home development have been shouldered by permanent residents creating an unjust allocation. With the leadership of the current Mayor and Council and the staff of the Planning and Engineering Departments, the town decided that *amenity migration should pay for itself, in that a local permanent community should not be subsidizing the development of second homes* (Buxton, 2009: 103). Some of the follow-on actions Canmore has undertaken are: 1) developers to provide all needed on-site infrastructure; 2) developers to pay DCC or off-site levies to fund its proportion of any required off-site infrastructure; 3) creation of a homeowner grant system for permanent residents, to shift a portion of the tax burden from permanent to non-permanent population (under development); 4) lobby for change in the provincial granting system to ensure that costs related to the non-permanent population are addressed; 5) ensure that commercial development occurs parallel with

residential development; and 6) address affordable housing as an essential, core function of the town (Buxton, 2009).

## **5.0 Some Suggestions for Kaslo, BC**

- In addition to the need for strong, local political leadership to implement both OCPs' affordable housing policies, a professional and experienced planning capacity is critical (Evans-Cowley, 2006). The role of local political leaders is to provide leadership and equitable decision-making. The planner's role is to provide skilled, informed and dependable information and proposals so that elected officials can make appropriate and equitable decisions. This relationship between planners and decision makers is especially important (as shown by the Town of Canmore).

To demonstrate this in our case, one of the suggested land use zoning tool to provide affordable housing in the current OCP is the establishment of a Comprehensive Development Zone (Table 3). As previously discussed (Section 2.2.1), this type of zoning is quite complex to carry out without a planner because the details of this activity are not written in a zoning bylaw, but negotiated between the planner and land developer. Without the assistance of a professional planner who understands the various regulatory tools in the provision of affordable housing, it is difficult for local decision makers to make informed decision about the appropriate use and restrictions vis-à-vis residential/housing development applications and affordable housing.

The draft OCP recommends the Village hire an Economic Development Officer (EDO). While this may be needed, recommended here as more important at this time a more generalists community planning expertise, to provide strategic economic, socio-cultural, environmental, land use (including regulatory tools) and housing expertise for Kaslo’s sustainability. This is an essential condition for the development of an appropriate affordable housing plan and its implementation.

- The draft OCP takes into account the limitations of an OCP (see Section 2.1 above), and recommends the formulation of an affordable housing “strategy”, and that it should be developed within five years (Table 3). However, in the list of tasks needed to implement this draft OCP, the *affordable and attainable housing strategy* is only ranked as medium priority and second to the last in the draft’s priority list (see Table 4.).

**Table 4. List of Tasks Needed to Implement the Draft Kaslo OCP**

<b>Task</b>	<b>Responsibility</b>	<b>Priority</b>
1. Review and update Land Use Bylaw (Zoning)	Village of Kaslo	High
2. Review and update the Building Design Guidelines and the Colour Design Guidelines	Village of Kaslo	High
3. Other bylaws: Review and adopt bylaws supported by this OCP, including home-based business standards, development cost charges, etc.	Village of Kaslo & Regional District of Central Kootenay	High
4. Regional Strategies: Work closely with Electoral Areas, provincial, and regional officials to improve coordination of land management decisions.	Village of Kaslo	Medium
5. Integrated Community Sustainability Plan	Village of Kaslo	Medium
6. Affordable and attainable housing strategy	Village of Kaslo	Medium
7. OCP update: every five years	Village of Kaslo	Low

Source: Smart Growth Advisory Services (2008: 51)

If the Village of Kaslo executes the tasks listed in Table 4. in the manner prioritized, it would be more expensive for the Village, and the resulting product likely less effective. Different from an OCP (see Section 2.1 above), which is a tactical guide, a strategy's purpose is *to define the guidelines to which tactical decisions will have to be subordinated, and by doing so provide a framework for concrete action* [plan] (Tavel, 1975). Therefore, if the first task is to review and update the current Zoning Bylaw, the strategy and the resulting affordable housing plan would not be reflected in the revision of Zoning Bylaw. If the Village decided to translate the housing policies in the draft OCP into a Zoning Bylaw, or an Affordable Housing Bylaw, Kaslo is then risking 1) the effectiveness of those policies (as we don't know if they are the best tool for its situation); and 2) legal battles from land developers not willing to add affordable housing units in their project. By first formulating strategy and follow-on plan both these shortcomings would be removed.

Moreover, as noted earlier, given the complexity and community-wide systemic impacts of the affordable housing issue, it is suggested that the Village first formulate a housing sector strategy with which to nest its affordable housing policy and action in. This approach would also better facilitate the Village taking fuller advantage of the provincial government's *Integrated Community Sustainability Planning* (ICSP)<sup>5</sup> (Table 4, Task no.

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<sup>5</sup> ***“Integrated Community Sustainability Planning”*** means long-term planning, in consultation with community members, that provides direction for the community to realize sustainability objectives it has for the environmental, cultural, social and economic dimensions of its identity (Union of British Columbia Municipalities, 2007:3).

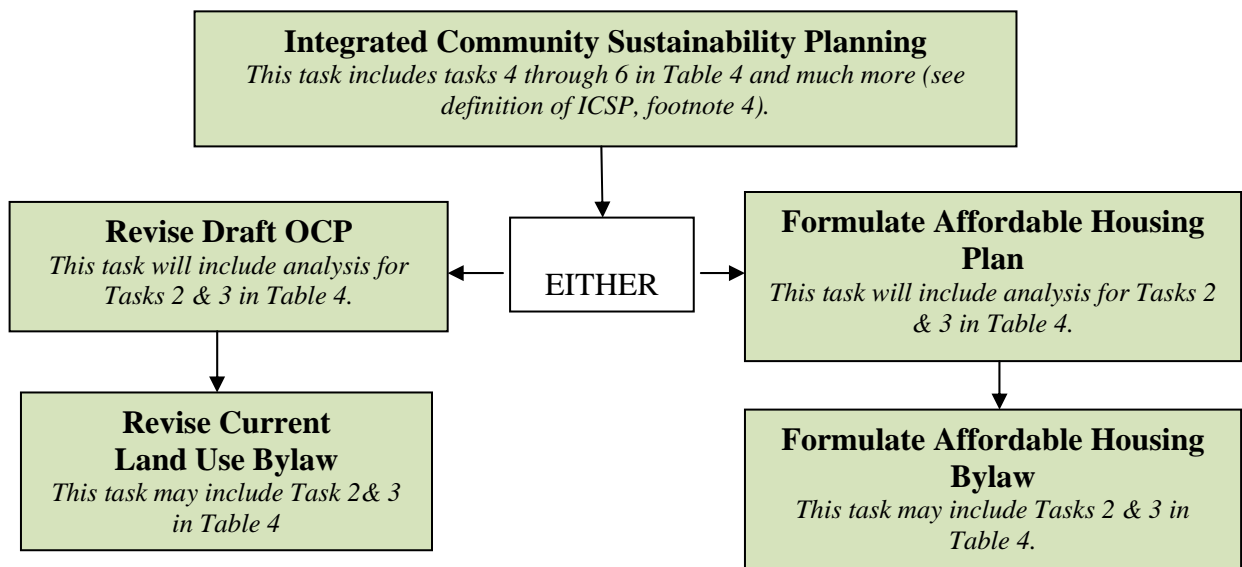
5), and associated funding, whereby a housing strategy, including the provision of affordable housing, could be one of the main outcomes of a *Kaslo Sustainability Strategy*. After such a strategy is put in place, a revised OCP could have a detailed plan for affordable housing, or a separate affordable housing plan could be developed. The latter seems more appropriate because unlike the OCP, which is a land use plan, an affordable housing plan could better include financing and collaboration options for providing housing. If the OCP path is taken, then the Zoning Bylaws should reflect the OCP provisions. If an affordable housing plan is developed, then an Affordable Housing Bylaw should be formulated (see Fig. 1).

Further, if the Village starts with formulating a community Sustainability Strategy (through ICSP) funding is available through Gas Tax's Community Works Fund (CWF)<sup>6</sup>. On the other hand, if it proceeds directly with an affordable housing strategy/plan, the Village will not likely be able to use CWF funding for this purpose, as the housing strategy/plan's main objective is not decreasing green house gas emissions, clean water and clean air (the main purposes for establishing Gas Tax Funding). In addition, by law, the Village is required to submit an ICSP (either a sustainability strategy or a sustainability plan), while it is not required to undertake affordable housing planning, except setting some guidelines for the provision of affordable housing in an OCP.

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<sup>6</sup> BC municipalities may access gas tax funding via: 1) Community Works Fund (CWF); 2) Strategic Priorities Fund (SPF); and the 3) Innovation Fund (IF). With the agreement with Union of British Columbia Municipalities (UBCM), the Village is receiving funds from the CWF automatically twice a year for a period of 5 years guided by ICSP framework; while the SPF and IF need specific application (Union of British Columbia Municipalities, 2007).

**Fig. 1. Suggested Changes to the Draft Kaslo OCP Implementation Plan**



- Both the existing and draft OCPs reflect a lack of systemic understanding of the underlying causes of affordable housing issues, especially in high amenity places like Kaslo. Both have suggested focusing on economic activities that capitalize on the natural beauty of the place, such as tourism; retirement, including second home ownership; and other recreation activities – in short, amenity-led migration development which research

shows is the likely single most important contributing factor to the shortage of affordable housing (see especially Glorioso, 2009; Glorioso and Moss, 2006; Ireland, 2006).

Ireland explains that secondhome dominated communities may not recognize at first the negative impacts of second homes since the benefits are clearly more tangible in the beginning. Property values rise, jobs are generated and sales tax revenue may increase. The negative impacts are slower to appear and be felt. As real estate prices increase, competing land uses are gradually crowded out as leases expire. Locally serving businesses, such as the small grocery store, drug store, shoe repair shops and other higher volume, low margin enterprises are displaced by businesses serving the tourists and amenity migrants including art galleries, specialty stores, souvenir shops, higher-end restaurants, etc. In addition, the employment generated is typically low-skilled, low-pay jobs while the cost of living, especially housing, continue to rise resulting to displacement of many low-income households especially older people (Glorioso and Moss 2006, Ireland 2006). The above suggests a more diversified economic base needs to be sought.

- The affordable housing policies in the existing Kaslo OCP were not translated into a zoning or affordable housing bylaw, therefore although it has density bonus, alternative design standards, secondary suites and comprehensive development zoning as policies for affordable housing, the Village has not able to implement these policies. Thus, for example Kaslo did not have a regulatory basis for negotiating affordable housing units when two higher-priced condominium residential developments were constructed on

prime property in the community. While the author's suggestion of developing an affordable housing plan nested within the larger strategic framework of Integrated Community Sustainability Planning (see Fig. 1 above) is a superior and preferred governing course of action for Kaslo, the current OCP's affordable housing policy tools are adequate for the Village to proceed with revising its current housing related zoning bylaws. And this may be done while the larger strategic activity is underway.

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