

# CRESTON VALLEY

TOWN of CRESTON



## Creston Housing Action Plan

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**WCS Engagement + Planning** led the project in collaboration with **Ian Scott Consulting**, the lead author of this report. Funding for this project was provided in part by the **Real Estate Foundation of B.C.** and **B.C. Housing**.



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# Introduction

## About this Plan

This Housing Action Plan provides the Town of Creston with a series of recommended actions to address current challenges facing Creston residents in obtaining affordable, secure, and healthy housing. The actions are focused on and structured by the four priority areas below.

- **Overall housing:** Actions to increase the supply of more affordable housing (both rental and ownership) that those with low and moderate incomes can afford.
- **Non-market housing:** Actions that will increase non-market housing supply (primarily rental given the current market context) for households with lower incomes and larger households in the moderate-income category. (Note: Traditionally, non-market housing has been viewed as serving those with "special" needs, such as seniors and people with disabilities. But non-market housing is needed for workers and families as well.)
- **Rental housing:** Actions that will increase the supply of rental housing generally (including market and non-market).
- **Lower-priced ownership housing:** Actions that will increase the supply of lower-priced homes, including manufactured homes, duplexes, rowhouses, townhouses, co-housing, and efficiently-sized strata condos – sometimes called the “missing middle.”

This Plan purposefully avoids an exclusive focus on “affordable” housing. Affordable housing – typically defined as housing that costs no more than 30% of gross household income – is a relatively subjective

term that depends on household income. Moreover, it is often used to focus on the provision of housing for low-income households.

Creston households are increasingly challenged to secure "attainable" housing across a broad spectrum of income brackets. Attainable housing refers to housing that: is a match to household needs (e.g., size and accessibility), is not in need of major repairs, is affordable, and is available indefinitely. The housing challenge is not just impacting those on fixed incomes or the "working poor" – it is faced by many, including hourly wage earners and a variety of salaried professionals with moderate incomes.

This Plan addresses housing actions the Town of Creston can tackle. However, it should be emphasized that this is not simply a local issue, and action is also required by the federal and provincial governments. CMHC recently estimated that if current trends continue, Canada will be short 3.5 million homes by 2030, indicating that:

*It's time to think differently – drastic change is required...Canada's approach to housing supply needs to be rethought. It needs to be done differently. There must be a drastic transformation of the housing sector – including governments – and priority given to increasing the supply of housing to meet demand.”<sup>1</sup>*

The CMHC report emphasizes that it is not simply about funding for public or subsidized housing, but a larger effort to establish a better balance between supply and demand for housing across Canada. Efforts to address challenges (e.g., empty homes, conversions of existing lower-priced rental to more expensive rentals) in market and non-market housing have been undertaken via the federal National Housing Strategy and the provincial Homes for BC policies. Further policy changes, new strategies and additional investments can be expected in the years to come.

Local government has a role to play in addressing these housing challenges and this Plan identifies actions the Town of Creston should undertake. The recommended actions are not focused simply on building new housing, no matter the type; rather, the actions focus on enabling the supply of housing that is most missing in Creston – more affordable, secure, and healthy housing for low- and moderate-income residents.

## Background

This Plan builds on and was informed by the *2020 Greater Creston and East Shore Kootenay Lake Housing Needs Report*, *2017 Official Community Plan*, *2022 Affordable Housing Open House*, *2021 Residential Revitalization Tax Exemption Program (Rentals)*, *2022 Zoning Bylaw*, and the *2022 Town of Creston Affordable Housing & Development Council Select Committee*.

The impetus for action to provide more housing options in Creston stems from a community call to action. The 2017 Creston Official Community Plan, developed with significant community input, includes policies to increase density in residential zones. These increased densities are reflected in Creston's Zoning Bylaw, which was recently re-written and adopted in June 2022. The Zoning Bylaw also includes regulations for accessory dwelling units, to allow for more flexible housing options in the community.

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<sup>1</sup> *Canada's Housing Supply Shortages: Estimating what is needed to solve Canada's housing affordability crisis by 2030*, CMHC, June 2022.

Since 2017, Creston continued to experience a growing need for housing, affordable housing, and rentals. On March 9, 2022, the Town of Creston held a public meeting to discuss the Affordable Housing situation in Creston. There were 59 community members in attendance, representing a variety of local organizations and non-profits, business owners, landowners, investors, builders, developers, realtors, and tenants. Following this meeting, the Affordable Housing and Development Advisory Select Committee was established by Council.



Thank you to the Affordable Housing and Development Advisory Select Committee members for providing feedback on this Housing Action Plan. An indication of their level of support for each action is provided in the action section. Moving forward, their purpose will be to provide advice to Council on the implementation of this Plan and other Town of Creston policies and strategies to address housing needs in the community.



# Creston Housing Context

Creston is a small community with a 2021 population of 5,583. Creston has 2,810 private dwellings, of which:

- 2,670 (95%) are inhabited by full-time residents
- 75% are single detached homes
- 11% are condos/apartments
- 10% are duplex/townhouses

The 2021 Census indicates there are only 15 "moveable dwellings", but there are about 200 manufactured homes in the Creston manufactured home parks that would represent 7.5% of the 2,670 resident-occupied homes.

While this Plan focuses on housing actions the Town of Creston can take, there is also a significant amount of housing in surrounding rural areas. As of the 2021 Canada Census, the population for neighbouring communities is 8,603 split between the Lower Kootenay Band population and Electoral Areas A, B and C. The majority of residents in the regional district live in single detached homes (92%). Approximately 1% live in an apartment or condo, less than 1% live in a townhome or duplex, and about 5% live in a “moveable dwelling”. These rural areas could consider implementing some of the housing actions recommended in this plan. However, providing housing in rural areas is often more costly as water and sewer (septic systems) need to be provided.

Providing adequate housing for all Creston residents is not a new concern. The inability of the market to address all the community’s housing needs has been tackled by a variety of volunteer run societies and charities operating non-market housing for those with lower income, disabilities, or other specific circumstances. The eight non-market housing properties in Creston are operated by seven different organizations.

1. Glaser Terrace: 12 accessible units for adults with physical disabilities
2. Catalpa Apartments: 19 units of seniors housing, including some for those with disabilities
3. Cedar Linden: 9 units for those with disabilities (outside town boundaries)
4. Archibald House and The Cottage: 5 units (outside town boundaries)
5. Legacy Place: 6 units of family housing
6. Rebekah Manor: 26 units for low-income seniors
7. Crestbrook Gardens: 24 units for seniors and those with disabilities
8. Erickson Golden Manor: 12 units of seniors housing

Combined, these 114 non-market dwellings represent about 4.3% of the 2,670 resident-occupied dwellings in Creston.

In 2020, there were two proposals for about another 44 units of non-market rental housing that were submitted, but neither project was approved for construction.

There is no published estimate of primary market rentals (i.e., purpose built rental) and secondary market rentals (i.e., rental of strata condos and secondary suites – legal and unauthorised). There are an estimated 100 legal secondary suites in town and 258 apartment units. There are an unknown number of unauthorized suites as well.

## Housing Need

The *2020 Greater Creston and East Shore Kootenay Lake Housing Needs Report* documented some of the housing challenges in Creston. In terms of the conclusions driving this Housing Action Plan a few key conclusions are noteworthy:

1. **There is a general lack of affordable and available housing in the Greater Creston sub-region. Access to appropriate housing is very difficult for families, people on income assistance, and anyone with a specialized need.** Interviews with residents and responses from surveys universally pointed to a lack of available and affordable housing as the main challenge impacting Greater Creston’s housing market. This was especially apparent for older residents who lived on a fixed-income or who wished to downsize to a smaller unit that was easier to maintain. Younger residents also struggle to find appropriate housing, especially those individuals or families who may be relying

on only one income. Detached home ownership is generally out of reach for most singles or single-income households, and renting (when units are available) is similarly challenging.

- 2. Renting is becoming increasingly popular, whether by choice or necessity.** The percentage of people renting is generally increasing across each population cohort, demonstrating a cross generational shift towards the tenure type. Notably, families with or without children who rent grew significantly faster than those who own, likely representing both an increase in the preference for renting, as well as a compromise driven by housing affordability and availability. Engagement data indicates that 67% of renter respondents would like to own a home but are unable to primarily because of affordability issues. Renters are also more likely to be in unaffordable or unsuitable housing than homeowners.
- 3. The size and quality of housing is improving, allowing residents to live more comfortably and securely. Unfortunately, the compromise appears to be less affordable housing.** Single person and low-income earning households, who are often younger and hold lower wage jobs or older and living off investments and/or savings, do not earn enough to comfortably rent or purchase a dwelling in Greater Creston. This emphasizes the importance of non-market support, particularly for those segments that can be looked over when metrics like household income are rising. It is always important to remember that when looking at median figures it means that half of the people or households are worse off than what is reported.

In addition to these key findings, the release of some of the 2021 Census data helps to illustrate an important trend highlighted by the report that people moving to Creston are wealthier and are driving demand for, and the price point of, new housing.

**From the report:** Total households grew 11% between 2006 and 2016, while households earning more than \$100,000 grew 54%. It is possible that inflows of new, high-earning people have had a larger impact on median incomes than the progression of existing households into higher income brackets. However, the data is not available to verify these types of dynamics.

Between 2016 and 2021 the trend continued. Households earning more than \$100,000 after-tax increased another 69.8%. The making-more-than-\$100,000 segment represents 16.9% of Creston households, so the 69.8% growth in this segment represents a 6.9% growth of overall households. Since the overall population grew by only 3.1%, increases in the number of higher income earners were more than offset by declines in other population segments.

A trend observed in the Housing Needs Report was the growth in rental households:

**From the report:** Between 2006 and 2016, renter households grew 16%, higher than owner households' 5%. Renter growth was particularly strong in Creston (26%); owner growth was strong in Electoral Area C (26%).

In contrast, between the 2016 and 2021, Census renter households decreased 10.4% (60 households). During that same period, the number of renter households spending more than 30% of their income on housing dropped from 402 households to 245 (39%). So, even though rental rates were rising, income characteristics of households were shifting, which made rental housing more affordable overall given that median after-tax income grew from \$42,965 to \$54,400 (up 26.6%). There has been a corresponding shift in the number of people in lower and moderate incomes brackets compared to higher income brackets.

**Table 1: Household income - changes in from 2015 to 2020**

Income	2015 (2016 Census)	2020 (2021 Census)	% Change
Less than \$30,000	820	535	- 34.8%
Less than \$45,000	1,355	1,065	- 21.4%
Less than \$60,000	1,755	1,485	- 15.4%
Less than \$80,000	2,105	1,920	- 8.7%
Less than \$100,000	2,320	2,220	- 4.3%
More than \$100,000	265	450	+ 69.8%

This data reveals the following trends:

- Creston is becoming wealthier, but at a rate that suggests it is likely being driven by in-migration of wealthier residents more so than income growth amongst the existing population.
- There is a shift from renter households to owner households, and it is likely that some renter households were forced to leave Creston.
- Even though rental rates are rising (see the next section), more wealthy residents are renting; on average it would appear that rental affordability is improving (e.g., fewer households spending more than 30% of their income on housing) but households in the lower income brackets are likely both worse-off financially and likely more challenged to find housing. The 2021 Census has not reported on households spending more than 50% of their income on housing.

## Current housing challenges in Creston

Since 2013, the average price of a home in the Kootenays has risen from about \$260,000 to about \$500,000 (up 92%) in 2022<sup>2</sup>. The Census reports the median rental rate in Creston has risen from \$751 in 2015 to \$900 in 2020 (up 19.8%). According to CMHC, rental prices in Nelson have risen from an average of \$710 in October 2013 to \$977 (up 37.6%) in October 2021. For Cranbrook, average rental rates have gone up 21.8% over that same period.

Generally, housing is defined as being “affordable” in Canada when a household is paying no more than 30% of gross income on housing. For renters, this means rent and basic utility costs (heat/hot water). For a homeowner, this also includes mortgage, property taxes and basic utilities (heat, hot water, sewer). It is known that some households pay more than 30% of the income on housing, whether by choice or necessity. The 2016 Census reported that 25% of Creston households spent more than 30% of income on housing (this data is not yet available for 2021). Affordable monthly housing costs are listed in Table 1 below for different household incomes.

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<sup>2</sup> Canadian Real Estate Foundation via the Association of Interior Realtors – Kootenay Branch

**Table 2: Household income, monthly affordability, and purchase price maximum**

Household before tax income	Affordable 30% of Income Monthly Housing Costs	Maximum allowable home purchase price with 5% down (stress test – 5.25% interest) <sup>3</sup>
\$58,800 – 2020 Median <sup>4</sup>	\$1,470	\$273,175
\$45,000 – 36.9% of households in 2020 earn this amount or less	\$1,125	\$198,700
\$30,000 – 18.9% of households in 2020 earn this amount or less	\$750	\$117,750

Price is only one consideration, but lack of availability is another important factor experienced by Creston renters (and lack of supply drives up prices). Since the early 1990s, there has been a significant drop in new rental housing supply across Canada as federal and provincial investment in non-market rental dropped significantly and changes to federal tax laws removed certain incentives for private rental housing development. There is no specific data for Creston, but Creston's experience seems consistent with the trends occurring provincially and nationally. Over the past decade there has been an uptick in new rental housing supply in more urban centres, but less so in smaller, more rural communities. This is explained by a variety of both market (e.g., demand from urbanisation, lower risk, and higher return on investment in urban areas) and non-market factors (e.g., government efforts to address homelessness and affordability crisis first apparent in urban locations).

**Table 3. Primary Rental Market New Units<sup>5</sup> (does not include suites or rental of condos)**

	Before 1960	1960-1979	1980-1999	2000 and later	Total
Cranbrook	41	783	109	15	948
Nelson	237	220	35	17	509
Kelowna	90	2,199	1,520	3,906	7,715
Vernon	413	1,226	164	342	2,145
Vancouver	17,220	68,333	11,850	19,765	117,168
B.C.	23,820	108,970	25,387	38,963	197,140

## The Housing Math (Affordability) Problem

The financial incentive for a private developer to serve certain housing markets has been steadily diminishing to the point where there is no profit in developing lower-priced, and sometimes even moderate-priced housing. A non-profit approach (i.e., not requiring profits) to housing development can make a modest difference, but this alone has limited benefit due to the high cost of land and construction.

<sup>3</sup> Assumes good credit with Total Debt Service Ratio of 39% and \$281 per month for property tax and basic utilities

<sup>4</sup> 2021 Census

<sup>5</sup> Source: CMHC Housing Market Information Portal – Primary Rental Market Universe

Through the authors' experience in other communities and consultation with the development industry in Creston and elsewhere, the complete cost to develop housing in Creston today is currently approximately \$300-500 per square foot depending on site characteristic, type of building and quality of finishes. The complete cost of developing a housing unit includes:

- the price of land
- architects, engineers, and other development professional fees
- insurance, borrowing and holding costs
- municipal permit fees and development cost charges (DCC; see glossary)
- land clearing and servicing
- building construction
- site works and landscaping

As illustrated by Table 3 below, even if developed and sold by a non-profit entity without a profit margin, the resulting baseline costs mean the non-market rental rate will be too high for many in Creston. It is for this reason that non-market housing requires not only a non-profit development approach, but also construction grants, fee waivers and/or operating subsidies. The market rental rate in Table 3 represents what is likely required, based on a 6% capitalization rate, for a market rental housing developer to be willing to develop in Creston (with current interest rates a 6% capitalization rate is too low – so rents will have to be higher until interest rates drop again). Ultimately, a private market rental housing developer will look at cost of capital, cost of construction, cost of debt, operating costs, and an assessment of what the market price of new rental will be to determine a likely profit margin and whether it is worth investing in Creston, or elsewhere.

Homeownership might initially appear a lower cost option, but once you consider property taxes and payment of all utilities it is usually more expensive. This ignores the debate related to the potential long-term financial benefits, risks and pitfalls associated with homeownership; nonetheless homeownership remains a goal of many for both financial and other reasons.

**Table 4: Estimated current Creston Development Cost vs Rental and Ownership Prices (no grants or subsidies are included)**

	Development Costs (\$350 per square foot)	Purchase Price – 15 % profit	Monthly mortgage for home purchase <sup>1</sup>	Qualifying Income based on Stress Test limits <sup>2</sup>	Market Rental Rate <sup>3</sup>	Non-Market Rental Rate <sup>4</sup>	Income to meet 30% affordability for non-market rental
2-3 BR (1000 square feet)	\$350,000	\$402,500	\$2,015	\$82,335	\$2,415	\$2,025	\$81,000
2 BR (800 square feet)	\$280,000	\$322,000	\$1,612	\$67,850	\$2,010	\$1,715	\$68,600
1 BR (600 square feet)	\$210,000	\$241,500	\$1,209	\$52,800	\$1,608	\$1,405	\$56,200
1 BR (525 square feet)	\$183,750	\$211,313	\$1,058	\$42,175	\$1,457	\$1,290	\$51,600

1. Monthly mortgage costs are based on 5% down, 30-year amortization and interest rate of 4.5%
2. Qualifying Income is based on mortgage stress test requirements for a buyer with a good credit rating, a total debt service ratio of 39%, no other debt and 25-year amortization at 5.25%.
3. Market rental rate is based on Capitalization Rate of 6%.
4. The rental rate presumes a 100% debt service ratio, 35-year amortization, 2.5% interest rate and \$475 per unit per month operating costs.

# Context Conclusions

The limited data available emphasizes the following:

- Creston has a small amount of non-market housing (4.3%) and while more than some other small B.C. Communities, it's not enough to meet the current demand.
- The demand for non-market housing is driven by those in the community with incomes too low to afford what is available in the market and is likely approaching 20-40% of households given that:
  - Median rent (which would include non-market housing) is \$900;
  - 18.9% of the population can afford a maximum rent of \$750;
  - 36.9% of the population can afford a maximum rent of \$1,125; and
  - There will be larger households who can afford more than \$1,125 but cannot afford the rents for large homes.
- Grants and subsidies are required to make lower-priced housing financially viable for those in the lower-income and median income brackets. BC Housing's moderate-income limit for homes with two or more bedroom is \$120,990.
- For 49% of Creston households, \$273,175 is the maximum house price that is affordable. This portion of the population would be more easily housed in non-market or market rental housing, as developing homes for purchase at \$275,000 or less is only viable for one-bedroom apartments.
- Finding ways to increase the supply of more affordable entry-level housing is important; however, only 28% of the population makes \$90,000 or more and would qualify to buy a home at \$440,000 or more.



# Action Recommendations

There are 19 action recommendations, which are listed briefly below and then addressed in more detail on the subsequent pages.

## **Actions to increase housing supply for low- to moderate-income households**

1. Create a Housing Liaison position focused on supporting homeowners, non-market housing providers and developers to develop in Creston
2. Increase housing density and lower parking requirements in the R4 Residential High-Density Zone (apartment, multi-family)
3. Provide Development Cost Charge waivers for rental housing (100%) and strata developments, including apartments and multi-family housing (50%)

## **Actions to increase non-market housing supply**

4. Provide municipal land and acquire new municipal land for non-market housing
5. Create an Affordable Housing Fund
6. Allocate a portion of property tax revenues to the Affordable Housing Fund
7. Lobby the Province to be able to apply Development Cost Charges to new developments to help fund employee housing

## **Actions to increase rental housing supply**

8. Extend the property tax exemptions for new rental development beyond 2024
9. Increase the permitted size of Accessory Dwelling Units

10. Permit more Accessory Dwelling Units per lot
11. Reduce Accessory Dwelling Unit parking requirements
12. Establish an Accessory Dwelling Unit advisory service
13. Permit shared housing and room rentals

#### **Actions to increase lower-priced homeownership opportunities**

14. Reduce parking requirements for multi-family housing (townhouses, rowhouses, triplexes and fourplexes)
15. Adopt a 1:1 floor area ratio (FAR) maximum density within the R3 Medium Density Zone
16. Decrease the minimum lot size in R1, R2 and R3 Zones
17. Reduce the R1 duplex lot frontage requirement to 15.2m
18. Reduce permitted lot coverage except where Accessory Dwelling Units are constructed on single-family and duplex lots
19. Participate in the B.C. Housing Affordable Homeownership Program with developers, and provide 100% Development Cost Charge waivers

#### **Possible Future Initiatives**

- Improve regional development and construction capacity
- Regional price restricted homeownership

#### **Ongoing Initiative**

Implementing a short-term (e.g., vacation) rental zoning, bylaw enforcement and licensing strategy is already included in the workplan for Town of Creston staff. Currently short-term rentals are not permitted by zoning, but nonetheless there appear to be a small number of such rentals in the community. Experience elsewhere has demonstrated the nuances of this issue as it relates to long-term rental housing. Prohibiting short-term rentals does not guarantee a property owner will rent the unit long term. Moreover, operating a short-term rental is strategy sometimes used by homeowners to be able to afford the mortgage on their home.

# Actions to increase housing supply for low- to moderate-income households

This section includes actions to increase the supply of more affordable housing (both rental and ownership) that those with low and moderate incomes can afford.

**Action 1:** Create a Housing Liaison position focused on supporting homeowners, non-market housing providers and developers to develop in Creston.

**Affordable Housing and Development Committee (AHD Committee) support: Unanimous**

Rationale: There is a need to make it easier to develop new or renovate existing housing in Creston, particularly for more affordable options. This new position should act as a housing advocate and focus on efficient coordination, education, removal of unnecessary obstacles, and supporting projects through the approval processes, which can sometimes be challenging.

Description: The Housing Liaison needs to work across multiple departments, and its responsibilities should evolve and respond to stakeholder input but could include:

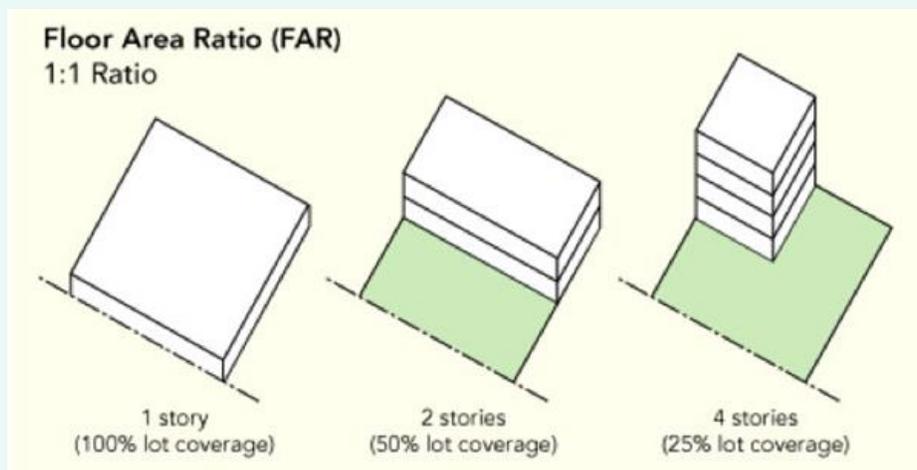
- Being the first point of contact for homeowners interested in developing accessory dwelling units
- Liaison and principal point of contact for developers, tasked with answering questions and ensuring staff respond in a timely manner.
- Writing letters of support for grant applications and coordinating with non-market housing providers.
- Identifying and correcting limitations and deficiencies with the information provided on the website or guidance documents.
- Providing education sessions on accessory dwelling units and development opportunities at public events and conferences.
- Conducting home/property inspections for those considering developing accessory dwelling units or other housing types.
- Promoting Creston to builders and trade associations as a good place to develop new housing.
- Coordinating with other communities and groups in the region to address barriers to new housing development - including lack of developers, builders, and trades.
- Engaging with private and non-profit stakeholders, to find new and creative ways to address challenges to developing housing.

## Action 2: Increase housing density and lower parking requirements in the R4 Residential High-Density Zone (apartment, multi-family)

**AHD Committee support: Mostly supportive, with some hesitation related to changes in outdoor space requirements, reduced parking requirements in all areas, and lack of current transit options.**

**Rationale:** Development under Creston's current R4 apartment zoning requirements – 90 units per hectare, parking, private outdoor space, common outdoor space, and setbacks – encourages the development of large, more expensive units and has resulted in the construction of a low number of units compared to other places in B.C. There haven't been any significant multi-unit residential developments in Creston for 13 years; in 2009 an 11-unit building was built. It would be easier to attract senior government funding, private rental, or condominium development if the allowable density was increased.

**Description:** In urban places, multi-unit density is commonly measured using Floor Area Ratio (FAR), which is the ratio of a building's total gross floor area compared to the size of the lot. For example, a 4-storey building at 1:1 FAR would take up about 25% of the lot. Currently the maximum allowable lot coverage in R4 zone is 75%, which is not a limiting regulation. However, it is difficult to equate units per hectare to FAR, for example, if the total area per unit averaged 800 square-feet, then 90 units per hectare is roughly FAR 0.65, lower than the density for the common townhouse in most communities. A FAR of approximately 1.2 to 1.5 is typical for a 4-storey apartment with surface/or tucked-under parking and 1.5 to 2.0 for underground parking.



As illustrated in Table 4 (page 12), it is very difficult to develop lower and more moderate priced housing due to construction servicing, and land costs. In Creston, the main barrier is the requirement of 90 units per hectare, however, other regulations relating to parking, setbacks and useable private and common outdoor space also impose limits. Reducing these requirements would lower development costs and increase the potential for lower and more moderate priced housing developments in Creston.

A detailed analysis of multiple development scenarios is beyond the scope of this Plan. However, below is a recommendation for a multi-unit residential building development in a R4 Zone, using the vacant lot on 1700 Birch Street as an example.

Zoning Category	Recommendation	Rationale
Density	2:1 FAR	Form of development will be driven by parking strategy and requirements, with 2.0 FAR reasonable for underground parking in private condo development.
Height	12.2m	No change, allows for 4 storeys
Lot Coverage	75%	No change, other regulations likely limiting even for underground parking buildings
Parking	0.75 per studio/1 bedroom 1 per 2 bedroom 1.25 per 3 bedroom or larger 50% reduction to above for rental	Current requirement is 1.25 per unit regardless of unit, which is higher than for lower density housing forms. A 50% reduction for rental housing fosters development of this needed type of housing form. These recommendations may put pressure on street parking, but generally there is an abundance of this in Creston. The 50% reduction for rental could be restricted to specific areas.
Private Outdoor Space	10% of unit size, but allowed as common indoor space instead	Same as current requirement but could be provided as alternative in common indoor space. Helps align with B.C. Housing requirements of 20 sq ft amenity space per unit. There is no specific private or common outdoor space requirement, though useable outdoor areas are encouraged.
Common Outdoor Space	3.7 m <sup>2</sup> (40 sq ft) per unit, minimum 93 m <sup>2</sup> (1001 sq ft)	Current requirement is 10 m <sup>2</sup> (107.7 sq ft) per unit.
Outdoor Space allowed in setback areas except front	Allowed in setbacks, fence/landscape screen required	New requirement in the R4 Zone. Finding an area for outdoor space will be exceedingly difficult with the other recommended zoning changes
Front Setback	6m	Current requirement is 7.6m and aligns with other residential zones. Consideration should be given to reducing setback requirements throughout residential neighbourhoods.
Rear Setback	6m	Current requirement is 7.6m
Interior Side	3m	Current requirement 3m; any reduction would interfere with building code requirements.
Exterior Side Lot Line	5m	Current requirement 6.0m. Reduce allowable setback to align with front setback.

The table below illustrates how the recommended R4 zoning requirements would apply to 1700 Birch Street, a 1.03-acre vacant R4 property. The current 90 units per hectare restricts development scale. The recommendation is to make the density high enough that the other requirements become less limiting. As illustrated by the table, a development at a density of 1.2:1 FAR is viable with surface parking, resulting in 76% lot coverage. This would approximately double the density currently permitted, with a mix of both small, medium, and large unit sizes. A FAR of 1.5:1 would be difficult to develop, because it would result in 95% lot coverage, not including the 8% front setback area. It would only be possible with a 50% reduction in parking requirements for rental housing or by including tucked-under or underground parking. A rental housing development of 2:1 FAR is unlikely without underground parking. Site specific variances can be considered for all the R4 zoning requirements except for FAR.

**Percent of lot occupied by different R4 zoning requirements at different FARs with average unit size of 800 square feet**

Zoning Parameter	Existing Zoning	Proposed Zoning			
FAR	N/A	1.2:1	1.5:1	1.75:1	2:1
Units	37	67	84	99	113
Lot Coverage Area	18%	32%	40%	46%	52%
Surface Parking Area	21%	36%	45%	53%	61%
Private Outdoor Area	2%	3%	4%	4%	5%
Common Outdoor Area	9%	5%	7%	8%	9%
Total Calculated Lot Coverage	50%	76%	95%	112%	127%
Front Setback Area	10%	8%	8%	8%	8%

**Action 3:** Provide Development Cost Charge (DCC) waivers for rental housing (100%) and strata developments, including apartments and multi-family housing (50%)

**Affordable Housing and Development Committee support: Mostly supportive**

**Rationale:** It is challenging to achieve financial viability for new rental housing and strata ownership apartments/multi-family development in Creston. Development cost charges (DCCs) are currently limited to a small number of properties in Creston where housing could be developed but are expected to expand in

the near future. It's important that DCCs do not become another obstacle to developing multi-family housing.

**Description:** The current DCCs in Creston are \$1,754.06 per unit, which is roughly 0.6% of the total development costs for rental developments and 0.3% for strata developments. The recommended DCC waivers would be a small incentive with a relatively minor cost-saving. However, the financial burden of DCC waivers is then shifted onto taxpayers.

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## Actions to increase non-market housing supply

This section includes actions that will increase non-market housing supply (primarily rental, considering the context of the current market) for households with lower incomes and larger households in the moderate-income category. Note: Non-market housing has traditionally been viewed as supportive housing serving vulnerable populations, however, non-market housing is also needed for moderate-income earners and families.

Non-market housing includes a range of housing and can include temporary housing or emergency shelter that serves those who are experiencing homelessness or at risk of homelessness. This Plan does not specifically address housing solutions for this population, but this section does include recommendations for the Town of Creston to provide land and increase financial resources for non-market housing initiatives.

With resources available for non-market housing efforts, the Town of Creston will need to decide which projects to support and/or prioritize, whether it be emergency shelters, supportive housing, transition housing, accessible housing, low-income housing (for seniors, families, or individuals), or housing for moderate income households.

### Action 4: Provide existing municipal land and acquire new land for non-market housing

**Affordable Housing and Development Committee support: Unanimous**

**Rationale:** Non-market housing cannot support the full cost of development, and this is one way the Town of Creston can help.

**Description:** The Town of Creston should identify municipal land that can be allocated for housing and establish policies and processes to gift land to non-market housing providers. The Town can also explore options to acquire additional properties through partnership arrangements and rezoning, as well as consider purchasing land. If individual properties are purchased, it is effectively the same as allocating property tax revenues to affordable housing. However, there are a few financial advantages to the Town acquiring land:

- The Town may be able to acquire larger parcels at a more affordable per acre price than small housing societies or charities
- Buying land at current prices for future development, using a long-term land banking approach
- Acquiring land for other municipal purposes, and using the surplus for housing

## Action 5: Create an Affordable Housing Fund

### Affordable Housing and Development Committee support: Unanimous

**Rationale:** Non-market housing needs on-going financial support to be economically viable. Local contributions increase the viability of non-market housing and the likelihood of securing provincial and federal funding.

**Description:** Establishing an Affordable Housing Fund creates a financial reserve from which the Town of Creston can allocate funding to support a variety of non-market housing projects, including: emergency housing, supportive housing, special needs housing, independent below-market rental, and co-op housing. Policy decisions are required with respect to who would be eligible to access the funding, for what purposes, and through what mechanisms.

## Action 6: Allocate a portion of property tax revenues to the Affordable Housing Fund

### Affordable Housing and Development Committee support: Mostly supportive, but some concern about impact on taxpayers

**Rationale:** Creston does not have many options to secure funds for non-market housing other than revenue from property taxes. Funding sources that have worked elsewhere but that are not high revenue streams for Creston include:

- Developer contributions from rezoning – this is only reliable in areas where the demand for and cost of new development is quite high.
- Municipal Regional District Tax (MRDT) - is a tax of up-to three percent applied to the purchase of short-term accommodation in participating areas of the province (designated accommodation areas) on behalf of municipalities, regional districts, or eligible not-for-profit business associations. The MRDT program was originally introduced by the Provincial Government to provide funding for local tourism marketing, programs, and projects. In 2018, the program was amended to include affordable housing as a permissible use of funds. The Creston Tourism Society has recently started to receive funding from MRDT; however, the amount collected in Creston is minimal and it was deemed inappropriate by the Steering Committee to allocate a portion of the funds to affordable housing.

**Description:** Allocating 2.5% of the revenue received from property taxes would raise approximately \$123,000, based on the 2022 Town of Creston Budget. Affordable Housing Funds supported by local taxation are common in many communities in the U.S. but are rare in Canada. Three examples include:

- Comox Valley Regional District Homelessness Supports Service allocates approximately 0.3% to 0.4% of property taxes depending on the community and property class type.
- The City of Victoria contributes about 0.4% of tax revenues to its Affordable Housing Reserve Fund annually.

At current construction costs and anticipated rent levels, each unit of non-market housing requires a capital grant approximately between \$100,000 to \$250,000 depending on unit type and rental price. There are no reliable estimates of the total need for non-market housing in Creston. Based on household incomes (see

Context section) and current rental prices, it is likely double (another 114 units) - but could be as high as fourfold (another 342) – the current supply.

If a new Creston Affordable Housing Fund could account for 10% of the funding provided to any project – with the other 90% coming from provincial, federal and/or partner sources – then a contribution of \$123,000 per year would be sufficient to support the construction of 5-12 homes annually.

Any tax contribution could help increase the non-market housing supply. However, a 2.5% contribution (which may receive opposition from some taxpayers) will likely not adequately address the need for non-market housing in a timely manner.

## Action 7: Lobby the Province to be able to apply development cost charges to new development to help fund employee housing

**Affordable Housing and Development Committee support: Mixed support, not confident how this would be implemented.**

**Rationale:** Resort municipalities and designated resort regions have the authority per section 559(3) of the Local Government Act to impose an employee housing development cost charge (DCC) on new development. Communities like the Town of Creston are facing the same challenges that resort and tourism-focused communities face, which is that monthly rents and home ownership are priced out of reach for those working in retail and service sectors.

**Description:** The DCC authority collects a portion of the cost to provide municipal services to new developments and the remaining balance is covered by taxpayers. Even if the Town of Creston had the authority, it would be a minimal contribution, as there aren't a significant number of new developments in Creston to which the employee housing DCC would apply. Moreover, this Plan recommends waiving DCC in full or in part on this type of development.

A solution would be, to lobby the provincial government to allow Creston to apply Development Cost Changes to all new development to help fund employee housing.

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## Actions to increase rental housing supply

This section includes actions that will increase the supply of rental housing in general (including market and non-market housing).

### Action 8: Extend the property tax exemptions for new rental development beyond 2024

**Affordable Housing and Development Committee support: Supportive – Program exists already; introduced in 2022**

**Rationale:** It is challenging to achieve financial viability for new rental housing development, and a tax exemption provides a financial benefit to improve financial viability by reducing operating costs.

**Description:** The current bylaw limits the timeframe for applications to 2022 through 2024, and no applications have been received to date. The Town of Creston should consider extending the program beyond 2024 until after some rental housing has been built.

According to the bylaw, successful applicants are eligible for:

- A tax exemption of 100% for ten-years on non-market rental housing (referred to "Purpose Built Rental" in the bylaw) and rental housing in mixed used developments or,
- A 100% tax exemption year one through five and 75% tax exemption year six through ten, on apartments and multi-family (e.g., townhouse) rental housing developments.

The value of the 100% tax exemption is equivalent to roughly 5% of the capital costs (lowering operating costs so a higher amount of debt can be incurred); however, it shifts the financial burden onto taxpayers. And although a five percent deduction is not insignificant, with the cost of construction rising approximately 20-30% over the past few years, this policy alone is not likely to stimulate a lot new rental housing development.

## Action 9: Increase the permitted size of Accessory Dwelling Units

**Affordable Housing and Development Committee support: Unanimous**

**Rationale:** Homeowners provide Accessory Dwelling Units (ADUs) as a way to supplement their income. While ADU rentals will always be more expensive than non-market housing (i.e., keeping ADUs small doesn't really create "affordable" rentals), they do help to increase market rental supply which for many is more affordable than home ownership. Current ADU size restrictions preclude developing multi-bedroom, family-oriented units.

**Description:** The recommendation is to increase the size of attached and detached ADUs according to the table below. Attached ADUs are often referred to as secondary suites. Detached ADUs are small buildings that are a home for one household and are sometimes referred to as garden suites, cabins, cottages, or tiny homes<sup>6</sup>. Allowing two-storey detached ADUs allows a homeowner to incorporate a detached unit more readily on their property.

Item	Current rule	Proposed Amendment
Size of attached Accessory Dwelling Units	No larger than the lesser of 75.0 sq. m. (807 sq ft) or 40% of the gross floor of the principal dwelling.	No larger than the lesser of 105.0 sq. m. (1,150 sq ft) for each individual suite or 49% of the gross floor of the principal dwelling for all suites combined.
Size of detached Accessory Dwelling Units	No larger than the lesser of 75.0 sq. m. (807 sq ft) or 60% of the gross floor of the principal dwelling.	No larger than the lesser of 105.0 sq. m. (1,150 sq ft) or 60% of the gross floor of the principal dwelling.
Detached ADU height	Single storey only	Two storey

<sup>6</sup> Tiny home is a non-specific term, but most often used to refer to a very small home that is moveable and is promoted by some as an important housing solution. Under current B.C. law a moveable dwelling can only be certified to the CSA Z240MH standard (typically only in a factory) as there is no allowance for such a dwelling under the B.C. Building Code. However, a Detached ADU cannot be CSA Z240MH building.

## Action 10: Permit more Accessory Dwelling Units per lot

**Affordable Housing and Development Committee support: Mostly supportive, with some concern about possible change in neighbourhood character.**

**Rationale:** For both single-family dwelling (SFD) and duplex lots, allowing up to four dwelling units per lot may encourage more homeowners to become landlords or create opportunities for these types of homes to be effectively triplex or fourplex properties. Suites can be important mortgage helpers and expanding the allowance to duplexes (now permitted by the B.C. Building Code) may be important as duplex prices rise.

**Description: Amend the zoning to according to the table below:**

There are a variety of names and types of ADUs, including secondary suites, on-lot tiny homes, garden suites, duplex or town house lock-off suites, laneway/garage units, carriage homes, coach houses, and any other dwelling unit type that can be placed in or adjacent to an existing or new dwelling unit on the same lot.

Essentially, an ADU is an independent living space, self-contained with its own kitchen, bathroom, and sleeping area. It may share common space on the same floor with the primary residence (e.g., a laundry room).

Item	Current rule	Proposed Amendment
Attached ADU in a duplex	Not permitted	Allow in both halves of the duplex
Attached ADU in a single-family dwelling	1 permitted	Allow 2 ADUs; Note combined the two ADUs should not exceed 49% of the gross floor area of the principal dwelling. <sup>7</sup>
Attached ADU and detached ADU on same lot	Only 2 dwelling units per lot	Allow up to 4 dwelling units, but only 1 detached ADU per lot.

## Action 11: Reduce Accessory Dwelling Unit parking requirements

**Affordable Housing and Development Committee support: Mostly supportive, with some recommendations to limit it to certain areas or implementing via a variance process**

**Rationale:** Providing off-street parking for each additional dwelling unit adds to the cost of construction, and on some properties, it is challenging to find enough space. Further, not all renters will own cars and Creston streets have a significant amount of on-street parking.

**Description:** Eliminate the requirement for off-street parking except for developments with more than one ADU per lot, in which case, one additional stall would be required for the second and third ADU. A single-family dwelling with one ADU – whether attached or detached – would no longer require an additional

<sup>7</sup> Note that under current B.C. Building Code rules adding two suites to a home turns it into a 3-unit dwelling to which secondary suite building code regulations to not apply.

parking stall, however, one would need to be provided for each additional ADU. For duplexes, this means no additional parking would be required for the ADU on either half of the duplex (i.e., one ADU per strata lot).

## Action 12: Establish an Accessory Dwelling Unit advisory service

**Affordable Housing and Development Committee support: Unanimous**

**Rationale:** Homeowners are often unsure how to navigate zoning bylaws and the requirements of the B.C. Building Code, which can be an impediment to ADUs being considered.

**Description:** The service can either be included as a role of the Housing Liaison (if qualified) or by staff in the building department. There could be an uptake if there is no charge for the service. It will have to be clear that, the initial site visit is only to examine Accessory Dwelling Unit considerations and not an inspection for compliance with local bylaws. However, the Town of Creston should develop and publish a list of serious issues that staff will be required to pursue, including:

- Missing or malfunctioning smoke alarms
- Missing or malfunctioning carbon monoxide detectors in homes with fuel burning heating sources
- Bedrooms without emergency exit
- Especially low ceiling heights (height TBD)

## Action 13: Permit sharing of homes and room rentals

**Affordable Housing and Development Committee support: Supportive**

**Rationale:** The zoning bylaw should explicitly allow multiple unrelated people to share a dwelling unit or a family to rent one or more rooms long-term.

**Description:** Currently dwelling units are to be used by one “family”, which the zoning bylaw defines as:

one (1) person or a group of persons who through marriage, blood relationship or other circumstances normally live together

There is uncertainty in this definition as to whether this prevents friends, students or unrelated people from renting one or more rooms in their home. These living situations can benefit both the landlord (e.g., supplemental income) and the tenant (more affordable rents).

The recommended addition to the definition of family is shown in bold text below.

Family means one (1) person or a group of persons who through marriage, blood relationship or other circumstances normally live together **and may include up to five unrelated persons or up to three persons in addition to the main family group.**

The recommended amendment would permit up to five roommates to share a dwelling-unit, or for a family to long-term rent rooms in their home to a maximum of three people. In these cases, facilities such as entrances, bathrooms, and/or kitchens would be shared. This is different from an ADU rental which provides a fully self-contained dwelling unit (i.e., is not shared). Staff intend to include this definition of “family” in a housekeeping update of the Zoning Bylaw fall 2022.



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## Actions to increase opportunities for lower-priced homeownership

This section includes actions that will increase the supply of lower-priced homes, including manufactured homes, duplexes, rowhouses, townhouses, co-housing, and efficiently-sized strata condos – sometimes referred to as the “missing middle.”

### Action 14: Reduce parking requirements for multi-family housing (townhouses, rowhouses, triplexes and fourplexes)

**Affordable Housing and Development Committee support: Mostly supportive, but some concern and recognition of the need for better transit options**

**Rationale:** The current requirement of 1.25 parking stalls per unit assumes larger multi-family residential developments and exceeds the parking requirements for single-family and duplex homes. Parking is a big expense and is a disincentive to developing this type of more cost-effective housing.

**Description:** Amend parking requirement from 1.25 parking stalls per unit to 0.55 for studios, 0.7 for 1-bedroom, 0.85 for 2-bedroom and 1 for 3-bedroom units and larger.

### Action 15: Adopt a 1:1 floor area ratio (FAR) maximum density within the R3 Medium Density Zone

**Affordable Housing and Development Committee support: Mostly supportive**

**Rationale:** Current R3 zoning allows ample building area, and the current use of units per hectare fosters development of larger, more expensive units. Instead, using a FAR approach to regulate density encourages the provision of smaller, more affordable townhouses. A 1:1 FAR is significant for a townhouse development, and parking requirements are likely to drive maximum unit counts.

**Description:** Development of multi-family dwellings in the R3 zone is not limited by current permitted density of 60 units per hectare, which is roughly equivalent to an FAR of 1.10:1 when developing 2-storey buildings and 1.6:1 FAR when developing 3-storey buildings. Since the goal is to foster more “missing middle” development, switching to an FAR approach with a slightly reduced density may encourage more units per lot, with lower average prices. When combined with reduction in parking requirements for smaller units, developers will have a better opportunity to meet the needs of moderate-income households.

## Action 16: Decrease the minimum lot size in R1, R2 and R3 Zones

### Affordable Housing and Development Committee support: Mostly supportive

**Rationale:** Support the goal in the Official Community Plan (OCP) to have smaller homes on reduced lots and expand options for the development of duplexes, rowhouses, pocket neighbourhoods, and townhouses.

**Description:** The recommended minimum lot sizes are listed in the table below. There are several lots in Creston's core that are just over 450 sq. m. and good candidates for duplexes. Reducing the minimum lot requirements for a single-family dwelling to 250 sq. m. would foster smaller single-family dwellings but discourage subdividing existing lots less than 500 sq. m—to accommodate duplexes, rowhouses or townhouses which tend to be priced lower than single-family dwellings.

Where rowhouses back onto lanes, a 150 sq. m lot at a 1:1 FAR would allow approximately a 1600 sq. ft. home. Rear lane access reduces the need for space in the front yard for a driveway so rowhouses can be accommodated on smaller lots. The units at each end of a rowhouse need a larger 175 sq. m. size to accommodate an interior side yard (where the end unit is mid-block) or exterior side yard (where the end unit is at the end of the block).

The intent for pocket neighbourhoods is to foster a cluster of homes with a small footprint. The maximum size of small footprint home is 112 sq. m (1206 sq. ft.). At the proposed minimum lot requirement of 125 m<sup>2</sup> per unit, the small footprint home would need to be one and a half-storeys or two-storeys to keep within the permitted 75% lot coverage.

Zone/type	Current minimum lot size	Proposed minimum lot size
R1 Single-family dwelling	333 sq. m.	250 sq. m.
R1 Duplex	660 sq. m.	450 sq. m.
R2 Duplex/Rowhouse	333 sq. m.	225 sq. m.
R2 Rowhouse with lane access	n/a	150 sq. m. for interior lots, 175m for end units
R3 Multi-Family (townhouse)	1,000 sq. m.	660 sq m.
R3 Pocket neighbourhood		125 sq. m. per unit

## Action 17: Reduce the R1 duplex lot frontage requirement to 15.2m

### Affordable Housing and Development Committee support: Unanimous

**Rationale:** This action aligns lot frontage requirements across duplex and rowhouse zones. The current 18m requirement excludes several lots that could be candidates for duplexes in Creston.

**Description:** A frontage of 15.2m (and sometimes less) is sufficient for duplex developments.

## Action 18: Reduce permitted lot coverage except where Accessory Dwelling Units are constructed on single-family and duplex lots

**Affordable Housing and Development Committee support: Mostly supportive**

**Rationale:** This will restrict the construction of large, more expensive homes and entice developers/homeowners to build Accessory Dwelling Units.

**Description:** The current 50% lot coverage allowance is excessive, and when combined with 9.2m building height (which facilitates 3-storey construction), it allows for the construction of very large homes. Currently, 3-storey construction is not typical. With current setback requirements on the proposed 250 sq. m. lot, the maximum allowable lot coverage is about 30% with a 2,500 sq. ft. home. The recommended modified lot coverage and the introduction of Floor Area Ratio (FAR) regulations are highlighted in the table below. Proposed modifications would allow the construction of a home of approximately 1,000 sq. ft. (not including a basement), unless one or more ADUs are built on the same lot (however, it is unlikely that two or more ADUs would be built on a smaller lot). As the size of the lot increases, lot coverage and FAR allocations would decrease, providing incentives to develop both on smaller lots and more modest sized homes.

R1 home type	Current requirement		Proposed Amendment	
	Lot Coverage	FAR	Lot Coverage	FAR
Single-family dwelling (SFD)	50%	N/A	30% for 250 sq. m. lot, minus 2% for each 100 sq. m. of lot area to minimum of 10%	0.4 to 1 for lots 250 sq. m., decreasing by 0.02 to 1 per sq. m. to minimum of 0.2 to 1.
SFD with 1 ADU	n/a	N/A	40% for 250 sq. m. lot, minus 2.5% for each 100 sq. m. of lot area to minimum of 15%	0.55 to 1 for lots 250 sq. m., decreasing by 0.025 to 1 per sq. m to minimum of 0.3 to 1.
SFD with 2 or more ADUs	n/a	N/A	50% for 250 sq. m. lot, minus 3% for each 100 sq. m. of lot area to minimum of 20%	0.7to 1 for lots 250 sq. m., decreasing by 0.03 to 1 per sq. m. to minimum of 0.4 to 1.

With these regulations maximum home sizes would be as follows:

Housing Type	Maximum home size – square feet							
	250 sq m		450 sq m		750 sq m		1,050 sq m	
	Single Storey	2 + storeys	Single Storey	2 + storeys	Single Storey	2 + storeys	Single Storey	2 + storeys
SFD	807	1,076	1,259	1,744	1,615	2,422	1,582	2,713
SFD + 1 ADU	1076	1,480	1,695	2,422	2,220	3,660	2,260	3,956
SFD + 2or more ADU	1345	1,884	2,131	3,100	2,826	4,440	2,939	5,199

For duplexes, the lot coverages and FAR allowances would increase to encourage the construction of this housing form—that is typically more affordable. With the current setback requirements on 450 sq. m. lot and with 3-storey construction, a duplex at 3,400 sq ft per side is permitted. The proposed changes would reduce that maximum to about 1,200 sq ft per side unless ADUs have been built on the same lot.

R1/R2 home type	Current requirement		Proposed Amendment	
	Lot Coverage	FAR	Lot Coverage	FAR
Duplex	50%	N/A	40% for 250 sq m lot, minus 2% for each 100 sq m of lot area to minimum of 24%	0.5 to 1 for lots 250 sq. m., decreasing by 0.02 to 1 per sq. m to minimum of 0.39 to 1.
Duplex with 1 ADU	n/a	N/A	50% for 250 sq m lot, minus 2.5% for each 100 sq m of lot area to minimum of 30%	0.7 to 1 for lots 250 sq. m., decreasing by 0.025 to 1 per sq. m to minimum of 0.5 to 1.
Duplex with 2 ADUs	n/a	N/A	60% for 250 sq, minus 3% for each 100 sq m of lot area to minimum of 36%	0.85 to 1 for lots 250 sq. m., decreasing by 0.03 to 1 per sq. m to minimum of 0.61 to 1.

With these regulations, maximum home sizes would be as follows:

Housing Type	Maximum home size – square feet					
	450 sq m		750 sq m		1,050 sq m	
	Single Storey	2 + storeys	Single Storey	2 + storeys	Single Storey	2 + storeys
Duplex	1,938	2,664	2,745	3,956	3,165	4,830
Duplex + 1 ADU	2,422	3,391	3,431	5,046	3,956	6,216
Duplex + 2 or more ADU	2,906	4,117	4,117	6,135	4,747	7,572

**Action 19:** Participate in the B.C. Housing Affordable Homeownership Program with developers and provide 100% Development Cost Charge waivers.

**Affordable Housing and Development Committee support: Unanimous**

**Rationale:** Lower-priced homeownership options are diminishing in Creston and the B.C. Housing Affordable Homeownership Program (AHOP) works with developers to provide new housing that will be

made available at 5-20% below market value for eligible home buyers. Enticing developers into this program will provide needed lower-priced homeownership options.

**Description:** AHOP provides lower priced financing in exchange for the developer guaranteeing sale prices at least at least 5% below market. While not necessary for program participation, B.C. Housing prefers that the local government provides increased density, variances, or other support, like DCC waivers, to further entice the developer to participate in the program. Refer to the [B.C. Housing AHOP information sheet](#) for a complete description of the AHOP program.

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## Possible future moves

In addition to the actions identified above, the following two future moves are identified for consideration in collaboration with regional partners.

### Improve regional development and construction capacity

One of the reasons cited by the Affordable Housing and Development Committee for lack of new housing and Accessory Dwelling Unit development is a lack of capacity in the development and construction sectors. There aren't many active developers in the Creston area finding housing contractors is difficult. This challenge has roots that involve provincial, if not national, development and construction industry dynamics. We do not have data indicating whether this issue is more significant in Creston, or the Kootenay area as compared to other parts of the province. However, the Town of Creston may be able to collaborate with regional or provincial partners to better understand the issues surrounding a shortage of trades in the construction industry and take actions to address them at the regional level.

### Regional price restricted homeownership

There are a few examples across the province, the Whistler Housing Authority being the most successful—with over 1,000 homes sold from programs dedicated to providing locals with below-market housing. The Whistler Housing Authority manages a range of properties that are bought and sold to qualified Whistler employees who will occupy the homes as their primary residence. To ensure the program is used as intended, all properties have covenants registered on title that require all future buyers live and work in Whistler and restricts the maximum resale price. These covenants maintain the longevity of the program by tying the resale value to an appreciation formula based on the Consumer Price Index instead of allowing open market bidding.

These programs have been successful in housing markets that are significantly inflated, which does not appear to be the case in Creston. Moreover, it requires an organization with the authority to facilitate resales and/or enforce resale covenants. Given the mobility of residents within the region and size of Creston, exploring how such a program could be implemented regionally is recommended. The program would need to provide a funding model – whether through developer contributions or government funding – because it is unlikely to be successful if developing at market costs.



# Glossary

- Accessory Dwelling Unit (ADU) is a term used in the Creston zoning bylaw that means a home that is accessory (or secondary) to the principal use and includes either an Attached Accessory Dwelling Unit within or attached to the principal building (often understood as a secondary suite) or a Detached Accessory Dwelling Unit that is a self-contained building. Essentially, an ADU is an independent living space, self-contained with its own kitchen, bathroom, and sleeping area. It may share common space on the same floor with the primary residence (e.g., a laundry room). There are many types of and a mix of names for ADUs, including secondary suites, on-lot tiny homes, garden suites, duplex or town house lock-off suites, laneway/garage units, carriage homes, and any other dwelling unit type that can be placed in or adjacent to an existing or new dwelling unit on the same lot.
- Apartment means a type of building that includes multiple homes (units) with a shared common entrance and may be rented, or subdivided into individual strata lots (e.g., “condos”).
- Co-op or Cooperative Housing means housing owned and operated by a co-op established under the Cooperative Association Act of B.C. Co-op housing is managed by the members of the co-op who must reside in the co-op to be a member. Most co-op housing is rental housing as individual members do not have a significant equity stake in the co-op.
- Duplex means a building divided into two homes for separate households and is often also subdivided into two separate real estate entities as individual strata lots.
- Development cost charges (DCC) means a charge imposed on new development by municipal bylaw to help pay for the cost of new infrastructure such as water, sewer, stormwater, and parks.
- Floor Area Ratio (FAR) means the ratio of floor area to lot area of all the buildings on a lot.
- Exterior side yard means the yard that is not the front yard on a corner lot but faces the other flanking street. This is sometimes called a flanking side yard.
- Housing Society is a non-profit organisation established under the B.C. Societies Act to own and operate housing, almost always rental housing. A Housing Society is governed by a board of directors made up of individuals who are not residents of the housing. Some Housing Societies are also registered charities.
- Interior side yard means a yard adjacent to a side lot line for middle-of-the block lots.
- Manufactured home / mobile home are terms used interchangeably in the Creston zoning bylaw that means a home constructed in a factory to the CSA Z240MH standard and installed either on a permanent foundation or temporary foundation. Increasingly there are manufactured homes, sometimes described as “modular”, that are constructed in CSA A277 certified factories to the B.C. Building Code standard and placed on permanent foundations on site. This style of manufactured home may be small single-family dwellings or larger multi-family or apartment buildings that are assembled on site from individual modules.
- Missing Middle is a term that is starting to gain prominence that means housing that is not single-family dwellings nor large apartment buildings, but rather medium density housing such as duplexes, townhouses, rowhouses, triplexes, fourplexes and small apartment buildings that have not been constructed in sufficient numbers (e.g., are “missing”) in many communities.

- Moveable dwelling is the Statistics Canada term for dwellings lived in that can be moved, including manufactured homes, boats, recreation vehicles, tents, and trailers.
- Non-market housing means housing that is run by a non-profit entity such as a municipal housing corporation, co-op, housing society or charity and provided at rates lower than market prices, with rental rates sometimes linked specifically to household income. Non-market housing may also include homes sold at below market rates by similar organisations with medium to long-term restrictions on resale prices and/or who retains the capital gains on resale.
- Multi-family is a term often used in zoning bylaws, including Creston's, to refer to a building with multiple homes (or dwellings units). In Creston's zoning bylaw, multi-family buildings must have individual entrances to the outdoors and a minimum of 3 units and include townhouses, rowhouses, triplexes and fourplexes, but not apartments.
- Pocket Neighbourhoods is a term used in Creston's zoning bylaw that means a residential development with at least 3 small footprint homes clustered around a shared outdoor common space, with each home no larger than 112 sq m (1205 sq ft)
- Primary Rental Market is a term used by the Canadian Mortgage and Housing Corporation (CMHC) that means rental homes in purpose-built multiple-unit rental buildings (e.g., apartments) that are consistently part of the rental market.
- Rowhouse means a home in a multi-unit building where the outside wall of the building is also a subdivision line for fee simple property. Middle rowhouses have two of these walls/property lines while an end rowhouse may only have one. In contrast, townhouses are subdivided as strata lots.
- Secondary suite means a rental home contained within another home and has a specific meaning under the B.C. Building Code.
- Secondary Rental Market is a term used by CMHC that means rental homes that are provided in privately owned dwellings and may not be consistently part of the rental market (e.g., secondary suites, rental of individual strata-apartment units).
- Setback means the required distance a building or other specified element (e.g., a parking stall) must be away from a property lot line.
- Single-family dwelling (SFD) or single detached home means a building that is a home used primarily for one household and is a single real estate entity.
- Tiny home is a non-specific term but is most often used to refer to a very small home that is moveable and is promoted by some as an important housing solution. Under current B.C. law a moveable dwelling can only be certified to the CSA Z240MH standard (typically only in a factory) as there is no allowance for a moveable dwelling under the B.C. Building Code. A CSA Z240MH home can also be affixed to a permanent foundation.
- Townhouse means housing within a building that includes multiple homes, each with their own entrance. Townhouses typically are side by side but may be stacked with one home over or partially-over another. Townhouses are typically subdivided into building strata lots.
- Tucked-under parking means parking spaces that are covered by the upper floor of building but are otherwise open.