

DISTRICT OF NORTH VANCOUVER COUNCIL WORKSHOP

Minutes of the Council Workshop for the District of North Vancouver held at 7:01 p.m. on Monday, April 11, 2022 in the Council Chamber of the District Hall, 355 West Queens Road, North Vancouver, British Columbia.

Present: Mayor M. Little
Councillor J. Back
Councillor M. Bond
Councillor M. Curren
Councillor B. Forbes
Councillor J. Hanson
Councillor L. Muri

Staff: Mr. D. Stuart, Chief Administrative Officer
Mr. G. Joyce, General Manager – Engineering, Parks and Facilities
Mr. D. Milburn, General Manager – Planning, Properties and Permits
Ms. S. Walker, General Manager – Corporate Services
Mr. A. Wardell, General Manager – Finance and Chief Financial Officer
Mr. R. Danyluk, Deputy General Manager – Finance and Deputy CFO
Ms. J. Paton, Assistant General Manager – Planning
Ms. T. Atva, Manager – Community Planning
Mr. J. Gordon, Manager – Administrative Services
Ms. C. Grafton, Manager – Strategic Communications and Community Relations
Ms. C. Jackson, Manager – Climate Action, Natural Systems and Biodiversity
Mr. J. Cairns, Community Planner
Ms. A. Dalley, Community Planner
Mr. R. Gilmore, Community Planner
Ms. A. Reiher, Council Liaison / Support Officer
Mr. J. Smith, Community Planner
Ms. C. Archer, Confidential Council Clerk
Ms. S. Clarke, Committee Clerk

1. ADOPTION OF THE AGENDA

1.1. April 11, 2022 Council Workshop Agenda

MOVED by Councillor HANSON

SECONDED by Councillor BACK

THAT the agenda for the April 11, 2022 Council Workshop is adopted as circulated.

CARRIED

2. ADOPTION OF MINUTES

2.1. February 22, 2022 Council Workshop

MOVED by Councillor BACK

SECONDED by Councillor HANSON

THAT the minutes of the February 22, 2022 Council Workshop are adopted.

CARRIED

2.2. March 8, 2022 Council Workshop

MOVED by Councillor BACK

SECONDED by Councillor HANSON

THAT the minutes of the March 8, 2022 Council Workshop are adopted.

CARRIED

3. REPORTS FROM COUNCIL OR STAFF

3.1. Housing Options for Single Family Neighbourhoods

File No. 13.6440.20/000.000

Mr. Dan Milburn, General Manager – Planning, Properties and Permits, provided background on the Council Workshop, noting that Council had directed staff to review residential housing conditions in the District and recommend actions for improvement. Mr. Milburn provided an overview of accomplishments to date, including updates to the Residential Tenant Relocation Assistance Policy, a review of the Official Community Plan (OCP) and development of an action plan, the Housing Needs Report, and a review of District land that could potentially be used for affordable rental housing. Mr. Milburn further advised that three topics would be covered in the Council Workshop: secondary suites, infill housing, and short-term rentals.

Mr. Milburn advised that staff are seeking Council feedback to begin a public consultation process and that a specific plan will be brought forward for Council consideration in the future that is shaped by the public input received during this process.

Ms. Arielle Dalley, Community Planner, advised that secondary suites benefit a diverse group of people, including intergenerational households, renters, and owners in need of revenue to assist with mortgage payments and other expenses. Secondary suites have been permitted in the District since 1997 and are allowed in twenty-four zones. The Zoning Bylaw restricts the size of secondary suites to a maximum of forty percent of the residential floor area or ninety square metres. Ms. Dalley advised that in 2019, the BC Building Code removed maximum size restrictions on secondary suites and increased the types of ground-oriented housing in which they are allowed.

Ms. Dalley advised that proposed changes to the Zoning Bylaw regarding secondary suites include an increase to the maximum floor area to the lesser of one hundred thirty square metres or forty percent of floor area, as well as the addition of a minimum suite size of thirty square metres, which is equivalent to a studio suite.

Ms. Dalley provided an overview of sensitive infill, noting that it includes a variety of housing types that fit within an existing neighbourhood without significantly altering the character of the neighbourhood, including coach houses, subdivision of larger properties, duplexes, triplexes and fourplexes. Ms. Dalley reviewed the locations of existing coach houses and small lot infill areas, noting that duplexes, triplexes and fourplexes are not currently permitted in single-family residential zones.

Ms. Dalley advised that coach houses have been allowed in the District since 2014, with updates to the Zoning Bylaw in 2020. Eighteen coach houses were approved between 2014 and 2020 and thirteen since the changes were implemented in 2020.

Further changes are possible, including broadening eligible property types, streamlining the application process, allowing basements in coach houses, allowing a secondary suite and coach house on the same property, and allowing staff to issue permits for two-storey coach houses, which currently require a Development Variance Permit to be issued by Council.

Ms. Dalley advised that small-lot infill areas (SLIAs) were implemented in the District in the 1980s, with twenty-six areas currently in effect. Options to expand the SLIA program include looking at opportunities for smaller lot sizes along transit corridors and reducing minimum required lot widths.

Ms. Dalley advised that duplex, triplex and fourplex housing forms are not currently allowed in the District, although there are some existing non-conforming properties with these housing types. Changes to the District's approach to these housing forms could include identifying priority locations adjacent to Town and Village Centres, specifying permitted housing types and developing a broader policy.

Ms. Dalley noted that issues such as parking would need to be addressed if changes that increase density in single-family residential neighbourhoods were to be considered.

Ms. Dalley advised that staff are seeking Council approval to move forward with public engagement to learn which options would be of interest to residents and hear their concerns. Staff would then report back to Council with recommendations on possible changes and policy development.

Council discussion ensued and the following comments and concerns were noted:

- Queried the reasons for the maximum size restriction of forty percent of residential floor area for a secondary suite;
- Noted that there may be tax impacts if less than half of the floor area in a home is used for other than the primary residence;
- Commented on seniors-oriented townhouses with live-in caregiver suites and opined that this use should be encouraged;
- Noted that available housing could be increased without significant cost to the municipality;
- Commented on multiple uses on the same property such as a coach house and secondary suite;
- Suggested using tax incentives, grants or waiving extra solid waste fees to increase rental housing stock;
- Expressed support for increasing the permitted size of secondary suites;
- Noted that the BC Building Code allows duplex, triplex and fourplex housing forms;
- Commented on the goal in the OCP to respect single family neighbourhoods and questioned the impact of the suggested changes on local neighbourhoods;
- Queried if reviews of local area plans would be required;
- Queried if secondary suites could be allowed by strata councils;
- Noted street parking issues in areas with small lot sizes;
- Commented on the size of existing secondary suites, noting that some are more than the maximum allowable floor area;

- Expressed concern regarding the lack of natural light in basement suites, noting that basements are not preferred by renters;
- Commented on the proposed timeframe for public consultation and suggested it be extended;
- Opined that the barrier to additional coach houses being built in the District is the construction cost, not the permitting process;
- Commented on the age of the District's Zoning Bylaw and suggested it may be due to be rewritten;
- Noted that the COVID-19 pandemic has resulted in an increase in long-term rental inventory as the short-term rental market was significantly impacted by travel restrictions;
- Commented on the unique character of the different neighbourhoods in the District;
- Stated that housing continues to be impacted by socio-economic factors and separate people based on income;
- Noted that discussion on short-term rentals has been delayed;
- Commented on the time required to acquire a building permit and recommended making the process easier;
- Queried what resources staff need to move processes forward;
- Noted that the last thorough review of single-family neighbourhoods was at least twenty years ago when neighbourhood zoning was implemented;
- Questioned what needs to be done with the Zoning Bylaw to achieve the vision of the District as welcoming people of all incomes and backgrounds;
- Noted that seventy percent of the available rental stock in the District is in the form of secondary suites;
- Advised that the City of North Vancouver's Zoning Bylaw allows higher roof heights, which accommodates more rental suites;
- Commented on the percentage of properties in the District where secondary suites are permitted;
- Questioned who would benefit from the proposed changes;
- Acknowledged that secondary suites will not solve all the rental housing issues in the District;
- Noted that the shortage of rental housing is a symptom of a larger problem;
- Commented on who has input on neighbourhood character and suggested the process can be exclusionary;
- Commented on the need for transformational, systemic change;
- Noted that Town Centres are not yet complete communities and provided the example of Lynn Valley Centre's lack of a hardware store;
- Remarked on the impact of coach houses on land assemblies;
- Recommended considering climate change, biodiversity, equity and health as part of the process;
- Suggested prioritizing walkable communities that support non-motorized transportation for residents of all ages and backgrounds;
- Noted that apartments are a more environmentally sustainable housing form, located near transit and provide additional benefits such as the potential to renew infrastructure in Town Centres;
- Commented on the need to provide incentives for property owners to increase available rental housing;

- Recommended increasing density in Town Centres and near services rather than encouraging urban sprawl;
- Queried how many units would need to be added to increase transit service in neighbourhoods;
- Commented on the definition of affordability;
- Noted that Zoning Bylaw changes may impact property taxes due to valuation based on highest and best use;
- Noted that the District is a suburb;
- Acknowledged the high cost of housing in the District, noting the proximity of ski hills and other outdoor attractions and the desirability of the municipality;
- Commented on traffic issues on the North Shore;
- Noted that secondary suites do not have security of tenure and the owner can change the use at any time;
- Expressed concern regarding the capacity of Lions Gate Hospital to serve a growing population;
- Noted that schools are built in single-family neighbourhoods and that families with school-age children want to live near schools;
- Expressed doubt that building more housing will address affordability; and,
- Commented on changes to building practices to allow more light and use less concrete.

In response to a question from Council, staff advised that when a secondary use in a principal residence occupies more than half the floor area, that raises the question of what the principal use of the property is and will have taxation impacts. Staff further advised that they calculated what the typical house in the District could support and reviewed actions taken in other municipalities.

In response to a question from Council, staff advised that they would like to hear the public's input on how to balance different needs and on what scale changes should be implemented.

In response to a question from Council, staff advised that changes are proposed to encourage larger sized secondary suites and that if the rental suite occupies more than half of the residential floor area, it would operate as a duplex, with different sections of the BC Building Code applicable to the property.

In response to a question from Council, staff advised that the OCP suggests a neighbourhood planning exercise may be appropriate if infill housing opportunities arise in order to create a specific infill plan for that neighbourhood that addresses its specific issues such as parking and environmental concerns.

In response to a question from Council, staff advised that public engagement would begin as directed by Council and could take place before or after the summer break.

In response to a question from Council, staff advised that lock-off suites are a possibility for apartments or townhouses and are allowed under the BC Building Code, provided there is no unit above.

In response to a question from Council, staff advised that the Development Variance Permit process usually takes between three and six months, with more complex

applications taking longer. It was further noted that applicants are expected to negotiate with neighbours to resolve issues before the application is considered by Council. Staff cautioned that the process could be shortened, but this could create more neighbourhood conflict.

In response to a question from Council, staff advised that early Zoning Bylaws in British Columbia were racially biased and exclusionary.

In response to a question from Council, staff advised that existing residents and owners have expressed different needs and a desire for choices, including aging in place and housing for their children. A variety of options are being presented to introduce more housing diversity to meet different needs.

In response to a question from Council, staff advised that they would like to hear from many, diverse groups and find new ways to engage the community. Staff further advised that single-family neighbourhoods are complex and individual issues will not be examined in isolation from related topics such as transportation and parking.

In response to a question from Council, staff advised that the total number of suites reported reflects rental potential and that not all units are currently rented out.

In response to a question from Council, staff advised that between seventy and eighty percent of newly constructed single-family homes include secondary suites.

Mayor LITTLE left the meeting at 8:34 p.m. and Councillor FORBES assumed the Chair.

Mayor LITTLE returned to the meeting at 8:43 p.m.

Mr. Ryan Gilmore, Community Planner, provided an overview of short-term rentals (STRs), noting STRs are not currently permitted in the District. Mr. Gilmore advised that STR listings are fairly evenly distributed across the District and that the COVID-19 pandemic has resulted in a reduction in the number of listings, with 960 listings in November 2019 and 520 in December 2021.

Mr. Gilmore advised that there have been seventy-six complaints regarding STRs since 2013, many in single-family neighbourhoods. Mr. Gilmore advised that staff are recommending licensing and regulating STRs to help address complaints, establish a regulatory framework and community norms, and generate revenue to support enforcement and education efforts.

Mr. Gilmore reviewed options for housing types in which STRs could be permitted, noting that all options would require that the property is a principal residence, a business licence is issued and requirements for a maximum number of patrons is met, and would allow a tenant to have a STR with the owner's permission:

1. Single-family homes, suites and coach houses (staff recommendation);
2. All housing types;
3. Single family homes only.

Mr. Gilmore reviewed the questions on which public input is recommended:

1. Should STRs be permitted in secondary suites and coach houses;
2. Should STRs be permitted in multi-family dwellings; and,

3. Should STR licences be issued to renters (with owner's permission) in all housing types where STR is permitted?

Council discussion ensued and the following comments and concerns were noted:

- Expressed concern regarding the impacts of STRs on the rental housing market, noting that it is already difficult for people to secure long-term rental housing;
- Noted that STRs are operating in the District despite being prohibited and that there will always be a market, whether the District enacts regulations or not;
- Expressed support for regulating STRs in the District, noting the benefits of regulation, including business licence fees;
- Commented on the need to manage the negative impacts of STRs in neighbourhoods;
- Noted that the decision to be made is where to allow STRs and how to regulate rather than whether to allow or prohibit;
- Expressed concern regarding the impact of allowing STRs in secondary suites on the long-term rental market, noting units are in critically short supply;
- Commented on the ongoing housing crisis in the District;
- Noted that some neighbourhoods may be more suitable for this proposed use than others;
- Noted that Tourism North Shore receives tax revenue collected by the Province from North Shore STR operators, despite the prohibited use;
- Commented on enforcement measures taken on existing STRs;
- Expressed concern regarding the increased pressure on existing infrastructure and parking supply;
- Questioned whether existing STRs would be used as long-term rental units if they were not allowed to continue operating;
- Recommended aligning District policy with other jurisdictions; and,
- Expressed an interest in hearing from the public, noting there are diverse opinions on the matter.

In response to a question from Council, staff advised that enforcement action begins with an investigation of a complaint and, if there are impacts to the neighbourhood, the operator is asked to cease. Staff noted that most operators have complied, although further enforcement action has been required for some cases.

In response to a question from Council, staff advised that online accommodation platform revenue is a possible source of funds for education and enforcement. Staff further noted the amount of total revenue for the North Shore from this source has dropped from pre-pandemic levels of approximately \$300,000 per year to \$40,000 per year and Tourism North Shore has requested that, should the District move forward with regulating STRs, it requests funds on a graduated basis as the tourism industry has not recovered from the impact of the COVID-19 pandemic.

In response to a question from Council, staff advised that other jurisdictions that permit and regulate STRs find that most operators comply with the rules, with enforcement action required against a few. It was noted that resources would be required in order to enforce regulations.

In response to a question from Council, staff advised that STR figures have not been separated out by provider, so they are not able to provide specific figures for AirBNB.

There are 520 current listings across all providers and no permits issued as STR is not a permitted use in the District.

In response to a question from Council, staff advised that there are approximately six licenced bed and breakfast operators in the District.

In response to a question from Council, staff advised that scenarios could be brought forward to consider uses for STR revenue, including for affordable housing.

In response to a question from Council, staff advised that the COVID-19 pandemic has demonstrated that STR units have transitioned to long-term rental units. It was noted that the City of Vancouver has reported on the number of units that moved from STR to long-term rental stock and that staff will report back to Council with this information.

In response to a question from Council, staff advised that any changes would specify that the use could not exceed forty percent of the net floor area.

**MOVED by Councillor HANSON
SECONDED by Councillor BACK**

THAT the Committee recommend to Council:

THAT staff are directed to initiate engagement on secondary suite size regulations and report back to Council on engagement results, along with proposed Zoning Bylaw amendments for Council's consideration;

AND THAT staff are directed to initiate engagement on priority sensitive infill housing types and report back to Council on engagement results, along with recommendations for future policy work for Council's consideration;

AND THAT staff are directed to initiate engagement on short-term rental regulations and report back to Council on engagement results, along with recommendations for a regulatory framework for Council's consideration.

CARRIED

4. PUBLIC INPUT:

4.1 Mr. Peter Teevan:

- Questioned the purpose of the Council Workshop;
- Opined that options to make it easier to build a secondary suite have not been presented;
- Advised that he found building a secondary suite difficult and that the District does not provide any incentives for owners to provide affordable rental housing;
- Encouraged the District to consult with homeowners who have existing legal secondary suites on how to improve the process;
- Expressed objection to the idea that single-family home ownership is associated with racism; and,
- Acknowledged that there are issues with housing costs, noting that he has relatives who cannot afford to live in the region.

4.2 Ms. Emma:

- Queried the possibility of allowing two kitchens within one single-family home, noting that some families buy homes together;
- Advised that she and her family members are working on bringing the existing suite in their shared home into conformance, but shared space and two kitchen facilities would be preferable; and,
- Commented on the importance of access to transit facilities and building walkable communities.

4.3 Mr. Corrie Kost:

- Questioned why duplex, triplex and fourplex housing forms have not been permitted in the District;
- Commented on the taxation impact of using more than half of a home's floor area for a use other than the principal residence and queried if the calculation is based on the existing or potential space of the residence;
- Expressed concern regarding the accuracy of greenhouse gas emission statistics that state transportation is the primary contributor;
- Recommended against inappropriate expropriation or compensation to address historical inequities;
- Noted that unregulated short-term rentals currently exist and opined that there will always be an unregulated market despite any regulations brought into effect.

4.4 Mr. Lyle Craver:

- Expressed general support for the suggested updates to improve secondary suite housing;
- Expressed opposition to allowing both a coach house and secondary suite on the same property;
- Noted that SLIAs usually involve a rezoning process;
- Commented on the impact of SLIAs on land assemblies;
- Expressed opposition to allowing short-term rental of entire houses, noting a recent case where police became involved due to complaints; and,
- Commented on the need for additional details to be determined.

5. ADJOURNMENT

MOVED by Councillor HANSON

SECONDED by Councillor FORBES

THAT the April 11, 2022 Council Workshop is adjourned.

CARRIED
(9:49 p.m.)

Mayor

Municipal Clerk