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July 15, 2024

File No.: 6750-20 REG 2022-2023 Workforce Housing

via email: [jfernandez@lakecowichan.ca](mailto:jfernandez@lakecowichan.ca)

Joseph A. Fernandez, CAO  
Town of Lake Cowichan  
PO Box 860  
LAKE COWICHAN BC V0R 2G0

Dear Mr. Fernandez:

**Re: Workforce Housing Strategy Feedback**

On July 10, 2024, the Cowichan Valley Regional District (CVRD) Board approved the Cowichan Region Workforce Housing Strategy, and directed staff to engage with member municipalities on the Strategy prior to implementation. The purpose of this engagement is to ensure the Strategy's recommendations are in alignment with municipal Official Community Plans and other key policies and plans.

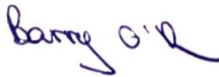
On July 10, 2024 the CVRD Board approved the following resolutions:

- 1. That the recommendations outlined in the Cowichan Region Workforce Housing Strategy (Attachment A) under the "Four Strategy Areas" be considered for implementation as resources and priorities allows; and*
- 2. That the CVRD send a letter to each municipality and Electoral Area Services Committee planning staff, seeking feedback on the Cowichan Region Workforce Housing Strategy, prior to implementation; and offering that Economic Development staff visit their Council to discuss the recommendation.*

Please find attached the Cowichan Region Workforce Housing Strategy, three Companion Documents, and an Economic Development Cowichan (EDC) staff report presented to the Committee of the Whole on June 26, 2024 that provides a summary of the report and project process.

We welcome feedback from Town of Lake Cowichan staff and elected officials in writing by September 30, 2024. EDC staff are also available to meet with municipal staff or present to Council on the Cowichan Region Workforce Housing Strategy if requested.

Yours truly,



Barry O'Riordan  
Manager, Economic Development Cowichan

Attachments

BO/jm

cc: James van Hemert, Consulting Planner  
Clayton Postings, General Manager, Strategic Services





# STAFF REPORT TO COMMITTEE

**DATE OF REPORT** June 7, 2024  
**MEETING TYPE & DATE** Committee of the Whole of June 26, 2024  
**FROM:** Economic Development Division  
Strategic Services Department  
**SUBJECT:** Cowichan Region Workforce Housing Strategy  
**FILE:** 6750-20 REG 2022-2023 Workforce Housing

## **PURPOSE/INTRODUCTION**

The purpose of this report is to provide an overview of the Cowichan Region Workforce Housing Strategy. It will be accompanied by a presentation from CitySpaces Consulting.

## **RECOMMENDED RESOLUTION**

That it be recommended to the Board that:

- 1) The recommendations outlined in the Cowichan Region Workforce Housing Strategy (Attachment A) under the “Four Strategy Areas” be considered for implementation as resources and priorities allow; and
- 2) The CVRD send letters to each member municipality thanking them for their participation, informing them of the completion of the Cowichan Region Workforce Housing Strategy, and offering for Economic Development staff to visit their Council to discuss the recommendations.

## **BACKGROUND**

At the December 8, 2021 CVRD Board meeting, a resolution was passed approving the development of a regional Workforce Housing Strategy (Resolution 21-539). The goal of the project was to identify actions for increasing housing availability and affordability for the labour force. Economic Development Cowichan (EDC) led this project on behalf of the CVRD, with support from Cowichan Housing Association and CitySpaces Consulting.

Work on the project began in 2022 with the launch of the Workforce Housing Surveys for employers and workers. The results demonstrated the impacts that housing challenges were having on both businesses and workers, and pointed to a suite of potential solutions to the housing crisis, spanning local government, non-profit, and the private sector. The results were presented to the CVRD’s Committee of the Whole on February 8, 2023.

In 2023, EDC and CitySpaces undertook additional research and engagement through multiple rounds of workshops and extensive one-on-one meetings with a large variety of stakeholders to inform the development of the Strategy. This process identified a multitude of underlying factors that were impacting workforce housing in the region, as well as potential solutions. The project team, in consultation with stakeholders and the CVRD Board, narrowed the focus of the project to four key areas for action:

- Enable industry-led workforce housing solutions
- Accelerate housing development
- Enhance short-term rental regulations
- Establish a housing corporation

The Cowichan Region Workforce Housing Strategy is included as Attachment A to this report. It is accompanied by three companion documents:

- Attachment B: Worker Snapshots, illustrates the diverse types of households experiencing a range of housing situations in the Cowichan region
- Attachment C: Case Studies, explores a range of housing solutions that have been implemented in other communities
- Attachment D: Context, provides the background content with respect to the approach and project phases, engagement process, as well as key indicators that demonstrate workforce housing needs and issues in Cowichan

## **ANALYSIS**

In the fall of 2023, as the project team was completing the first draft of the Workforce Housing Strategy, the Province of BC announced a suite of new legislation on housing and short-term rentals that had substantial impacts on the draft report. This necessitated a significant rewrite of the Strategy, and additional engagement, in particular with CVRD staff, to ensure alignment with the CVRD's response to the new legislation. Details on the roll-out of the new Provincial regulations continue to be announced, and the landscape continues to change, which has made it difficult to predict the impact of the new regulations. The Workforce Housing Strategy is in part designed to be an input into the CVRD and municipalities' response to the new legislation, while recognizing that there are still many unknowns.

Actions aiming to enable industry-led workforce housing solutions are to:

- Establish sites for seasonal workers accommodation, and
- Facilitate opportunities for groups of businesses to pursue joint workforce housing projects.

To accelerate housing development, the Strategy proposes to:

- Include temporary housing in Temporary Use Permit (TUP) guidelines;
- Educate the public on alternative housing forms;
- Encourage local businesses to participate in the Province's Standardized Housing Design Project;
- Host a Modular Housing Construction Summit;
- Investigate enabling policy to support industry-led solutions;
- Identify public lands that may support housing development;
- Expand areas zoned for manufactured home parks;
- Investigate labour shortage solutions in the construction and development industries;
- Explore the use of rental tenure zoning; and
- Collect data on modular housing construction.

Actions under the theme of enhancing short-term rental (STR) regulations are to:

- Provide opportunities for legal STRs to support temporary worker housing and tourism;
- Develop a business licensing program for STRs;
- Enhance the availability of on-farm agri-tourism accommodations; and
- Monitor the impact of changing Provincial and local regulations.

As a first step towards establishing a housing corporation, the Strategy proposes to:

- Conduct a feasibility study to identify the framework and process for transitioning Cowichan Housing Association to a Housing Corporation.

Looking forward to implementation, organizational capacity is likely to be the most significant limiting factor in progressing the recommended actions. However, Board support of these recommendations will allow staff to advance initiatives as and when resources and priorities allow.

Implementation of EDC-specific elements of the Strategy, including the timelines suggested in the report, can also be considered as part of the EDC Strategic Plan process. Furthermore, several of the recommendations have identified other CVRD divisions and municipalities as the lead for implementation. These recommendations are meant to inform and supplement work that is already underway to respond to the new Provincial legislation. Also, many of the recommendations will be advanced in partnership with industry stakeholders, some of which have already been identified by staff.

Throughout the project, staff and stakeholders recognized that the implementation of the actions within the Strategy would be enhanced by the establishment of a regional planning function. In particular, many stakeholders expressed a desire to see a collaborative, regional approach to servicing that is tied to land use planning and includes First Nations. Also, a regional housing coordinator position was noted as a potential outcome of the establishment of a regional planning function, and an opportunity to implement actions within the Workforce Housing Strategy and [Attainable Housing Strategy](#). The report includes a recommendation to this effect.

### **FINANCIAL CONSIDERATIONS**

The Cowichan Workforce Housing Strategy was funded by \$27,000 from Function 121 – Economic Development, and \$50,000 from Function 100 – General Government Strategic Initiatives Fund.

There is currently no funding within Function 121 – Economic Development dedicated to implementing the recommendations in this report. Among options for implementation, staff will continue to monitor possible grant funding opportunities and bring those forward to the Board for consideration.

### **COMMUNICATION CONSIDERATIONS**

A press release on the strategy will be released through the CVRD. The strategy will be available on the CVRD and EDC websites, and on the Plan Your Cowichan project page.

### **STRATEGIC/BUSINESS PLAN CONSIDERATIONS**


This project supports objective 7 of the CVRD Corporate Strategic Plan: to make available a range of housing options and housing tenures at different income levels and stages of life. Specifically, it satisfies Action 7.2: complete the Workforce Housing Strategy.

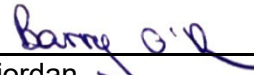
Referred to (upon completion):

- 
- Community Services (*Cowichan Community Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Facilities & Transit*)
  - Corporate Services (*Finance, Human Resources, Information Technology, Legislative Services*)
  - Operations (*Utilities, Parks & Trails, Recycling & Waste Management*)
  - Land Use Services (*Community Planning, Strategic Initiatives, Development Services, Building Inspection & Bylaw Enforcement*)
  - Strategic Services (*Communications & Engagement, Economic Development, Emergency Management, Environmental Services*)

Prepared by:

Reviewed by:

  
\_\_\_\_\_  
Brittany Taylor  
Economic Development Analyst

  
\_\_\_\_\_  
Barry O'Riordan  
Manager

  
\_\_\_\_\_  
Clayton Postings  
General Manager, Strategic Services  
Department

Reviewed for form and content and approved for submission to the Committee:

Resolution:

Financial Considerations:

Corporate Officer

Chief Financial Officer

**ATTACHMENTS:**

- Attachment A – Cowichan Region Workforce Housing Strategy
- Attachment B – Companion Document: Worker Snapshots
- Attachment C – Companion Document: Case Studies
- Attachment D – Companion Document: Context



# Cowichan Region Workforce Housing Strategy

A PLACE TO BUILD FUTURES

May 2024

## LAND ACKNOWLEDGEMENT

We acknowledge that for thousands of years the Quw'utsun, Malahat, Ts'uubaa-asatx, Halalt, Penelakut, Stz'uminus, Lyackson, Pauquachin, Ditidaht, and Pacheedaht Peoples have walked gently on the unceded territories where this work has taken place.

## APPRECIATION

On behalf of the Cowichan Valley Regional District (CVRD), CitySpaces Consulting led the Workforce Housing Strategy process and authored this Report. CVRD and CitySpaces are very appreciative of the participation, support, and advice from community stakeholders. We thank them.

### Project Advisory Group

Representatives from:

- Cowichan Intercultural Society
- Cowichan Woodwork
- EllisDon
- Greyland Consulting
- Habitat for Humanity Mid-Vancouver Island
- Island Farmhouse Poultry
- Island Health
- Malahat Skywalk
- Municipality of North Cowichan
- Nexus Modular Solutions
- Realocity Realty and CoHo BC
- Viridian Energy Co-operative
- Western Forest Products
- WorkBC / ETHOS Career Management Group

### Engagement Participants

Representatives from:

- 49<sup>th</sup> Parallel Grocery
- 4VI
- Aboriginal Housing Management Association
- Affordable Apartments
- AirDNA
- Alderlea Vineyards
- Arbutus Farms Kitchen
- Arbutus RV
- BC Housing
- Khowutzun Development Corporation
- Knightway Mobile Haulers Ltd.
- Ladysmith Chamber of Commerce
- Live Edge Design
- Locum Home Inc.
- Malahat Nation
- Mann Group
- Mazzei Electric
- Merdyn Group
- Merridale Cidery and Distillery

- Bell Group
- Broadstreet Properties and Seymour Pacific Development
- Capital Region Housing Corporation
- City of Duncan
- City of Victoria
- Clements Centre Society
- Connective Support Society
- Cowichan Green Community
- Cowichan Housing Association
- Cowichan Housing Association (Board)
- Cowichan Lake District Chamber of Commerce
- Cowichan Tribes
- Cowichan Valley Regional District
- Duncan Meadows Golf Course
- Easybuildingplans.com
- EllisDon
- EMR Vancouver Rentals Inc.
- Ethos Career Management Group
- Evolv Modular
- Exp Realty
- Greater Victoria Housing Society
- Island Health
- Islands Trust
- Municipality of North Cowichan
- Oak Gate Enterprises
- Oceanfront Suites at Cowichan Bay
- Pacifica Housing
- Paxar Technologies Corporation
- Redline Management Services Inc.
- Relish Studios
- Resort Municipality of Ucluelet
- Slegg Building Supplies
- Stz'uminus First Nation
- Sustainable Housing Solutions Cowichan
- The Practical Utopian
- The Verandah Partnership
- Tourism Cowichan Society (Board)
- Town Down Investments Inc.
- Town of Ladysmith
- Town of Lake Cowichan
- Ts'uubaa-asatx First Nation
- Two7 Building Company
- Union of BC Municipalities
- Unity Design
- Vancouver Island University
- White Cap Supply Canada
- WorkBC Cowichan

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# EXECUTIVE SUMMARY

The Cowichan Region is taking bold action to address housing needs and to offer housing choices to workers, requiring new conditions in which housing development in the Cowichan Region takes place.

Outlined in this Workforce Housing Strategy are four strategy areas to address the acute housing situation impacting the ability to recruit and retain workers and foster a healthy economic environment and livable region:

- i. Enable Industry-Led Workforce Housing Solutions;
- ii. Accelerate Housing Development;
- iii. Enhance Short-Term Rental Regulations; and
- iv. Establish a Housing Corporation.

These strategies build on the already important housing initiatives spearheaded by the Cowichan Valley Regional District (CVRD), member municipalities, First Nations, non-profit organizations, and the development industry and have been designed to reinforce each other or be combined.

- **Enable Industry-Led Workforce Housing Solutions** creates opportunities for various industries to initiate housing solutions within their own sphere of influence. In the Cowichan Region, industries that are being called to take action and be part of the solution include agriculture, tourism, construction, healthcare, and non-profits. These industries require a supportive planning and development environment in order to successfully participate, such as getting sites ready for development, contributing land, advocacy, and building relationships with industries.
- The strategy to **Accelerate Housing Development** aims to increase the number of housing units built in the Cowichan Region with a sense of urgency. Specific solutions to speedily deliver units to the market are: consider the inclusion of temporary housing (e.g., RVs for seasonal workers) in temporary use permit guidelines, create a public education package on alternative housing forms, encourage businesses to participate in the Province’s Standardized Housing Design Project, mobilize modular housing construction, identify publicly-owned land for housing development, expand areas zoned for manufactured home parks, address the labour shortage issues within the construction and development industries, and make use of rental tenure zoning.
- **Enhance Short-Term Rental Regulations** is a strategy that mitigates the diversion of rental housing units from the market by finding a balance between making short-term rentals (STRs) available to serve short-stay workers and tourists while ensuring rental housing is available for long-term residents. A focus on practical tools that align with new provincial legislation is the starting point for the first years of implementation. This includes reviewing zoning regulations to provide opportunities

to permit STRs, prioritize the development of a business licensing program for STRs, align zoning bylaws with ALR regulations to enhance the availability of on-farm agri-tourism accommodations, as well as monitor and report on the impact of new Provincial legislation and local regulations to support a healthy housing market and tourism industry.

- The strategy to **Establish a Housing Corporation** (HC) aims to scale-up and increase capacity to address workforce housing needs in the Cowichan Region. Exploring the opportunity to evolve and empower the existing Cowichan Housing Association is the core focus of this strategy and involves a due diligence process to ensure feasibility before endorsing the framework. If supported, the HC can take a lead role in the development of housing on behalf of the region and in partnership with other sectors.

Measuring the success of implementation is tied to the **desired outcomes** of each strategy, aimed to achieve after five years:

- For industry-led workforce housing solutions, the desired outcomes are to observe a substantial reduction in job vacancy rates for key industries (by 10%) leading to an improvement to businesses' ability to attract and retain workers (based on the ability for workers to find housing).
- To accelerate housing development, the desired outcomes are to see an increase in the uptake of Accessory Dwelling Unit (ADU) construction starts by 5%; see an increase in the uptake of modular housing construction projects by 5%; and increase the average development activity in the region to approximately 600 units per year.
- For enhancing short-term rental regulations, the desired outcomes are to see an improvement to the market rental vacancy rate in the order of 3% or greater; and to maintain a healthy STR industry.
- With respect to the Housing Corporation, the desired outcome is to complete a feasibility study in time for a possible referendum in 2026.

With increasing expectations and requirements placed upon local governments by the Province to meet housing unit estimates, the Workforce Housing Strategy positions the region to meet its obligations through self-direction while complementing other sectors to deliver units in the region. Enable Industry-Led Workforce Housing Solutions, Accelerate Housing Development, Enhance Short-Term Rental Regulations, and Establish a Housing Corporation are all strategies that can change the conditions of housing development in the region towards meeting the housing needs of workers and fostering sustained economic development.

# INTRODUCTION

In November 2022, the Cowichan Valley Regional District (CVRD) engaged CitySpaces Consulting to prepare a Workforce Housing Strategy for the Cowichan Region. This Strategy responds to the *CVRD Regional Housing Needs Assessment Report (2021)* and *Workforce Housing Surveys (2022)* that highlighted the tension between housing issues and the labour market in the Cowichan Region.

## Companion Documents

The Cowichan Region Workforce Housing Strategy is complemented by three companion documents:

- i. **Worker Snapshots:** illustrates housing challenges experienced by different households in the Cowichan Region;
- ii. **Case Studies:** provides several examples of workforce housing solutions that can be referenced for inspiration; and
- iii. **Context Report:** provides an overview of the process of developing the Strategy including project approach, engagement activities, and research that demonstrates the driving factors that support the need for the Strategy.

## Purpose

The Cowichan Region Workforce Housing Strategy aims to address housing problems as it relates to employment. In particular, the shortage of housing has impacted the ability to attract and retain workers in the Cowichan Region, which has impaired operations and viability of businesses and services across multiple sectors. It is imperative that housing is made available to workers in order for the region to grow in a sustainable and livable way. It is within this context that the purpose of this Strategy is to:

- Identify a collaborative and regional solution to workforce housing;
- Identify potential solutions to attract and retain staff within various industries; and
- Foster sustainable economic development in the Cowichan Region.

## Why a Workforce Housing Strategy?

The Cowichan Region is a place where initiatives to support housing development are already being explored and implemented. Many achievements can be celebrated including housing policies and regulations, with additional initiatives in motion. There is a strong appetite from the development industry to build more units across the region, and a healthy curiosity from all sectors and the public to explore more solutions. The Workforce Housing Strategy complements other initiatives by implementing transformative strategies for housing development.

The magnitude of housing need is being fueled by rapid change and is surpassing the collective capacity to respond. Some of the core issues illustrating this problem include:

- **Housing development is not keeping pace with population growth and demographic changes:** The regional population has increased 12% over the past decade and is projected to grow by another 15% in six years<sup>1</sup> through a combination of new people moving to the region as well as natural family formation. At the same time, the aging population is creating a reverse population pyramid meaning there are more seniors than young people. This issue may amplify the shortage of workers if there are not enough people to replace retirees. The region requires nearly 1,000 more housing units per year to accommodate growth and demographic changes, however only half that amount is being delivered on an annual basis.
- **Development constraints are limiting construction activity:** The current economic environment creates complexity and risk to building housing projects in the Cowichan Region. Many of these are large-scale issues, including inflation, supply chain issues, high interest rates, and financing challenges. The lengthy development approvals process is a concern shared by government planning departments and the development industry, suggesting that the volume of development activity and capacity to process applications may be contributing factors. Other issues include the perception of an insufficient land supply, infrastructure constraints and un-serviced land, and public perception (e.g., NIMBY-ism). Municipal growth containment boundaries together with a large concentration of undevelopable land (located within the *Agricultural Land Reserve*, forestry/resource holdings, environmentally sensitive areas, and parkland) are all signals that the Cowichan Region is entering a new era of development – less greenfield development and more scaling up, densification, infill development, and possibly redevelopment of some areas.
- **Limited housing supply and high housing costs are influencing workers’ job decisions and impacting the viability of businesses:** There are currently not enough housing units for workers in the region and there is a mismatch between the types of housing available and what workers are seeking. Employers have reported incidences where job offers are being rejected by potential candidates because of limited housing options – which is supported by previous research that indicates a need for more smaller units (e.g., one-bedroom units) and starter homes for people moving to the region (a small and affordable unit). There is also a mismatch between housing costs and what employees’ wages provide. Businesses are considering wage increases but are trying to balance the increasing cost of business and their services. Overall, the limited housing supply, high housing costs, and stagnant wages are hindering economic activity in the region.

Additional research can be found in the companion *Context Report* and *CVRD Regional Housing Needs Assessment Report*.

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1. CVRD Regional Housing Needs Assessment Report (2021).

# MEETING THE NEEDS OF THE COWICHAN REGION'S WORKFORCE

## Vision

“The Cowichan Region is taking bold action towards offering housing choices for workers at all income levels and stages of their vocations.”

## Four Strategy Areas

The Vision translates into four strategy areas that incorporate desired outcomes, actions, responsibility, timing, and investment required for implementation. Each strategy addresses workforce housing needs, and is supported by the background research and what was heard from engagement. The intention of each strategy is to focus on the overall goal and outcomes, rather than specific mechanisms. Case study examples from other jurisdictions are available in a Companion document. These include examples of housing construction workers, hospital staff, and agricultural workers as well as housing corporations and temporary use permits. Preliminary investments required to implement each action have been identified, however the source of investment is still to be determined.

**Now is the time to take bold action on addressing housing needs; this requires new conditions and working together under a shared vision to initiate change.**

## Strategy #1: Enable Industry-Led Workforce Housing Solutions

STRATEGY	GOAL	DESIRED OUTCOMES IN 3 YEARS	
<p><b>Enable Industry-Led Workforce Housing Solutions</b></p>	<p>Empower industries and employers to lead the creation of workforce housing projects</p>	<ul style="list-style-type: none"> <li>Job vacancy rates for key industries are reduced by 10%</li> </ul>	
ACTIONS	RESPONSIBILITY	TIMING	INVESTMENT REQUIRED
<p>1. Identify and secure lands to establish sites for seasonal workers accommodation (e.g. agriculture, tourism, and construction sectors)</p>	<p>Private sector industry and property owners</p> <p>Economic Development Cowichan (support)</p> <p>Tourism Cowichan (support)</p>	<p>Q2 2025, in advance of the seasonal influx of tourism and agricultural workers</p>	<ul style="list-style-type: none"> <li>Enabling policy (local government) may be required to open lands for temporary workers accommodation. For example, support for existing campsites to support temporary workforce housing.</li> <li>On-site servicing (water and sewer) – could be temporary or permanent</li> <li>May require social servicing to address social concerns</li> <li>Permits may be required by local government, with additional requirements</li> </ul>

<p>2. Create an opportunity for businesses to pool resources and pursue a workforce housing project collaboratively</p>	<p>Business Community</p> <p>Economic Development Cowichan (support)</p>	<p>Q4 2024</p>	<ul style="list-style-type: none"> <li>• Legal services</li> <li>• Financing (private lender, low-interest loan, grants)</li> <li>• Rotating capital (invested by businesses)</li> </ul>
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### The Strategy

Industries in the Cowichan Region particularly challenged with attracting, retaining, and supporting workers include healthcare, tourism, agriculture, construction, and non-profit organizations. These are priority industries that could pursue solutions within their own sphere of influence. The aim of this strategy is to empower industries and employers to lead the creation of workforce housing projects. The desired outcome is to see a sizable reduction in the number of job vacancies in the Cowichan Region. Employers should observe an improvement to their recruitment process (e.g., time it takes to fill a position, retention and duration of tenure) due to the increased availability of workforce housing. As an example, a reduction in the job vacancy rate in the construction industry from 9.0% to 8.1% (a 10% reduction) would indicate that conditions are improving.

**Industry leaders report that short-term rental housing such as Airbnbs serve to accommodate temporary workers in Cowichan Region.**

### What Housing Types are Needed for Workers in Priority Industries?

Workers who live permanently in the Cowichan Region comprise a mix of household arrangements, including single persons, roommates, and families, and as such would benefit from having a range of housing types available – including a mix of one-, two-, and three-bedroom units that can be configured in various housing types such as apartments, townhouses, and accessory dwelling units. The companion document, *Worker Snapshots*, illustrates diverse types of households experiencing a range of housing situations in the Cowichan Region, including families, First Nations, temporary workers, and others working in a variety of priority industries.

Affordable rent ranges for workers depends on the occupation and annual salary. In the healthcare sector, for example, registered nurses can afford market rental rates, whereas custodial positions would benefit from housing that is below market rates. Housing costs that are affordable for agricultural workers can vary depending on the job position, however, are generally low (below market rates) for farm labourers, which is representative of temporary and seasonal agricultural workers in the Cowichan

Region. Also, it is common for farms to offer room and board as part of a worker’s compensation package, to offset the cost of paying high enough wages for workers to afford to rent off-site.

Rent ranges are also applicable to seasonal and temporary workers with the same occupations; however, the housing forms are different given the nature of short-stay workers. Nearly every priority industry has some form of temporary worker situation. Healthcare recruits travelling nurses, locums, and medical students. Agriculture has temporary and foreign workers during peak production seasons. The construction industry hires labour from outside the region to temporarily scale-up and build projects. In addition, many industries have temporary contract workers to cover employment leaves (e.g., family leave, stress leave), time limited job positions (e.g., non-profits that receive a grant to hire a worker related to a temporary program), or special studies (e.g., field research).

The table below outlines the types of housing for both permanent and temporary workers, by industry, along with a sample of job positions and their applicable affordable rent ranges. This table can serve as a reference to industry leaders pursuing workforce housing projects. For additional information on the housing types that workers need, please see the companion report *Worker Snapshots*.

Industry	Job Positions	Affordable Rent Ranges Per Month	Housing Types (Permanent)	Housing Types (Seasonal/ Temporary)
Agriculture	Farm Labourer Fish Farmer Crop Production Technician	\$770 – \$1,170 \$750 – \$2,270 \$815 – \$2,000	<ul style="list-style-type: none"> <li>One-bedroom units</li> <li>ADUs, apartments</li> </ul>	<ul style="list-style-type: none"> <li>Campsites</li> <li>RVs</li> <li>One-bedroom</li> </ul>
Construction	Construction Worker Construction Manager Construction Electricians & Repairers Foreperson	\$750 – \$1,500 \$1,100 – \$3,000 \$1,300 – \$2,400	<ul style="list-style-type: none"> <li>One-, two-, three-bedroom units</li> <li>ADUs, townhouses, apartments</li> </ul>	<ul style="list-style-type: none"> <li>One-bedroom</li> <li>Multi-unit modular</li> </ul>
Healthcare	Health Care Aide Registered Nurse Doctor	\$900 – \$1,200 \$1,500 – \$2,300 \$1,600 – \$7,600	<ul style="list-style-type: none"> <li>One-, two-, three-bedroom</li> <li>ADUs, townhouses, apartments</li> </ul>	<ul style="list-style-type: none"> <li>One-bedroom</li> <li>Multi-unit modular</li> </ul>

Non-profit	Administrative Clerk Labour Policy Officer Data Administrator	\$950 – \$1,620 \$1,400 – \$2,560 \$1,150 – \$2,900	<ul style="list-style-type: none"> <li>• One-, two-, three-bedroom units</li> <li>• ADUs, townhouses, apartments</li> </ul>	<ul style="list-style-type: none"> <li>• One-bedroom</li> </ul>
Tourism	Hotel Clerk Food Service Worker Housekeeper Retail Sales Associate Retail Sales Manager	\$750 – \$1,030 \$750 – \$960 \$750 – \$1,060 \$750 – \$1,200 \$865 – \$3,120	<ul style="list-style-type: none"> <li>• One-, two-, three-bedroom units</li> <li>• ADUs, townhouses, apartments</li> </ul>	<ul style="list-style-type: none"> <li>• One-bedroom</li> <li>• Multi-unit modular</li> <li>• RVs</li> </ul>

### *What Can Industries Do to Address Housing?*

Detailed examples from other jurisdictions where industries led the development of housing projects or programs can be found in the companion document *Case Studies*. Drawing from this inspiration, some considerations for the Cowichan Region’s industries include:

- **Identify and secure lands to establish sites for seasonal workers accommodation:** depending on the size of the site, this concept could accommodate dozens of workers employed in multiple industries (e.g., agriculture, tourism, construction). Fees can be charged to the workers to cover the cost of site maintenance and operations, yet at low enough rates to remain affordable to workers. If lands identified are within the ALR, then it is required to make an application to the Agricultural Land Commission for workers accommodation. The Regional District of Okanagan-Similkameen demonstrated this concept when it opened a 125-site agricultural workers campsite in 2021 to house temporary agricultural workers throughout the harvest season from May to October (see the companion document *Case Studies*).
- **Create an opportunity for businesses to pool resources and pursue a collaborative workforce housing project:** this can look like an agreement amongst several businesses to purchase a shared building for housing workers, or to develop new workforce housing if a suitable building is not available within the community. The partner businesses could make a financial contribution and, in return, gain access to one or more units of the building that is shared with other businesses. This innovative solution requires capital and operating funding, which can come from a variety of sources (capital injection from each business, accessing low-cost financing and loans, etc.). Businesses can rent their allocated unit to a new recruit in need of temporary housing until long-term housing is found, and continuously use the unit for this purpose. Businesses have options for how they structure the arrangement with their employees. For example, they can create employment agreements to cover

the cost of rent as a prerequisite to the employee (which they can claim as a taxable benefit). Alternatively, businesses can subtract the cost of rent from an employee's pay (either partially or in-full). This solution requires an organization of some form to manage operations, which can be an existing non-profit housing society, forming a new society, or potentially being part of the proposed Housing Corporation. The Cube Hotel in Revelstoke is a good example of multiple employers coming together to solve their workforce housing challenges (see the companion document *Case Studies*).

Workforce housing projects pursued by businesses and organizations across priority industries could benefit from strategies #2, #3, and #4, which includes potentially forming partnerships with the proposed Housing Corporation, as well as applying accelerated housing development tools such as temporary use permits and modular housing construction.

## Strategy #2: Accelerate Housing Development

STRATEGY	GOAL	DESIRED OUTCOMES IN 3 YEARS	
<p><b>Accelerate Housing Development</b></p>	<p>To increase the number of housing units built in the Cowichan Region</p>	<ul style="list-style-type: none"> <li>• Increase uptake in ADU construction starts (5% target)</li> <li>• Increase uptake in modular housing construction (minimum 5% target)</li> <li>• Average 600 total housing units built per year</li> </ul>	
ACTIONS	RESPONSIBILITY	TIMING	INVESTMENT REQUIRED
<p>1. Consider the inclusion of temporary housing in TUP guidelines for CVRD electoral areas and municipalities</p>	<p>CVRD Member municipalities</p>	<p>Q2 2024</p>	<ul style="list-style-type: none"> <li>• Internal staff time</li> <li>• Public consultation</li> <li>• OCP amendment and/or zoning amendment for TUPs</li> <li>• Communication to businesses</li> </ul>
<p>2. Create a public education package on alternative housing forms, including the minimum requirements for a legal (code-compliant) “tiny home”</p>	<p>Economic Development Cowichan (lead)  CVRD Land Use Services (support)  CVRD Communications and Engagement (support)</p>	<p>Q3 2024</p>	<ul style="list-style-type: none"> <li>• Internal staff time</li> <li>• Graphic designer</li> <li>• Communications budget</li> </ul>
<p>3. Encourage Cowichan-based businesses to participate in the Province’s Standardized Housing Design Project, particularly around standardized ADU designs</p>	<p>Economic Development Cowichan (lead)  Industry (partners)</p>	<p>Q2 2024 - Ongoing</p>	<ul style="list-style-type: none"> <li>• Internal staff time</li> </ul>
<p>4. Plan and host a Modular Housing Construction Summit to raise awareness of the benefits of</p>	<p>Economic Development Cowichan (lead)</p>	<p>2025</p>	<ul style="list-style-type: none"> <li>• Internal staff time</li> <li>• Budget allocation for venue and marketing</li> </ul>

modular housing and assist with sector development	Industry (partners)		
5. Investigate enabling policy to support industry-led workforce housing solutions	CVRD Member municipalities	Ongoing	<ul style="list-style-type: none"> <li>Internal staff time</li> </ul>
6. Identify publicly-owned land that could be leveraged to support housing development	Economic Development Cowichan and CVRD GIS (lead)  CVRD, member municipalities, Cowichan Housing Association (support)	Q1 2025	<ul style="list-style-type: none"> <li>Internal staff time</li> </ul>
7. Expand areas zoned for manufactured home parks	CVRD Member municipalities	Ongoing	<ul style="list-style-type: none"> <li>Internal staff time</li> <li>Zoning updates</li> </ul>
8. Investigate actions to address labour shortage issues within the construction and development industries as part of the EDC Strategic Plan	Economic Development Cowichan	Q4 2024	<ul style="list-style-type: none"> <li>Internal staff time</li> </ul>
9. Make use of rental tenure zoning where appropriate	CVRD Member municipalities	Ongoing	<ul style="list-style-type: none"> <li>Internal staff time</li> </ul>
10. Collect data on modular housing unit construction (i.e. data sharing agreement)	Private industry	Ongoing	

### **The Strategy**

Enabling accelerated development of housing aims to address the shortfall of new housing units needed per year in the Cowichan Region. With an extremely low rental vacancy rate and a pattern of delivering approximately half of what the region needs on an annual basis, it is necessary to fast-track development to get units delivered to the market with a sense of urgency through a solutions package: temporary housing, accessory dwelling units, and modular housing construction. These solutions can help facilitate different housing typologies (e.g. multi-unit, ground-oriented infill, small single units, etc.) as well as support various housing tenures (affordable homeownership like shared equity homeownership and rent

to own, co-ops, market rental, low-end of market rental, and affordable housing). Pursuing these solutions through the support of public education, identifying publicly-owned land for housing development, and addressing the labour shortage issues within the construction and development industries can all help accelerate development forward in a beneficial way.

The common path to creating a workforce housing project typically takes three to four years to complete. Workforce housing projects can potentially be developed much faster when enabling conditions are created to support this type of development. There are many tools that can help fast-track the development of workforce housing including policies, zoning, programs, funding, incentives, bylaws, collaboration, regulations, and initiatives. A combination of accelerated housing tools can offer different solutions to a variety of land/development situations.

It is unrealistic to double the construction of housing units in a few years, and as such this strategy intends to close the shortfall gap by increasing the number of housing units delivered annually from an average of 460 units per year to an average of 600 units per year; an increase of approximately 25% in construction activity. More favourable environmental conditions can help increase the amount of permitting and drive construction activity. Ultimately, this strategy seeks to ramp-up the volume of construction in the housing industry to the levels required to accommodate the growing population and ensure there are housing units available to attract and retain the labour force. Local government will also need to create an enabling environment to facilitate the industry-led workforce housing solutions outlined in Strategy #1.

### *Scope of Accelerated Housing Development*

It is envisioned that this strategy will create the conditions to accelerate housing development in the Cowichan Region, encompassing the following solutions:

- **Consider the inclusion of temporary housing in TUP guidelines for CVRD electoral areas and municipalities:** TUPs allow temporary land uses not permitted under current zoning. On the ground, this can look like a RV, modular unit, or repurposed/renovated container ranging in scale from one-unit sharing land with a single-detached home to larger tracks of land that can accommodate a collection of units (e.g., 8–12 RVs). TUPs are a practical tool that the local government can implement at the regional and municipal level and requires investment into OCP amendments, the creation of permit/schedules, administration, inspection, and enforcement. The CVRD Board recently directed staff to begin work on OCP amendments and draft guidelines to enable TUPs across all Electoral Areas, including for housing. If implemented quickly, the CVRD could be in a position to process

applications in time for upcoming seasonal worker housing needs. TUPs can provide employers with an option to install one or more units on-site to house seasonal workers, as well as any landowner with the option to utilize their land for temporary housing for workers. TUPs could also be used for project-specific employment such as agricultural works and construction workers living in the Cowichan Region temporarily during a specific project. TUPs also provide flexibility to the system to accommodate fluctuating housing demand not only related to seasonal workers but also the anticipated influx of temporary construction workers needed to build major projects such as the Cowichan District Hospital. To speed up the process even more, local governments should consider delegating the authority to issue TUPs for housing to staff. Guidelines would benefit potential applicants and, once established, will need to be communicated to the broader community.

More regions are embracing ‘tiny homes’ as a housing option suitable for one- or two-person households able to live independently. The Regional District of Central Kootenay has published a guide, “Tiny Homes in the RDCK-What You Need to Know”, summarizing the various forms of ‘tiny homes’ and how they relate to the relevant regulations.

- **Educating Alternative Housing Forms:** throughout this process, engagement participants shared stories of alternative forms of housing that already exist in the Cowichan Region, such as tiny homes, RVs, yurts, and others. Some of these housing forms are not “up to code”, creating an unstable housing environment for the occupants. This action aims to create a public education package on alternative housing forms, including the minimum requirements for a legal (code-compliant) “tiny home”.
- **Encourage Uptake in the Province’s Standardized Housing Design Project:** ADUs are attached or detached housing units, including secondary suites, garden suites, tiny homes or laneway homes, that can be made available for rental (both short-term accommodation and long-term housing). The CVRD is already spearheading actions to enable new ADUs to be built in electoral areas, and the Province of BC has recently made significant legislative changes that further progress ADU development. This action encourages Cowichan-based business to participate in the Province’s Standardized Housing Design Project, particularly around standardized ADU designs. The resulting standardized designs may also be adjusted to comply with local zoning regulations. This action requires collaboration between Economic Development Cowichan and industry, as partners, to implement these designs.

- **Modular housing construction:** allows for housing to be designed to-code, and constructed off-site, under controlled conditions, but delivered on an accelerated timeline. This solution was not only widely supported by engagement participants during the development of this strategy, but also revealed the potential to scale-up the existing modular housing sector in the Cowichan Region. As a starting point, the region could plan and host a Modular Housing Construction Summit to raise awareness of the benefits of modular housing and assist with sector development. It is recommended that the Summit include discussions that will help the Cowichan Region prepare to apply for upcoming modular housing funding opportunities by identifying land, partnerships, and concepts. Other potential topic discussions could include prefabricated wall units and innovative servicing solutions.

### Alignment

- ✓ CVRD Regional Housing Needs Assessment Report
- ✓ *Housing Supply Act* (applies to municipalities within the CVRD)
- ✓ *Bill 44: Housing Statutes Amendment Act*

- **Identify publicly-owned land that could be leveraged to support housing development:** securing land for housing development is a critical step to shift an idea into a tangible concept. Leveraging publicly owned land can create certainty around the project and attract potential partners including funders.
- **Expand areas zoned for manufactured home parks:** manufactured home parks offer high unit yield development with typically less infrastructure requirements compared to multi-unit housing development at the same density. The price points, livability and accessibility would benefit many workers in the Cowichan Region. The CVRD and member municipalities will need to review existing Zoning Bylaws to identify opportunities for manufactured home parks, and consider requirements such as lot size.
- **Investigate actions to address labour shortage issues within the construction and development industries as part of the EDC Strategic Plan:** while more housing options would benefit construction and development industry workers looking for a home, more is needed to address the acute shortfall of workers in this industry. The EDC Strategic Plan should investigate ideas to address the labour shortage, towards increasing capacity of the sector that is ultimately needed to deliver the housing required to meet the region’s unit need estimate.
- **Make use of rental tenure zoning where appropriate:** rental tenure zoning restricts tenure to rental only. Local governments can apply this regulatory tool to an area, a building, or units within a building

which have a residential use<sup>2</sup>. Adopting this tool across the region, where appropriate, can support the retention of existing rental housing and secure areas for future rental housing to meet the needs of the workforce.

### ***Desired Outcomes – How To Measure Success***

Implementing the actions outlined in this strategy has the potential to create an enabling environment in which housing can be developed at an accelerated pace. It also gives options to all sectors to be a part of the solution – local governments, private sector development, the construction industry, non-profit organizations, and potentially others. The desired outcomes outlined below are ways to measure success of this strategy in the first five years:

- **Increase uptake in ADU construction starts (5% target):** there are already ADUs being developed sparsely in the region where permitted and infrastructure supports intensification at this scale. A marker of success would be observing a moderate increase in the uptake of ADU construction across the region of 5%.
- **Increase uptake in modular housing construction (minimum 5% target):** a number of modular housing projects have been undertaken in the Cowichan Region over the last number of years. With additional support to bring attention to and foster the development of this industry, a 5% increase in modular housing construction should be well within the realm of possibility. The data will need to be obtained from manufacturers in order to measure the uptake over time.
- **Average 600 total housing units built per year:** within five years, a desired outcome is to see a substantial increase in the number of housing units being delivered in the Cowichan Region, alleviating pressures on the market and helping workers find the housing they need. An approximate 25% increase in the average number of new units permitted per year (i.e., 460 units to 600 units) would be an indication that the enabling environment for accelerated housing development is moving in the right direction.

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<sup>2</sup> The exception to this application of rental tenure zoning is where a unit is already occupied by an owner at the time that the zoning is put into place. In such a case the owner, and all future owners, would continue to have a right to occupy the residential unit.

### Province of BC [ADU guidelines](#) (December 2023)

- ✓ A minimum of 1 secondary suite and/or 1 detached accessory dwelling unit (ADU) must be permitted in Restricted Zones in all municipalities and regional district electoral areas. Local governments must implement these new regulations, and may choose to do any of the following for single-detached residential lots to which the higher density requirements for a minimum of 3 to 6 units do not apply:
  - Permit only one secondary suite;
  - Permit only one ADU;
  - Allow landowners to choose either a secondary suite or an ADU; or,
  - Permit the construction of both a secondary suite and an ADU.
- ✓ Local governments should ensure requirements of other provincial legislation and regulations are met.
- ✓ Only secondary suites (not ADUs) should be permitted on properties less than one hectare in size that are not serviced by sewer systems operated by a local government.
- ✓ Recommended regulation: rear lot line setback minimum 1.5 metres.
- ✓ **Province's suggested ways to streamline the ADU approvals process:**
  - Eliminate requirements for a business license or covenant concerning the rental of secondary suites and ADUs;
  - Waive tree-cutting permit requirements for secondary suites and ADUs if none are required for single-detached dwellings.

### ***What Additional Enabling Policy is Required to Support Industries to Pursue Workforce Housing Solutions?***

Conditions need to be favorable for industries to consider taking bold action to address workforce housing needs. In addition to the actions above, local governments can support the work outlined in Strategy #1 through enabling policy, specifically:

- Implement the Cowichan Region Attainable Housing Strategy, specifically *Objective 5 – Enhance Local Government Policy Frameworks that Promote Increased Supply and Improved Housing Affordability*. Proposed strategies within this objective aim to streamline the development approvals process through action such as: fast tracking applications for affordable housing projects, creating property tax exemptions for projects, pre-zone land, reduce parking requirements, consider density bonus provisions, support mixed-use development, and support small housing development including micro-units.
- Establishing a positive relationship between the business or organization pursuing a workforce housing project and the local government sets the stage for all other supports and actions to occur. Relationship building includes exchanging information about respective needs and perspectives and instilling political support from Municipal Council or the Regional District Board. For example, the local government would benefit from understanding the vision, concept, and needs of the project and the group would benefit from understanding the development procedures process and local government expectations. Identifying mutual goals can enhance the relationship. Establishing relationships before a project is envisioned can inform the local government to take action on creating an enabling environment, such as pre-zoning land or adopting policy that supports workforce housing projects.
- Industry-led solutions outlined in strategy #1 are site-specific, and as such, the planning and development requirements will be dependent on each site (e.g., is a rezoning required?). Workforce housing projects that are led by industry often experience better success when incentives or tools are applied. Within this context, local governments can explore opportunities to identify sites and get them ready in anticipation of industries pursuing workforce housing projects.

Successful workforce housing projects typically receive tangible incentives and utilize a wide range of tools to implement a project from vision to completion, including enabling policies and bylaws:

- ✓ **Site readiness:** attributes that enhance a site's readiness to develop workforce housing include already meeting the land use designation (OCP) and zoning (or pre-zoned). It can also mean existing infrastructure (e.g., water, sewer, fire flow) does not need to be upgraded or only minor upgrades are required. Projects that require land use changes add time to the process. Infrastructure upgrades increase costs.
- ✓ **Housing agreements:** section 483 of the *Local Government Act* allows local governments to prepare housing agreements, and section 219 of the *Land Title Act* allows local governments to use covenants registered on title, in conjunction with rezoning applications, to ensure that a workforce housing project remains affordable.
- ✓ **Land contribution:** many local governments have policies that support the use of government-owned land for housing projects that address local housing gaps and meet the housing needs of residents. Local governments may consider contributing land to a workforce housing project through a land lease or land transfer agreement at a discounted rate or at no-cost. Other financial supports within the municipal purview can help reduce the capital and operating costs of a workforce housing project such as waiving permit fees, offering property tax exemptions and making capital contributions by drawing from dedicated resources (e.g., an affordable housing reserve fund).
- ✓ **Advocacy:** local governments have established relationships with the Provincial and Federal governments, Ministries, and other agencies such as utility providers. Local governments can utilize these relationships to advocate for groups that may encounter roadblocks to project implementation.

## Strategy #3: Enhance Short-Term Rental Regulations

STRATEGY	GOAL	DESIRED OUTCOMES IN 3 YEARS	
Enhance Short-Term Rental Regulations	To have market rental housing available to residents	<ul style="list-style-type: none"> <li>Improved market vacancy rate (3% or greater)</li> <li>Maintain a healthy STR industry</li> </ul>	
ACTIONS	RESPONSIBILITY	TIMING	INVESTMENT REQUIRED
1. Review zoning regulations and provide opportunities for STRs through TUPs and rezonings, with consideration of the needs for temporary worker housing and the tourism industry	CVRD and member municipalities, in consultation with EDC and Tourism Cowichan	Ongoing, or per respective zoning amendment timelines for each jurisdiction	<ul style="list-style-type: none"> <li>Internal staff time</li> </ul>
2. Prioritize the development of a business licensing program for short-term rentals	CVRD	Q1 2025	<ul style="list-style-type: none"> <li>Internal staff time</li> </ul>
3. Align zoning bylaws with ALR regulations to enhance the availability of on-farm agri-tourism accommodations	CVRD Member Municipalities	Ongoing, or per respective zoning amendment timelines for each jurisdiction	<ul style="list-style-type: none"> <li>Internal staff time</li> <li>Zoning updates</li> </ul>
4. Monitor and report on the impact of new Provincial legislation and local regulations to support a healthy housing market and tourism industry	Economic Development Cowichan (lead)  Tourism Cowichan (partner)	Q1 2025	<ul style="list-style-type: none"> <li>Internal staff time</li> </ul>

### *The Strategy*

Enhancing short-term rental regulations (STRs) aims to address issues related to the conversion of long-term housing (intended for permanent residents) into short-term accommodation (intended for short-stay residents and tourists). This tool, in the form of a bylaw and/or supporting regulations, is being adopted by many local governments in recent years in tandem with a shift in the market that is seeing rental units turning into places for people to temporarily stay.

With the growing tourism industry as well as increasing demand for short stay accommodations in the Cowichan Region, this strategy provides a practical tool to balance the interest, need, and demand for short- and long-term accommodation. Enhancing short-term rental regulations can clarify the use of short-term rentals with the goal of maintaining more long-term rental housing.

The goal of this strategy is to enable the conditions where market rental housing is readily available to residents. Specifically, this strategy seeks to protect and retain the long-term rental housing supply to the point where the rental vacancy rate is within a healthy range (2 to 3%). This is a direct response to the persistently low rental vacancy rate in the region and limited availability of rental housing units, coinciding with units being listed to rent short-term. It is also intended to complement regional planning initiatives to address short-term rentals that are currently underway.

### ***New Provincial Short-Term Rental Regulations***

In October 2023, the Province of BC introduced new legislation to regulate short-term rentals that focuses on: increasing fines and strengthening tools for local governments; returning more short-term rentals to long-term homes; and establishing provincial rules and enforcement. These changes are timely for the Cowichan Region as it provides local governments with more tools to address short-term rentals.

### **Province of BC *Short-Term Rental Accommodations Act* (October 2023)**

- ✓ **Fines and Other Tools:** Increasing fines for operators breaking local rules to support local bylaws and requiring short-term rental platforms to share data to strengthen local enforcement; requiring online short-term rental platforms to share their data with the Province, so the Province can provide that information to local governments for enforcement and support of provincial and federal tax auditing; requiring short-term rental platforms to include businesses licence numbers on listings where they are used by a local government and to remove listings without them quickly to ensure local rules are being followed; giving regional districts the ability to issue business licences so they can more effectively regulate short-term rentals in rural areas.
- ✓ **Principal Residence and Non-Conforming:** requiring short-term rentals in BC to be offered only in the principal residence of a host in municipalities with a population of 10,000 people or more; specifying areas exempt from the principal residence requirement (e.g., municipalities under 10,000 population, except those within 15km of larger municipalities, and regional district electoral areas); and removing legal non-conforming use protections for short-term rentals being taken advantage of by investors to support local governments' efforts to set rules about where these units can operate in communities. Within the Cowichan region, the principal residence requirement will automatically apply to STRs within the Municipality of North Cowichan and the City of Duncan. The Town of Lake Cowichan, Town of Ladysmith, and CVRD Electoral Areas will have the option to opt into the requirement.
- ✓ **Enforcement:** establishing a provincial host and platform registry by late 2024 for stronger accountability; and launching a provincial short-term rental compliance and enforcement unit

### ***Scope of Regulating STRs***

It is envisioned that this strategy will enhance short-term rental regulations in the Cowichan Region while not being overly onerous and avoid unintentionally hindering the positive attributes of STRs. Appropriate regulation can provide clear guidance to shape the growth of the sector in a way that balances the needs of long-term housing and property owner preferences with tourism and worker needs.

- **Review zoning regulations and provide opportunities for STRs through TUPs and rezonings, with consideration for the needs of temporary worker housing and the tourism industry:** member municipalities and the CVRD may consider preparing and adopting short-term rental regulations either through a stand-alone short-term rental regulation bylaw or through integrating within existing bylaws where applicable (i.e. Zoning Bylaw, Business License Bylaw, Fees and Charges Bylaw, and Enforcement Bylaw). Key considerations for drafting these regulations:

- Zoning can be amended to clearly define short-term rentals as a use. A section can also be added under general regulations that specify short-term rentals can only be operated in the principal residence with a valid business license, have a maximum number of patrons at one time (e.g., up to six patrons), and parking restrictions (e.g., on-site or off-street parking space).
- Under the Zoning Bylaw definitions section and supported by the General Regulations section, clearly define short-term rentals as a commercial use of a principal or accessory dwelling unit for the accommodation of short-term guests for periods of less than 90 days (period is necessary to distinguish the short-term rental from a residential tenancy that typically has a 90+ day term)<sup>3</sup>.
- Regulate through financial measures (e.g., STR business license fees, fines for hosts operating out of compliance). It is recommended that penalty fees apply for any Bylaw offence. Consider tiered fees for business licenses (higher for tourist-oriented short-term rentals, lower for temporary worker accommodations).
- Areas in the Cowichan Region that have populations less than 10,000 may benefit by opting into regulating short-term rentals with the principal residence requirement. Opting-in is permitted under the new legislation however caution should be exercised with consideration of developing local regulations instead that take the local context into account.

- **Prioritize the development of a business licensing program for short-term rentals:** in alignment with the new tool available to regional districts, the CVRD and municipalities should consider implementing a business license program to setup more nuanced STR regulations. As part of new legislation, online hosts are required to display their business license number on their listings. If a

### Alignment

- ✓ CVRD Regional Housing Needs Assessment Report
- ✓ *Short-Term Rental Accommodations Act*

<sup>3</sup> The Province of BC defines short-term rentals up to 90 days.

short-term rental listing does not include a valid business license, local governments can request the platform remove the listing. This is a practical enforcement tool the CVRD can exercise.

- **Align Zoning Bylaws with ALR regulations to enhance the availability of on-farm agri-tourism accommodations:** exploring on-farm agri-tourism accommodation can divert some tourists from occupying short-term rental accommodation and make more STRs available for workers. Within the existing legislation, permitted residential uses on ALR land include: a principal residence and secondary suite, farm worker housing, and seasonal/short-term agri-tourism accommodation (limited to 10 sleeping units, and on properties that have a farm status).
- **Monitor and report on the impact of new Provincial legislation and local regulations to support a healthy housing market and tourism industry:** the Province is currently developing a data sharing program on STRs. A monitoring approach for the Cowichan Region can be developed once the Province releases details of this program.
- **Hotel accommodation:** explore new hotel accommodation development in the Cowichan Region to address the shortage of rooms, aligning with Tourism Cowichan and the CVRD's draft Accommodation Needs Assessment which identified an opportunity to deliver an additional 175 rooms to the region.

### *Desired Outcomes – How To Measure Success*

Recognizing that short-term rentals have a role to play with respect to providing tourism accommodation and accommodation for the workforce looking for short-stay options, regulating short-term rentals can mitigate some undesirable issues such as diverting a large quantity of the rental housing stock, contributing to extremely low vacancy rates. The desired outcomes outlined below are ways to measure success in the first five years of pursuing STR regulation.

- **Market rental vacancy rate of 3% or greater:** improving the availability of rental housing for residents is a desired outcome of this strategy. This can be measured by monitoring the rental vacancy rate that is currently nearly 0% for all categories. An increasing rental vacancy rate is a marker of improvement. A rental vacancy rate of 2% – 3% is an indicator of a healthy, balanced rental housing supply. It will require complementary initiatives to address the rental vacancy rate, such as the development of purpose-built market rental housing and affordable housing. However, regulating short-term rentals is expected to have a meaningful impact if enforced.
- **Maintain a healthy STR industry:** monitoring STRs in the Cowichan Region can be achieved once the Province releases details on its data sharing program.

## Strategy #4: Establish a Housing Corporation

STRATEGY	GOAL	DESIRED OUTCOMES IN 3 YEARS	
Establish a Housing Corporation	Increase capacity and resources to develop housing projects	<ul style="list-style-type: none"> <li>Complete feasibility study in time for possible 2026 referendum</li> </ul>	
ACTIONS	RESPONSIBILITY	TIMING	INVESTMENT REQUIRED
1. Conduct a feasibility study to identify the framework and process for transitioning CHA to a HC	CVRD (lead)  CHA (partner)	Q3 2024-Q4 2025	<ul style="list-style-type: none"> <li>Consultant</li> <li>Capital</li> </ul>

### The Strategy

Establishing a Housing Corporation (HC) aims to address the limited collective capacity and resources to develop new housing in the region. Akin to authorities such as the Whistler Housing Authority and Capital Region Housing Corporation, the proposed HC intends to be the vehicle by which the Regional District and member municipalities can take a leadership role in meeting their estimated housing unit needs by developing new affordable housing projects, acquiring units, and managing housing agreements. With increasing expectations and requirements placed upon local governments by the Province to meet housing targets (i.e., the *Housing Supply Act*), this strategy positions the region to meet its obligations through self-direction while complementing other sectors to deliver units in the region.

#### Housing Corporation vs Housing Authority

A housing authority is an independent, government-owned agency that provides a range of housing services, funding, and programs to help people in the greatest housing need.

Housing authorities tend to comprise a Board, Director, and staff, and play a lead role in the development of housing policies on behalf of local government. A housing corporation follows a similar model to a housing authority but operates at an 'arm's length' from local government.

The goal of this strategy is to scale-up and increase capacity to address workforce housing needs in the Cowichan Region. This is directly responding to a core issue heard throughout the engagement process for a need and desire to address the limited capacity and resources required to meet the housing crisis in the region. Specifically, capacity limitations in the region are widespread:

- At the local government level (e.g., to process applications, respond to funding calls, and opportunities for partnerships);
- Within the private sector builder / developer sector (e.g., to close the unit shortfall gap, diversify the types of housing being built etc.); and
- Non-profit sector (e.g., to meet the growing need and emerging social issues).

The proposed HC can knit these pieces together through direct integration of development processes as well as partnerships. Key benefits of setting up a housing corporation include:

- **Integrated development approvals** process with the CVRD and member municipalities. This also aids in creating confidence and certainty with the approvals process, making partnering with the HC an attractive option for private developers, non-profits, First Nations, and senior levels of government.
- Opportunity to **partner with First Nations** through capacity-building, sharing of knowledge and resources, and pursuing joint development projects.
- Being in a position to attract partnerships and increase competitiveness for investment from funders. The opportunity includes simplified **partnerships with senior levels of government**, such as potentially establishing a Memorandum of Understanding, which is becoming more common between housing authorities or corporations and the Province of BC.
- As a government-owned agency, the HC would have **access to long-term borrowing** through the Municipal Finance Authority of BC. This borrowing power is a competitive advantage with respect to interest rates and creates the opportunity to make a substantial investment in the capital and operating expenditures required to launch a corporation and to pursue initial development projects until a self-sustaining revenue model can be established.
- Provide **a vehicle for local governments to combine resources and directly address housing unit estimates** by leading housing development projects, while supporting other sectors to also pursue housing development projects.

Housing corporations typically take several years to become established and require investment to launch. The return on investment is not typically seen for several years or longer. Once established with a portfolio and demonstrated experience, financial benefits and broad community value can be observed. As such, **establishing a housing corporation is a long-term strategy** that transforms the environment in which new projects can be realized in Cowichan.

### *Positioning CHA to Evolve into the HC*

There are different pathways to creating a housing corporation. The region is already served by Cowichan Housing Association (CHA), a non-profit society that provides community development, research, and programming to support the creation of affordable housing options, protect the existing housing stock, and reduce homelessness. Consequently, this process explored three high-level options for creating a housing corporation for the Cowichan Region:

- (i) Establish a new housing corporation entity, and CHA continues business as usual;
- (ii) CHA is empowered and evolves into a housing corporation; and
- (iii) CHA remains operating as a non-profit society and continues business as usual, and potentially restructures. The housing corporation is not pursued.

Case study research and interviews with other housing authorities revealed that establishing a new organization from the ground-up requires significant investment from local and senior levels of government, and it may take several years before the corporation can be in a position to pursue development projects or acquire housing units. Alternatively, expanding the services of an existing organization to take on the role of a corporation can effectively bypass the start-up phase and accelerate the implementation of this strategy. Engagement with the CHA Board of Directors, as well as research,

helped inform the decision to investigate the path of elevating and empowering the existing CHA to evolve into a housing corporation.

CHA has a good reputation and is well known for its positive social impact, and as such is the best suited organization to potentially take on a development corporation role. Many participants from the engagement process also suggested that CHA is a natural fit for this scope of work. In addition, social issues have magnified since the COVID-19 pandemic and surpassed CHA's capacity to meet the needs of the community – this is an opportunity to restructure CHA to have more capacity, resources, and tools required to meet the current and emerging acute challenges. In short, this strategy focuses on investigating the feasibility of transforming CHA into a corporation, towards expanding services while staying aligned with its values and mandate.

### Alignment

- ✓ CVRD Regional Housing Needs Assessment Report
- ✓ Cowichan Attainable Housing Strategy
- ✓ *Housing Supply Act*

### *Desired Outcomes – How To Measure Success*

The HC has broad potential, including attracting investment from senior levels of government, generating confidence and certainty within the development approvals process, connecting partners and unlocking land, and fostering partnerships with First Nations. The desired outcome outlined below is the key step required to understand the opportunities and risks with moving forward on this strategy:

- **Complete feasibility study in time for possible 2026 referendum:** while the scope of the feasibility study is still yet to be determined, possible components may include: further exploring if CHA should evolve into the HC, or a new entity should be established, and the cost-benefits of not pursuing the HC; roles and responsibilities of the CVRD and member municipalities (including interjurisdictional collaboration); and investigating the HC's operational scope (i.e. retaining existing services of the CHA, pursuing housing development programs, acquiring units, and inheriting housing agreements, etc.). Budget is also a substantial consideration for a Housing Corporation that should be explored as part of the feasibility study, given that upfront capital investment such as land and cash is typically required to support operations and initial development projects. Subject to the feasibility study, potential funding sources may include options from the following table:

## Housing Corporation – Preliminary Potential Funding Sources

Start-Up Funding	Self-Sustaining Funding
<ul style="list-style-type: none"> <li>• Borrow from Municipal Finance Authority of BC</li> <li>• Cowichan Housing Association Financial Contribution Service annual financial contribution (transfer to HC)</li> <li>• Housing Trust Fund (HTF)</li> <li>• Municipal land contribution</li> <li>• Online Accommodation Platforms portion of the Municipal and Regional District Tax</li> <li>• Provincial and Federal Programs (stackable funding for projects)</li> <li>• Rental Housing Capital Contribution Fund</li> <li>• Taxation</li> </ul>	<ul style="list-style-type: none"> <li>• Affordable Housing Reserve Fund</li> <li>• Commercial lease revenue from mixed-use developments</li> <li>• Community Amenity Contributions (CACs)</li> <li>• MoU with Senior Level Governments</li> <li>• Provincial and Federal Programs (stackable funding for projects)</li> <li>• Rent revenue from housing projects</li> </ul>

# IMPLEMENTATION

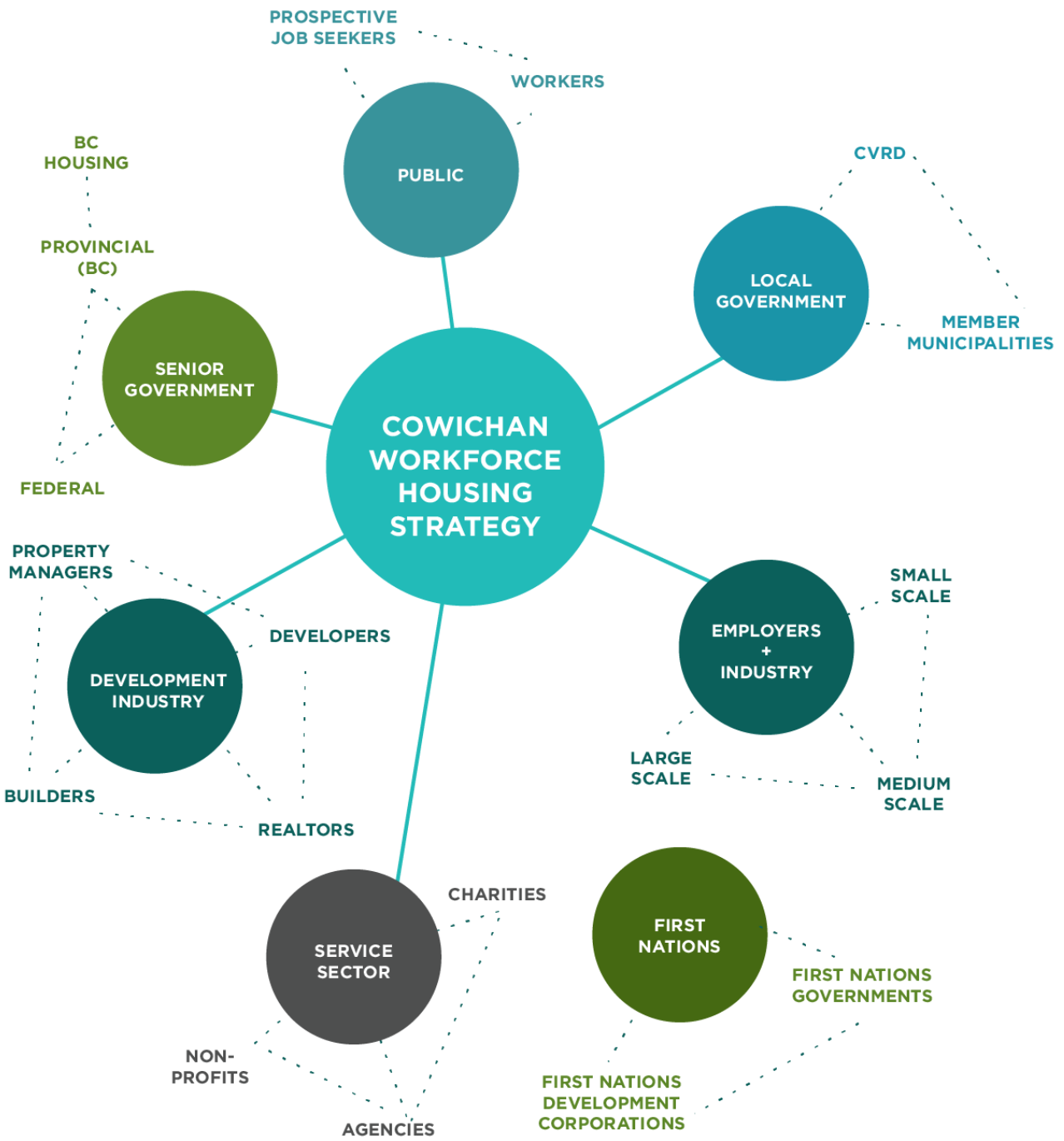
## Collaborative Responsibility

Following a Collaborative Responsibility approach, success of the Cowichan Region Workforce Housing Strategy relies on having a supportive infrastructure in-place at the outset of implementation. Specifically, backbone organizations and sectors form a collaborative network for shared responsibility and play a crucial role during implementation, which includes the following responsibilities:

- **Guide Vision and Strategy:** building a common understanding of the issues and actions that are required to address workforce housing needs.
- **Support aligned activities:** implementing aligned and mutually reinforcing actions to achieve the shared Vision.
- **Establish shared measurement practices:** regularly reporting indicators that represent desired outcomes to monitor and evaluate impacts and shifting conditions over time.
- **Build public will:** gathering community buy-in and commitment.
- **Mobilize funding and resources:** securing public and private funding to turn the Strategy's proposed actions into reality.

The backbone organizations and sectors that will support this Strategy's implementation are: Cowichan Valley Regional District; member municipalities; Cowichan Housing Association and Housing Corporation; the development sector; and employers and key industries. There are also opportunities to collaborate and partner with First Nations, the Provincial Government, and the Federal Government.

Figure 1: Workforce Housing Strategy Implementation Shared Responsibility Collaborative Network



## Specific Recommendations

1. Develop a regional planning service initially focused on a Regional Growth Strategy. Exploring regional servicing in relation to housing, including monitoring new residential construction, should be considered given the CVRD's Utilities Division is not a regional or electoral area-wide function. Undertaking a Regional Growth Strategy would enable the ability to identify areas in the region to concentrate large scale workforce housing that are most suited and serviced.
2. Consider creating a position for a Regional Housing Coordinator to lead the implementation of the Workforce Housing Strategy as well as the Cowichan Attainable Housing Strategy. Dedicating a staff person to oversee this work will help move the strategies forward in an environment where capacity is already strained.
3. Update OCPs and Zoning Bylaws throughout the region to support the development of a variety of housing forms and tenures that support the development of workforce housing.
4. Identify a budget and lead organizational responsibility within the CVRD for the Housing Corporation feasibility study.

## Tracking Success

Tracking success can assist the Cowichan Region with monitoring the success of the Workforce Housing Strategy over the next five years. It will also help with having information readily available to report on progress and respond to various inquiries from stakeholders, potential funders, investors, builders, partners, and the media.

- **Project Tracker:** document workforce housing projects under construction/delivered in the Cowichan Region where possible, especially where the HC is involved. Information can include: a brief project description, target population, total number of units, typology (e.g., townhouse, apartment, etc.), tenure / affordability mix, funding program(s), and partners.
- **Desired Outcomes Tracker:** desired outcomes, which are informed by the data summarized in the Context Companion Report, should be tracked to monitor the implementation of the strategies over the next five years:

Desired Outcomes Tracker	
Indicator	Source
1. Job vacancy rates for key industries are reduced by 10%	<ul style="list-style-type: none"> <li>Job Vacancies, Statistics Canada</li> </ul>
2. Increase uptake in ADU construction starts (5% target)	<ul style="list-style-type: none"> <li>Building permit data (CVRD, Member Municipalities)</li> </ul>
3. Increase uptake in modular housing construction (minimum 5% target)	<ul style="list-style-type: none"> <li>Project Tracker</li> </ul>
4. Average 600 total housing units built per year	<ul style="list-style-type: none"> <li>Building permit data (CVRD, Member Municipalities)</li> </ul>
5. Improved market vacancy rate (3% or greater)	<ul style="list-style-type: none"> <li>Market Rental Report, CMHC</li> </ul>
6. Maintain a healthy STR industry	<ul style="list-style-type: none"> <li>Provincial data sharing program (anticipated 2024)</li> </ul>
7. Complete feasibility study in time for possible 2026 referendum	<ul style="list-style-type: none"> <li>TBD</li> </ul>

## Funding the Strategy

Funding is required to implement the Cowichan Region Workforce Housing Strategy. While details are subject to further refinement, initial opportunities to fund the implementation of the Strategy include:

- Direct funds generated from the Municipal and Regional District Tax (MRDT) on Online Accommodation Platforms (OAP) towards implementing the Strategy in 2025;
- Apply to CHA’s Project Development Fund (PDF) to implement specific recommendations within the Strategy. The PDF is funded by the CVRD as part of CHA’s annual contribution agreement;
- Consider a potential increase to the MRDT rate (i.e., from 2% to 3%). Increasing the rate creates an opportunity to generate more revenue to be shared between Tourism Cowichan Society and the HC. Engagement with hotel operators must be undertaken to gain support for increasing the tax rate; and

- Leverage existing resources by applying for additional funding, such as the Rural Economic Diversification and Infrastructure Program (REDIP).

### Utilizing MRDT for Housing

The Municipal and Regional District Tax (MRDT) provides funding for local tourism marketing programs and projects, including sport hosting marketing programs and projects, and destination enhancement initiatives, such as capital and non-capital investments in operation and tourism attractions. In 2018, amendments to the MRDT regulations added affordable housing as a permissible use of funds to help address local housing needs as well as to ensure tourism and temporary workers can find housing in the communities in which they live and work. This change was introduced along with formal MRDT collection from Online Accommodation Platforms (OAP). While the general MRDT revenues are collected from traditional accommodation providers such as hotels, motels, and B&Bs, OAP MRDT is designed to tax transactions for renting short-term accommodation, such as Airbnb, and typically list basement suites, cabins, and cottages.

Under certain circumstances, designated recipients have the flexibility to define, identify, and fund affordable housing initiatives deemed appropriate to meet local needs. Typically, local governments leverage MRDT funds to secure additional funding for capital construction costs of affordable and workforce housing development projects. Designated recipients may use MRDT revenues for the following affordable housing purposes:

- Acquiring or improving land used for, or intended to be used for, housing or shelters;
- Acquiring, constructing, maintaining, or renovating housing or shelters;
- Paying expenses related to the administration or disposal of housing, shelter, or land acquired with money paid out of MRDT revenues;
- Supporting housing, rental, or shelter programs; and/or
- Supporting the acquisition, construction, maintenance, renovation, or retention of housing or shelter; or the acquisition or improvement of land intended to be used for housing or shelters.

The CVRD Board recently resolved to reallocate OAP MRDT revenues from tourism marketing to affordable housing. This creates the opportunity to provide affordable housing for workers in the tourism, accommodation, and service sectors, as well as support the recruitment and retention of workers for sustained tourism operations and

**In Tofino, MRDT revenue facilitated the development of 86 units of affordable housing.**

**In the Resort Municipality of Whistler, MRDT revenue facilitated the development of 664 affordable and workforce housing units.**

programs. This direction is in-line with preferences of employers and employees throughout the Cowichan Region indicated in an Economic Development Cowichan 2022 survey. The survey included questions around short-term rentals and MRDT where both employers (71%) and employees (80%) indicated a clear preference for redirecting revenues from OAP MRDT towards affordable housing initiatives.

In 2024, OAP MRDT funds will be added to the CVRD's existing Regional Housing Fund and allocated to affordable housing projects within the region using CHA's established grant programs. However, given the investment required to implement this Workforce Housing Strategy, it is recommended that the CVRD consider directing OAP MRDT funds towards Strategy implementation in 2025.

The revenue from MRDT can be further enhanced by increasing the tax rate. The maximum rate of tax under MRDT is 3% of the purchase price of accommodation. In the Cowichan Region, MRDT funds are currently collected at a 2% rate. Designated recipients can request a change to the tax rate by submitting a complete application that meets the requirements. If approved, the tax will be renewed at the new rate for a five-year period. Increasing the rate creates an opportunity to generate more revenue to be shared between tourism marketing and affordable housing initiatives.

## Concluding Comments

Guided by the Workforce Housing Strategy, the Cowichan Region remains committed to meeting the needs of the workforce. Housing the workforce is a complex issue that cannot be addressed in isolation and requires partnerships between all sectors and levels of government. Organizations across the region are already working closely and collaboratively on many local initiatives, and leveraging these strong community ties will support the implementation of this Strategy.



# Cowichan Region Worker Snapshots

A PLACE TO BUILD FUTURES

May 2024

## LAND ACKNOWLEDGEMENT

We acknowledge that for thousands of years the Quw'utsun, Malahat, Ts'uubaa-asatx, Halalt, Penelakut, Stz'uminus, Lyackson, Pauquachin, Ditidaht, and Pacheedaht Peoples have walked gently on the unceded territories where this work has taken place.

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# INTRODUCTION

On behalf of the Cowichan Valley Regional District (CVRD), CitySpaces Consulting prepared a Workforce Housing Strategy for the Cowichan region. The purpose of the Strategy is to address housing problems as it relates to employment.

This *Worker Snapshots* document is a companion report to the Workforce Housing Strategy, illustrating diverse types of households experiencing a range of housing situations in the Cowichan region. Each snapshot is based on feedback provided through engagement sessions with community stakeholders, employers, and residents, demonstrating a different scenario while outlining the challenges residents may be encountering when trying to secure affordable, safe, and adequate housing.

For the purpose of these snapshots, housing affordability has been calculated by comparing average shelter costs (rent or mortgage) and a household's before-tax income. Rental listings obtained from Facebook Marketplace in March 2023 were also referenced to better understand current market conditions and compare what households are able to afford.

## What are Shelter Costs?

- For renters, shelter costs include rent and utilities.
- To qualify for a mortgage, a gross debt service formula is used to determine a household's ability to afford homeownership and meet debt obligations, which consider mortgage payments (principal and interest), property taxes, condominiums / strata fees (if any), and heating costs.
- Housing is one factor in the overall cost of living for individuals and families; other factors include the cost of groceries, transportation, childcare, communications (phone, internet), and medical expenses.

## Affordability Measures

For rental housing, affordability was calculated using Canada Mortgage and Housing Corporation's (CMHC) standard, which outlines that housing is considered unaffordable when a household spends 30% or more of its before-tax income on shelter costs.

To qualify for a mortgage, financial institutions typically require a Gross Debt Service (GDS) ratio of no more than 32%, meaning a household's total monthly housing costs (mortgage payments, property taxes and heating costs, etc.) should total no more than 32% of its before-tax monthly income.

For mortgage eligibility, a 7.04% mortgage stress test rate and 5.04% mortgage rate<sup>1</sup> over a five-year fixed term was applied to the following snapshot calculations, along with the assumptions of a 25-year amortization period. Not all workers are in the position to save enough for a downpayment and it is increasingly common for entry-level homebuyers to get support from family members (i.e. parents, grandparents) in order to buy a home. Households that do not have intergenerational wealth are at a disadvantage and, despite having good income, are challenged to save enough to become homeowners.

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1. Mortgage rate and stress test based on rates from Royal Bank of Canada (March 2023).

# WORKER SNAPSHOTS

## Snapshot #1: Couple with Children



Healthcare is an important employment sector in the Cowichan region. Given the upcoming Cowichan District Hospital replacement project, the number of healthcare and supportive care providers – including ambulatory care, registered nurses (RNs), and licensed practical nurses (LPNs) – living in the region is expected to increase. This snapshot considers a family with one partner working as a Year-1, Level-1 LPN and the other partner as a construction labourer at a small company. They have two school-aged children and are seeking a 2+bedroom detached house with a yard. However, the lack of single-detached rental homes in the area leads them to search for a 2-bedroom rental unit.

The wage for a Year-1, Level-1 LPN in British Columbia is \$28.43 per hour.<sup>2</sup> The median wage for a construction labourer on Vancouver Island is \$19.00 per hour.<sup>3</sup> Cumulatively, the household has an annual income of \$95,690.

The family is searching for a home in Duncan, as it is near their work and the school their children currently attend. Based on their household income, they can afford to spend over \$2,300 per month on rent and utilities, which would cover the cost of a 2-bedroom rental unit in Duncan but not a 3+bedroom unit. Additionally, finding a suitable rental unit may be difficult, as available options for 2-bedroom purpose-built rental units are limited. In 2022, the rental vacancy rate for both 2-bedroom and 3-bedroom purpose-built rental units was 0%.<sup>4</sup>

Monthly Rent at 30% of Income	Average Monthly Rents in the Cowichan region		
	1-bedroom	2-bedroom	3+bedroom
\$2,392	\$1,600	\$2,100	\$2,700

2. Wages and Benefits 2019-2022, BC Nurses' Union, 2023.

3. Construction Trades Helpers and Labourers in British Columbia, Government of Canada, 2023.

4. Primary Rental Market Vacancy Rate Duncan, CMHC, 2023.

Given the family’s needs as well as their income, they may consider purchasing a 2+bedroom unit instead of renting.

Affordable Purchase Price	Benchmark Sales Prices in the Cowichan region		
	Single-Detached	Townhouse	Apartment
\$380,525 <sup>5</sup>	\$738,200	\$547,600	\$330,400

Since much of the region’s housing comprises 2+bedroom single-detached houses, there are options that meet this family’s space requirements. However, the price of a detached home / townhouse is beyond what this family can afford. Given the mismatch between the household’s need and what is available, they may have serious difficulty finding a unit that can accommodate them.



### Employer’s Perspective

Engagement with local employers and developers indicated difficulty hiring and retaining skilled trades and construction labourers, impacting the volume of new housing developments in the Cowichan region.

With limited affordable housing options and new construction, there are not many homes available that meet the household needs of families; this disparity results in out-migration, as well as an inability to attract a young and sustainable workforce. When this trend is prolonged, it creates instability in local businesses.

5. Affordable purchase price is calculated based on a household income of \$95,690 and a gross debt service ratio of 32%, assuming a 20% downpayment (\$76,105), a stress test interest rate of 7.04%, and a 25-year amortization.

## Snapshot #2: Single-Parent Family

In 2021, there were 3,990 single-parent families in the Cowichan region, with close to three quarters of these families led by a woman+.<sup>6,7</sup> This snapshot considers a single mother working as an administrative assistant for the Cowichan Valley School District; the median wage of an administrative assistant on Vancouver Island is \$25.47 per hour, or \$50,940 annually.<sup>8</sup> The BC government has a Rental Assistance Program (RAP), but they do not qualify because the income threshold is \$40K. They have one child that attends daycare. This household resides in North Cowichan and is seeking a 1- to 2-bedroom apartment.

Based on the household's income, they can afford to spend \$1,274 a month on rent and utilities, which does not cover the cost of a purpose-built rental unit in North Cowichan. Additionally, finding an available 2-bedroom rental unit may prove difficult. In 2022, the rental vacancy rate for 2-bedroom purpose-built rental units in North Cowichan was 0%.<sup>9</sup>

Monthly Rent at 30% of Income	Average Monthly Rents in the Cowichan region		
	1-bedroom	2-bedroom	3+bedroom
\$1,274	\$1,600	\$2,100	\$2,700

If this family were to consider homeownership, they would be unable to afford any form of housing in the Cowichan region. Under this scenario they are restricted to the rental market, where there are limited availabilities. These circumstances place this family in a difficult position, as suitable rental options are lacking in North Cowichan; they may have to consider housing options in communities outside of the Cowichan region. However, going outside the community adds considerably to transportation and childcare costs.

Affordable Purchase Price	Benchmark Sale Prices in the Cowichan region		
	Single-Detached	Townhouse	Apartment
\$168,306 <sup>10</sup>	\$738,200	\$547,600	\$330,400

6. 2021 Census of Population, Statistics Canada, 2023.

7. Women+ means women and women who are underrepresented or face gender-based biases, such as non-binary.

8. Administrative Assistant in British Columbia, Government of Canada, 2023.

9. Primary Rental Market Vacancy Rate North Cowichan, CMHC, 2023.

10. Affordable purchase price is calculated based on a household income of \$50,940 and a gross debt service ratio of 32%, assuming a 20% downpayment (\$33,661), a stress test interest rate of 7.04%, and a 25-year amortization.

This scenario represents the difficulties employees face when trying to find affordable and appropriate housing in the Cowichan region.



### Employer's Perspective

Engagement with employers indicates that prospective and current employees are rejecting job offers or resigning because they are unable to afford or find housing in the area. In 2022, the BC Teachers Federation cited inflation, soaring costs of living, and low salaries as contributing factors to low recruitment rates. This scenario is representative of the staffing shortages school districts across BC are facing. When labourers reject job offers because they are unable to find housing within the community, employers cannot maintain operations. In this scenario, the impacts of housing disparities to educational institutions affects employees and employers, as well as future generations of the labour force.

### Snapshot #3: Working Seniors

Seniors are a growing demographic in the Cowichan region, including single and coupled seniors, independent seniors, and seniors with mobility limitations. As their circumstances change, they will need housing options that can accommodate their evolving healthcare needs.



This snapshot examines an active senior working part-time as a sales associate at a local retail shop, with a partner already retired.

The median wage of a part-time sales associate on Vancouver Island is \$16.25 per hour, and \$16,900 annually.<sup>11</sup> They also have \$95,000 in personal retirement savings and will soon start receiving Canadian Pension Plan (CPP) payments<sup>12</sup>. They have their savings invested in a GIC at 5%, which earns them approximately \$396 each month in addition to \$1,408 in wages, for a total monthly income of \$1,777.

This household is currently living in a rental single detached house and searching for a 1-bedroom apartment in Lake Cowichan to downsize, as a one-level unit will best accommodate their mobility needs as they age. Assuming no debt, this household can afford to spend \$533 on rent and utilities each month. Given the household’s limited income and the reality that rental rates range from \$1,600 to \$2,700 per month, it is unlikely they can afford a rental unit in the community. Even after receiving an average of \$831.92 from CPP, with a total monthly income of \$2,608.92, spending 30% of their monthly income (\$782.68) for rent is still unlikely to afford a rental unit.

Monthly Rent at 30% of Income	Average Monthly Rents in the Cowichan region		
	1-bedroom	2-bedroom	3+bedroom
\$533	\$1,600	\$2,100	\$2,700

Given this household’s limited income, they may consider accessing the BC Government Income Assistance Program or the Shelter Aid for Elderly Renters (SAFER) Program. Under this program, applicants are eligible to receive up to \$500 per month towards housing and living costs.

11. Retail Salesperson in British Columbia, Government of Canada (2023)

12. The average monthly retirement pension at age 65 in January 2024 was \$831.92 (Government of Canada, 2024).



## Employer's Perspective

Small, independently-owned employers such as the retail shop in this snapshot do not generate enough revenue to maintain a large, full-time staff. Currently, potential employees are turning down job offers because they are unable to secure and afford housing in the Cowichan region. The inability to attract and retain a young workforce to part-time roles leaves small-scale employers in precarious positions when current staff leave or retire.

## Snapshot #4: Student

In 2021, roughly 33% of youth aged 18 to 24 in the Cowichan region were attending post-secondary school.<sup>13</sup> A common practice among students is to work part-time to support themselves while attending classes. Many of these students work in the hospitality industry as food and beverage servers. Part-time food and beverage servers working on Vancouver Island on average work 25 hours and earn \$18.00 per hour plus tips, or \$21,600 annually.<sup>14</sup> This household is a single student working part-time as a server at an independently owned restaurant in Cobble Hill.



A student working part-time at minimum wage can afford to spend \$540 per month on rent and utilities. With an average 1-bedroom unit renting at \$1,600 per month, this household would be spending over 80% of their monthly earnings to afford a 1-bedroom unit. They may consider shared accommodation in the secondary market; however, private rooms are renting at \$900 per month in the Cowichan region, spending over 50% of their monthly income.

Additionally, during engagement it was revealed that the private rental market in the Cowichan region is unstable. Community members indicated that a growing share of housing units have been converted to short-term rentals, limiting the stock of available long-term rentals. In addition, the practice of renovations and demo-victions, in which tenants are evicted from their housing unit for renovations or demolitions, has been increasing.

Monthly Rent at 30% of Income	Average Monthly Rents in the Cowichan region		
	1-bedroom	2-bedroom	3+bedroom
\$880	\$1,600	\$2,100	\$2,700

Recognizing that many students have student loans in addition to other living expenses, it is likely that many are unable to afford housing on a part-time income in the Cowichan region.

13. Statistics Canada, 2021 Census of Population (2021)

14. Food and Beverage Server in British Columbia, Government of Canada (2023)



## Employer's Perspective

Throughout engagement, independent business owners cited housing supply and affordability as contributing factors to staffing shortages. The most notable impact to businesses is reduction to operating hours, with numerous businesses closing for multiple days of the week because they are unable to find staff. Cumulatively, factors such as limited affordable housing options and lack of amenities due to business closures have resulted in the workforce looking to communities outside of the Cowichan region for housing that meets their needs.

## Snapshot #5: First Nations Family

The Cowichan region is within the unceded territories of the Quw'utsun, Halalt, Penelakut, Lyackson, Stz'uminus, Malahat, Ts'uubaa-asatx, Pauquachin, Ditidaht, and Pacheetdaht Peoples. The Indigenous population in the Cowichan region is growing at a much faster rate than the overall population, experiencing a +13.7% change between 2016 and 2021.<sup>15</sup> In 2021, 63% of Indigenous people living in the Cowichan region were between the ages of 15 to 64, and 27% were younger than 15 years of age.<sup>16</sup>



This snapshot considers a Malahat Nation multi-generational household residing off-reserve in Mill Bay. The family consists of one working professional, a grandparent, and a young child. The employed professional works as a paramedic, earning \$42.00 per hour or \$80,808 annually.<sup>17</sup> The grandparent is retired and receives \$782 a month / \$8,736 annually from their CPP benefit.<sup>18</sup> Cumulatively, this household has an annual income of \$89,544. Accounting for family size and the need to accommodate extended family members during visits, this household needs an adequately sized single-detached house.

Based on their income, this household may be able to purchase an apartment for \$330,400. However, given their need for more space and multiple bedrooms, they are searching for a single-detached dwelling. Under this scenario, they are unable to afford to purchase a home in the Cowichan region that suits their needs.

Affordable Purchase Price	Benchmark Sales Prices in the Cowichan region		
	Single-Detached	Townhouse	Apartment
\$351,379 <sup>19</sup>	\$738,200	\$547,600	\$330,400

Given this household is unable to find appropriate housing in the homeownership market, they may consider rental options in North Cowichan. However, although they live off-reserve, their close proximity to their Nation in Mill Bay holds cultural, spiritual, and familial significance for them.

15. Economic Development Cowichan, State of the Cowichan Economy, 2023

16. Ibid.

17. Manufacturing Manager in British Columbia, Government of Canada, 2023

18. Government of Canada, CPP Retirement Pension, 2022 Canada Pension Plan – How much could you receive.

19. Affordable purchase price is calculated based on a household income of \$89,544 and a gross debt service ratio of 32%, assuming a 20% downpayment (\$70,276), a stress test interest rate of 7.04%, a 25-year amortization.

Monthly Rent at 30% of Income	Average Monthly Rents in the Cowichan region		
	1-bedroom	2-bedroom	3+bedroom
\$2,239	\$1,600	\$2,100	\$2,700

Within these circumstances, this family is able to rent a 2-bedroom purpose-built unit but is unable to afford to rent a 3+bedroom unit. Further factors impacting this household include finding an available 3-bedroom rental unit, as there is limited stock. In 2022, the rental vacancy rate for 3-bedroom purpose-built rental units in the North Cowichan area was 0.3%.<sup>20</sup>

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20. Primary Rental Market Vacancy Rate North Cowichan, CMHC, 2023.

## Snapshot #6: Relocating Family Physician

Recent developments in the Cowichan region such as the Crofton Fire Hall (at less than \$5 million), Cowichan Bay Fire Hall (approximately \$15 Million), Cowichan District Hospital replacement project (\$1.45 billion), and Cowichan Secondary School Replacement Project (\$83.8 million) have generated growth in numerous sectors of the regional labour market; this strong growth has attracted young professionals to the Cowichan region from other parts of BC as well as from out of province.



This snapshot considers a family physician recently relocated to the area for work. This household is searching for temporary accommodations such as an Airbnb until they find appropriate housing for their family. The median income for a family physician in BC is \$79.30 per hour, or \$164,939 annually.<sup>21</sup> During March 2023, the average monthly cost for an entire house on Airbnb was \$11,141 and the average monthly cost for a private room in a house was \$3,960. Given this household's income, they can afford to spend \$4,123 per month on rent. Under these circumstances, this household can afford to rent a private room through Airbnb in the Cowichan region. However, considering the high cost to rent an entire house on Airbnb, this household would be unable to accommodate their entire family.

Monthly Rent at 30% of Income	Average Monthly Airbnb Cost in the Cowichan region	
	Entire House	Private Room in House
\$4,123	\$11,141	\$3,960

Given this household's Airbnb arrangements are temporary, they may consider homeownership options in the Cowichan region. They are looking for a single-detached house with a yard to accommodate a growing family.

Affordable Purchase Price	Benchmark Sales Prices in the Cowichan region		
	Single-Detached	Townhouse	Apartment
\$708,928 <sup>22</sup>	\$738,200	\$547,600	\$330,400

Under this scenario, this household is unable to afford the benchmark price of a single-detached house, but well within their means to purchase a townhouse. However, it may be challenging to find and secure a house due to lack of availability. During 2022, the median number of days a housing unit was available on

21. General Practitioner in British Columbia, Government of Canada (2023).

22. Affordable purchase price is calculated based on a household income of \$164,939 and a gross debt service ratio of 32%, assuming a 20% downpayment (\$141,786), a stress test interest rate of 7.04%, a 25-year amortization.

the market ranged from 12 to 46. These figures are indicative of a competitive housing market. This snapshot is representative of how households of various incomes are struggling to secure housing in the Cowichan region, as the effects of limited affordable housing options are felt by both employees and employers.

## Snapshot #7: Temporary Worker

Numerous converging factors such as an aging population, the COVID-19 pandemic, inflation, and high costs of living have contributed to labour shortages across the Cowichan region. Since 2019, job vacancy rates in BC have risen in almost every industry except for agriculture, forestry, fishing, and hunting.<sup>23</sup> At present, the Cowichan region agriculture industry attracts workers from within as well as outside the province.



This snapshot examines a temporary labourer residing in employer-provided shared accommodations. The employee works at a poultry farm just outside of North Cowichan; they are a general farm labourer earning \$18.00 an hour (equivalent to \$37,440 annually).<sup>24</sup> Their employer rents shared rooms for \$500 per month and private rooms for \$600 per month to their employees.

Monthly Rent at 30% of Income	Cost of Accommodation with Employer-Provided Subsidy	
	Shared Room	Private Room
\$936	\$500	\$600

Given the employee's income, they can afford rental costs of up to \$936 per month. Since their employer offers subsidized living accommodations, they can afford to rent either a shared or private room in the employer-provided housing. In the primary rental market, rooms are renting at \$900 per month in the Cowichan region. Renting a private apartment is unattainable for this household, as they would need to spend more than 50% of their monthly income to afford a 1-bedroom apartment in the Cowichan region.

Monthly Rent at 30% of Income	Average Monthly Rents in the Cowichan region		
	1-bedroom	2-bedroom	3+bedroom
\$936	\$1,600	\$2,100	\$2,700

Under these circumstances, this worker is restricted to employer-provided housing, which is limited in the Cowichan region.

23. Economic Development Cowichan, State of the Cowichan Economy (2023).

24. General Farm Labourer in British Columbia, Government of Canada (2023).



## Employer's Perspective

During engagement with employers, it was noted that every sector is experiencing difficulty hiring and retaining staff. Some large-scale employers are seeking temporary workforce housing solutions to mitigate housing and staffing disparities. Ucluelet Harbour Seafoods explored a temporary RV camp for seasonal workers on company-owned land. Although some employers have been able to seek employee housing solutions, many in the Cowichan region lack the capacity to offer these resources to their employees. More housing options are needed to accommodate the current and potential workforce.





# Cowichan Region Workforce Housing Context

A PLACE TO BUILD FUTURES

## LAND ACKNOWLEDGEMENT

We acknowledge that for thousands of years the Quw'utsun, Malahat, Ts'uubaa-asatx, Halalt, Penelakut, Stz'uminus, Lyackson, Pauquachin, Ditidaht, and Pacheedaht Peoples have walked gently on the unceded territories where this work has taken place.

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# INTRODUCTION

On behalf of the Cowichan Valley Regional District (CVRD), CitySpaces Consulting prepared a Workforce Housing Strategy for the Cowichan region. The purpose of the Strategy is to address housing problems as it relates to employment.

This *Context Report* is a companion report to the Workforce Housing Strategy. It provides the background content with respect to the approach and project phases, engagement process, as well as key indicators that demonstrate workforce housing needs and issues in Cowichan.

## THE DESIGN THINKING PROCESS

### Project Phases

The Strategy process was formulated using a design thinking process – a method for engaging with the community in a way that creates conditions for personal, collective, and systemic transformation. Design thinking is the practice of naming and solving root problems and co-imagining new solutions with intention and action. In this respect, each phase of the project built-off previous tasks and were continuously adapted based on shared learning. In summary, the Strategy was implemented over five phases:

- **Phase 1 – Project Initiation:** this phase was about establishing relationships and kickstarting momentum. The outcome of this phase was creating a mutual understanding of the scope, tasks, expectations, and critical factors of success, as well as setting the container from which the process unfolded.
- **Phase 2 – Baseline Development:** this phase built-off the previous work already undertaken by the CVRD, member municipalities, and First Nations by offering new information to help define the problem statement. A framework was established to inform solution-seeking exercises in subsequent steps.
- **Phase 3 – The Big Brainstorm:** this phase was about creating and making choices. Activities were centred around being inclusive, open, curious, and strategically experimental. This phase evolved a short-listed number of strategies, researching case studies from elsewhere, and involved initial testing with stakeholders. Solutions were refined towards simple, clear, and tangible strategies. This is where the project team, with input from stakeholders, made decisions to endorse, scale up or down, or let go of ideas.
- **Phase 4 – Knitting Solutions Together:** this phase was about creating a credible Strategy to enable workforce housing solutions in the Cowichan Region. This is where the process materialized into a clear roadmap.

- **Phase 5 – Ready to Launch:** this phase integrates final inputs as well as enhancing the look-and-feel of the deliverable so that the community is ready to launch into action.

*Figure 1: The Cowichan Workforce Housing Strategy Design Thinking Process*



## Project Participants

The design thinking process was made possible through multi-sector collaboration:

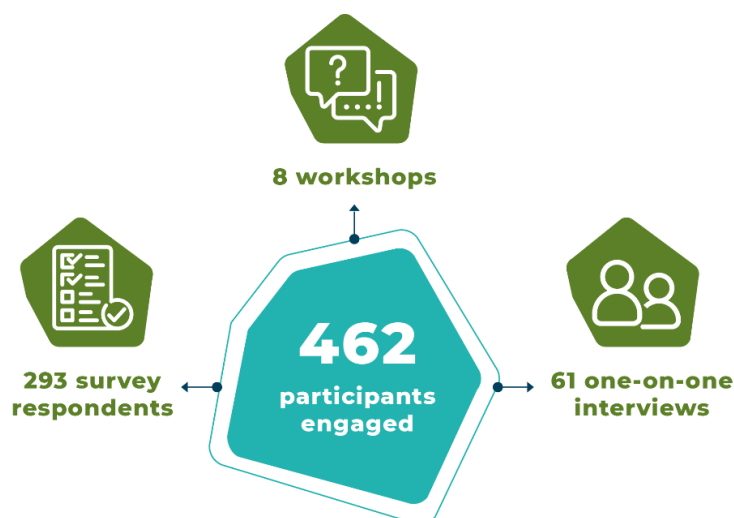
- **Project Team:** consisted of representatives from Economic Development Cowichan, Cowichan Valley Regional District, Cowichan Housing Association, and the Consulting Team. The Project Team met regularly to plan, coordinate, and implement the work plan.
- **Project Advisory Group:** comprised diverse stakeholders who provided strategic input at key milestones and also participated in various engagement activities.
- **Municipal and First Nations Technical Advisory Group:** comprised municipal and First Nations representatives who convened to provide technical input for ensuring strategies are grounded within the local context.
- **CVRD Regional Board:** comprised representatives from unincorporated electoral areas and municipalities, the Regional Board was engaged at key milestones of the project and offered contextual input and direction with respect to alignment with other regional initiatives. Board members also participated in various engagement activities.
- **Regional Planning:** interdepartmental staff from the four member municipalities (City of Duncan, Town of Ladysmith, Town of Lake Cowichan, and Municipality of North Cowichan) and CVRD planning staff participated in engagement activities and provided technical input on solution-building concepts.
- **Employers:** a cross-section of small businesses and major employers participated in various engagement activities, including representatives from healthcare, non-profit organizations, education, emergency services, tourism, construction, retail, food and beverage, agriculture, forestry, manufacturing, arts/culture, film, and technology.

- **Employees and Workers with Lived Experience of Housing Insecurity:** special outreach to workers who experienced challenges with finding and affording housing participated in various engagement activities. Engagement with workers with lived experience of housing insecurity gave space to solutions that are centred around the needs of workers.
- **Builders and Developers:** representatives from the development industry participated in this process, bringing critical perspective on technical challenges and opportunities to develop workforce housing including insight on strategy feasibility.
- **Service Providers:** comprising non-profit housing providers, employment / life skills and training programs, and youth services. Representatives from this group provided a unique perspective from supporting their clients through their programs and services.
- **Members of the Public:** interested members of the public participated in various engagement activities and provided input on workforce housing issues and helped generate ideas that informed Strategy development.

**Meaningful Engagement**  
 Developing a workforce housing strategy requires authentic and accessible engagement to identify the best path forward. Every focus area had a depth of complexity, and as such, the engagement activities were designed to draw meaningful insight and perspective from everyone.

In total, 462 people participated in the Cowichan Workforce Housing Strategy process comprising eight workshops, 38 interviews with 61 stakeholders, and a survey.

*Figure 2: Engagement at-a-Glance*



## Engagement Focused on Strategy

For any strategy, identifying roadblocks and pain-points is key to finding solutions. In the case of workforce housing in the Cowichan Region, there are numerous obstacles that need to be addressed in order to release the roadblocks and create an enabling and supportive environment to develop workforce housing.

Many of the roadblocks and pain-points identified by participants during engagement are already acknowledged and assigned to be remedied by either a process, procedure, strategy, plan, policy, or bylaw. For example:

- **The Cowichan Attainable Housing Strategy (2019):** outlines 13 strategies to address regional housing needs including enhancing community engagement, awareness and advocacy; enhancing local government policy frameworks that promote increased supply and improved housing affordability; fast tracking applications for affordable housing development projects; and revising land use to improve linkages between housing and transportation. These strategies target housing across the continuum including non-market housing, market rental housing, and homeownership.
- **Official Community Plans and Local Area Plans:** recently updated or are currently being updated across the region. Each plan has a high degree of focus on residential development. Through extensive community consultation, these plans also outline sustainable growth management including containment boundaries and opportunities for infill development and densification.
- **Development Intake and Review Process:** currently being modernized in some communities with digital systems to improve development application process including improving review and approval timelines.

In addition, some issues identified during the engagement process are relevant however outside of the scope of 'housing', including: global economic conditions and supply chain issues; stagnant wages that result in households having less spending power for renting and owning a home, and pressure on local businesses to increase wages while remaining viable.

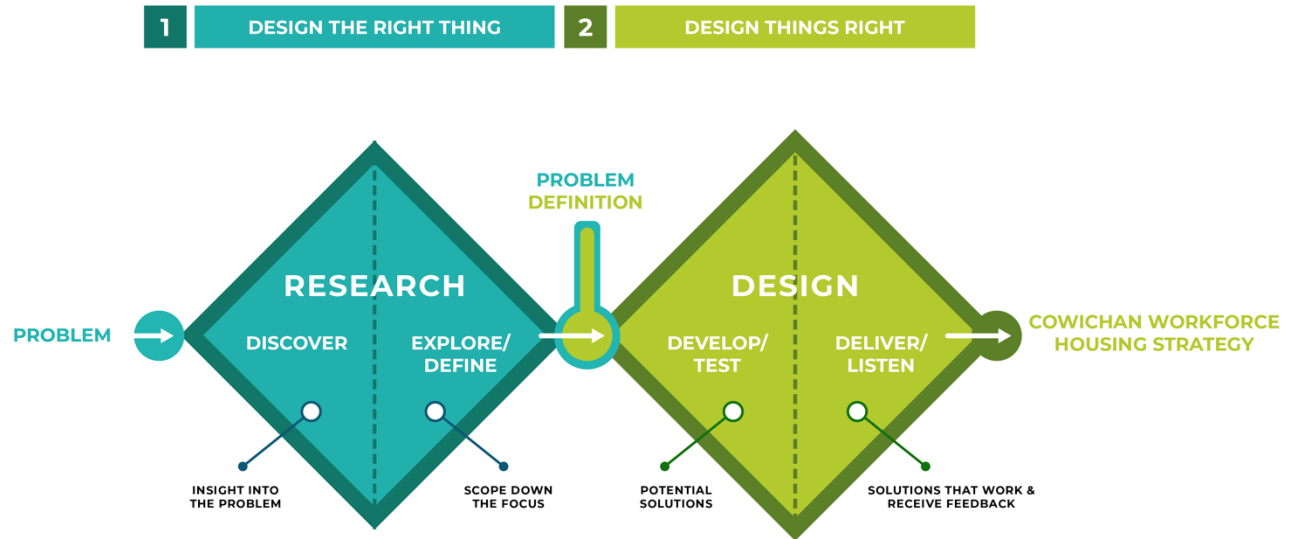
There are many layers of influence to workforce housing development in the Cowichan Region. It is a complex system and each layer needs to be nourished in order for the housing and labour market system to grow in a healthy, equitable, and prosperous way.

The intention of the Workforce Housing Strategy is to complement existing strategies, policies, and plans, and to transform the broader conditions in which housing development takes place.

The first round of engagement identified numerous root causes and a wide variety of potential solutions. This was a helpful starting point that underwent an evaluation exercise to ensure the Strategy focuses on the right opportunities rather than on every opportunity. Specifically, potential solutions were reviewed

with respect to what could have the most meaningful impact, what the region has the capacity to address, and what could be sustainably maintained alongside other initiatives. Good ideas had to be set aside in order to concentrate efforts on the most important pathways.

*Figure 3: Design Thinking Process Evaluation*



# WORKFORCE PRESSURES AND ISSUES

## The Workforce and Housing Linkage in the Cowichan Region

Housing is intrinsically tied to the economic health and vitality of a community. Although there has been substantial economic growth in British Columbia, communities have struggled to generate, attract, and retain a skilled and stable workforce. Numerous studies have concluded that limited and inadequate housing supply drive workforce away from regions.

The issues between jobs and housing are core issues being experienced in Cowichan— a region with natural amenities, connectivity to major transportation routes and centres such as Victoria and Nanaimo, and ancestral home and traditional territories of more than nine First Nations.

**Figure 4: Cowichan Region – Member Municipalities and Electoral Areas**



Households in the CVRD are expected to grow by 14% over the next Census period<sup>1</sup>, which would be the fastest growth period observed for the region compared to the recent past. Population growth has outpaced the development of new housing stock. To illustrate, figures from Statistics Canada outline that from 2016 to 2021 there was a 5.7% increase in the number of houses in the CVRD. During that same period, the region’s population grew by 6.3%.

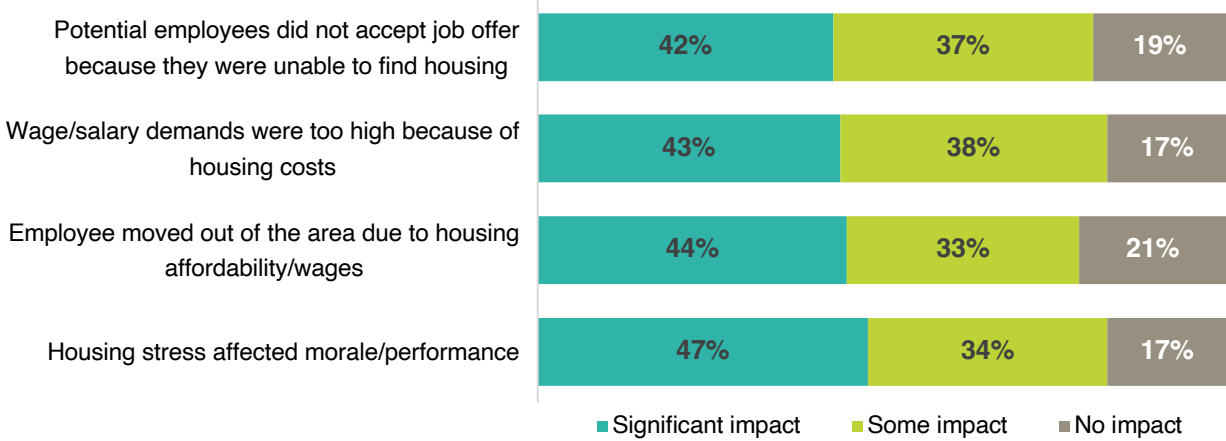
According to the 2021 Regional Housing Needs Assessment, the Cowichan Region needs 4,995 new housing units by 2025 to accommodate anticipated population growth (an average of 991 units per year). The development trend over the past 10 years produced an average of 460 new housing units per year, a significant shortfall of approximately 531 units per year. While construction activity has increased recently (with 919 units permitted in 2021 and 745 permitted in 2022), recent market indicators signal a slowdown and may be due to factors such as high interest rates and construction costs.

The effects of an imbalance between population growth and available housing are inflating housing prices, rent, and cost of living. It is also reducing the availability of housing and creating instability in the local workforce and economic environment. As more people are finding Cowichan an ideal place to call home, solutions are needed to ensure that community members and workforces have access to safe, affordable, and sustainable housing.

The volatility of the local workforce and economic conditions is also reflected by ongoing labour shortages. At present, BC has one of the highest job vacancy rates in Canada at 6.1%. Similarly, the Vancouver Island Economic Region has a 5.9% job vacancy rate. The 2022 Workforce Housing Survey illustrates that respondents identified housing instability – specifically affordability and availability – has resulted in prospective employees refusing job offers and relocating from the Cowichan region.

**Figure 5: Impact that Housing Issues Had on Businesses and Organizations**

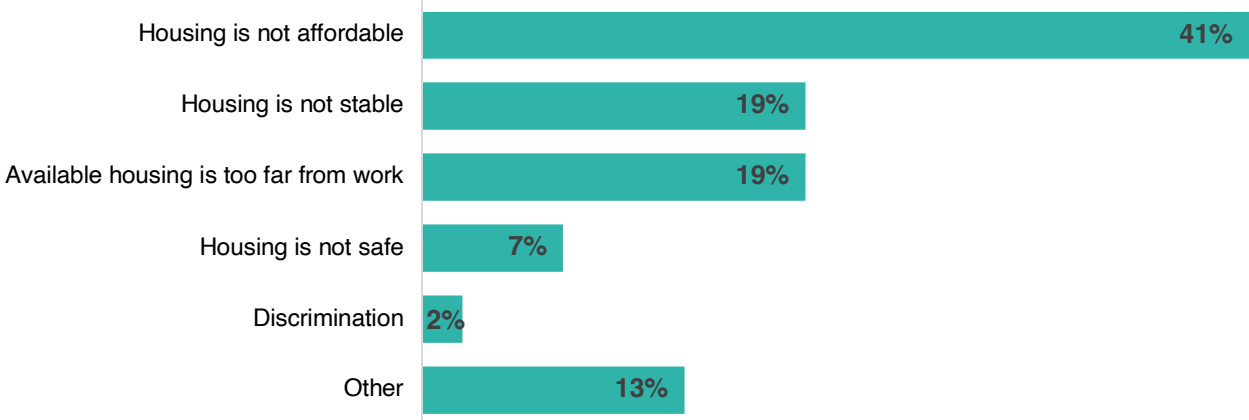
Source: CVRD Workforce Housing Survey (2022)



1. CVRD Regional Housing Needs Report (2021).

**Figure 6: Housing Challenges Experienced by Employees**

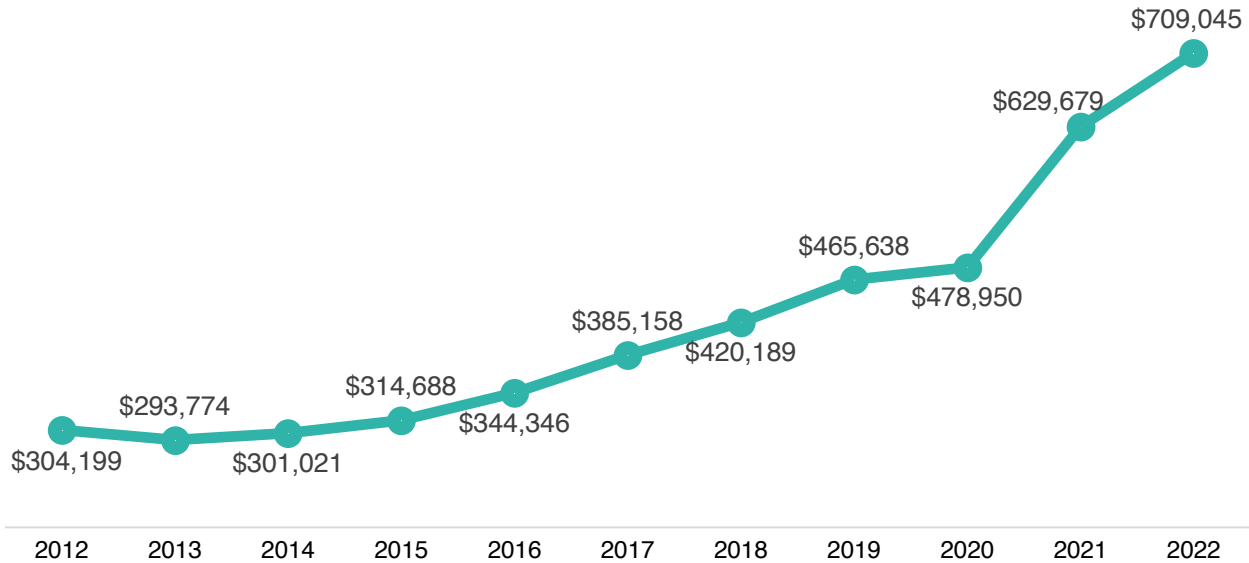
Source: CVRD Workforce Housing Survey (2022)



Findings from the Workforce Housing Survey is supported by data that demonstrates the cost of housing rising consistently year-over-year, with housing sale prices more than doubling over the past decade. The market has failed to provide the housing needed for all residents. As a result, there is a growing need to address the interrelationship between available, safe, and affordable housing to ensure the socio-economic vitality of the region. In addition, neighbouring markets such as Victoria are also experiencing substantial increases to their housing costs and, in comparison, the Cowichan Region is increasingly attractive to intra-regional migration given the relatively more affordable rental and ownership options.

**Figure 7: Housing Sale Prices in the Cowichan Region, Over Time**

Source: Vancouver Island Real Estate Board (2012 to 2022)



### **Infrastructure Upgrades Needed**

Infrastructure constraints throughout the Cowichan Region, and in particular the electoral areas, was consistently raised by stakeholders and regional planners as a barrier to developing housing projects. Local governments restrict development to serviced areas and, within their growth containment boundaries, there remains a lack of developable land that meets this criteria. This is leading to a shift in development patterns including less greenfield development, more scaling-up (i.e., multi-unit housing projects), densification, infill development and some redevelopment. Upgrading infrastructure to meet higher density projects is costly and it is also challenging to expand infrastructure in areas outside the municipalities. In Cowichan’s electoral areas, privately-owned infrastructure systems were cited as challenging to coordinate. Further exploration on infrastructure upgrades is needed in order to support accelerated housing development in the Cowichan Region.

In addition to site servicing infrastructure constraints and environmental factors, there are a wide range of challenges to increasing construction activity in the region including issues with the development approvals process, increasing cost of construction, and capacity in all sectors (e.g., local government’s capacity to process applications). There is also a labour shortage within the construction industry (8.6%), and as such there needs to be opportunities for the development industry to be competitive in attracting talent including the provision of workforce housing for construction workers.

### **Short-Term Rentals Have a Major Influence**

Private rentals through online platforms such as Airbnb or VRBO have grown as a popular alternative to traditional tourist accommodation (e.g., B&Bs or hotels), which can result in long-term housing being converted into STRs. With 75% of STR users under the age of 45, the market is expected to grow significantly. Tourist destinations are especially concerned about the availability of rental accommodation for residents and the local workforce, which has led some authorities to implement regulations to manage the use of STRs.

- In BC, it is estimated that short-term rentals are removing nearly 16,000 rental units from the market<sup>2</sup>. Research also demonstrates that for every housing accommodation diverted to the STR market, the average rent for 100 accommodations increased by \$49 per month<sup>3</sup>.

#### **Rental vacancy rates in the Cowichan Region:**

**0%     2-bedroom units**  
**0.3%   3-bedroom units**

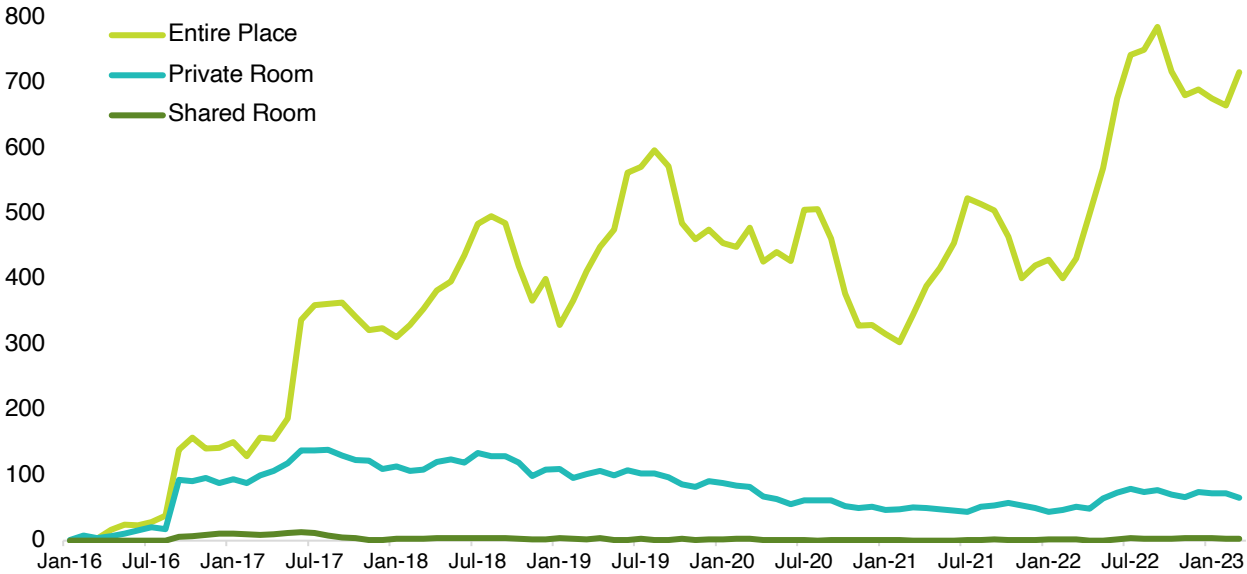
2. Source: Province of BC, Legislation introduced to rein in short-term rentals, deliver more homes for people (2023).

3. Ibid.

- The Cowichan Region has seen a significant increase in the number of STRs, with over 1,000 Cowichan rentals listed on Airbnb as of April 2023. Over 700 homes were listed for rent on Airbnb and HomeAway in January 2023.
- Short-term rentals are marketed through different suppliers such as Airbnb, VRBO, HomeAway, Flipkey, HometoGo, Facebook Marketplace, Booking.com, Expedia and TripAdvisor. Short-term rentals comprise a wide range of housing types including leisure vacation rentals (e.g., beach homes, lake houses, cabins chalets); urban rentals (e.g., city apartments); shared rentals (e.g., rooms in primary residence); or other unique properties (e.g., houseboats, campers, treehouses, RVs).

**Figure 8: Airbnb and HomeAway Listings in the Cowichan Region**

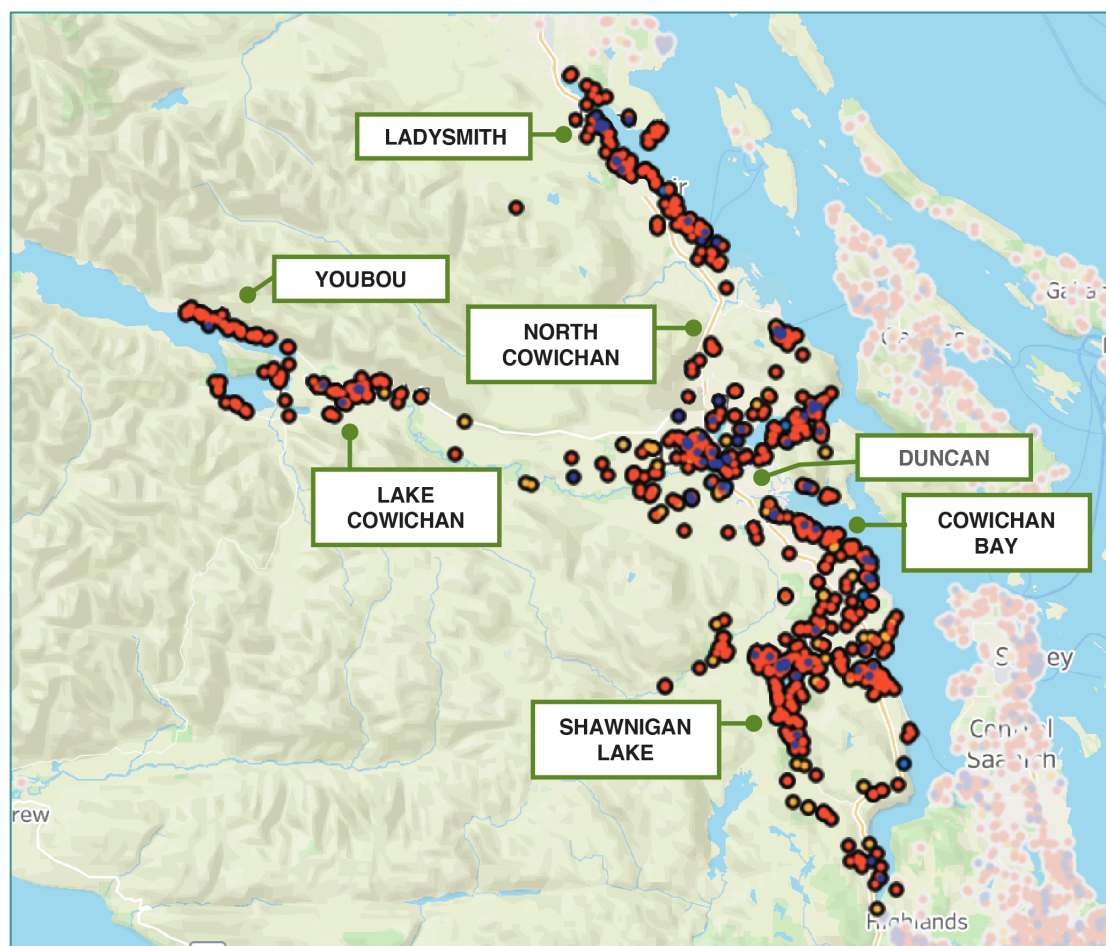
Source: AirDNA, 2016-2023



STRs have a role to play in the market – they are an accommodation of choice for many tourists, especially given the shortage of hotel and motel options in Cowichan. STRs are also a source of additional income for Cowichan residents, which helps offset the rising cost of living. STRs also tend to generate more revenue compared to long term rentals and is a driver for unit conversion. Engagement feedback also indicates that regulations under the *Residential Tenancy Act* are driving some landlords out of the long-term rental market and into short-term rentals. STRs also provide short-term accommodation for workers needing a place to stay – temporary workers, contract and seasonal workers, and newly recruited workers moving to the region needing an interim home before finding something more permanent as they become settled into their new job. As such, this strategy aims to find a balance between making short-term rentals available to serve workers and tourists in this way and ensure security and availability of housing units for residents needing long-term housing. It also aligns with recent legislative changes issued by the Province.

**Figure 9: Cowichan Region Short-Term Rental Listings**

Source: AirDNA (2023)



## ‘Who’ is the Workforce?

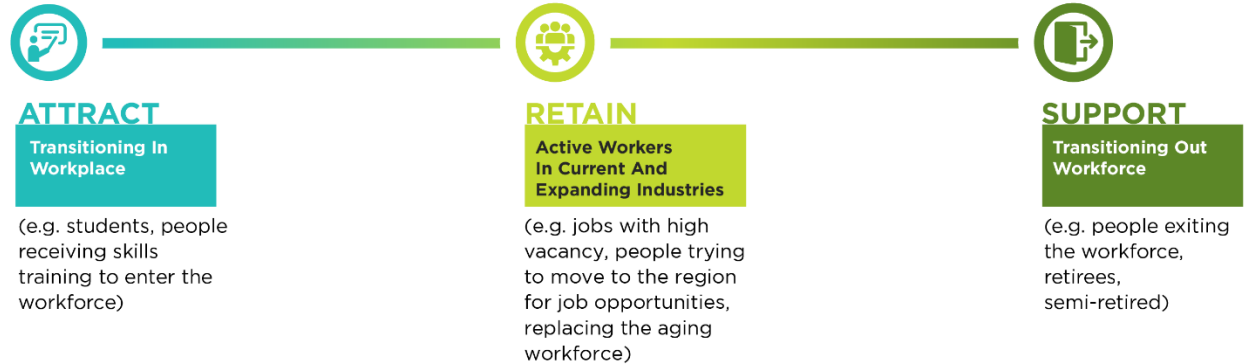
‘Workforce’ is broad a term that describes people who occupy jobs that ensure a community functions in good order – which can vary greatly from place-to-place given that every community has its own context and workforce needs. In the Cowichan Region, engagement participants conveyed a shared value that the workforce comprises not only people currently participating in the labour market, but also people closing their careers and starting new chapters in their lives, as well as people transitioning into the labour market after completing their studies or acquiring new skills. As such, Cowichan’s workforce can be described as:

- **Workers Transitioning into the Workforce:** this cohort has the potential to join the regional labour market and includes students and people receiving job skills training;
- **Active Workers in Current and Expanding Industries:** this cohort includes workers already living and working in the Cowichan Region across the full range of occupations. It also includes jobs with

high vacancy rates (e.g., construction, healthcare) and expanding industries that may add more jobs in the future (e.g., technology); and

- **Workers Transitioning out of the Workforce:** this cohort includes workers leaving the workforce such as retirees and semi-retired residents.

*Figure 10: The Cowichan Region Workforce Cohorts*



The target population for this Strategy differs from a traditional Attainable Housing Strategy and, as such, there is a distinct approach to referencing incomes. Specifically, this Strategy references occupational wages typically found in the industries experiencing acute attraction and retention issues, and generally range between minimum wage, living wage, median wage, and moderate- to high-income earners. See Appendix A for occupational wages.

There are over 38,000 workers in the Cowichan Region<sup>4</sup>. Compared to other parts of the Province, Vancouver Island has the highest projected employment growth rate over the next decade (1.5%), expecting a total of over 176,000 job openings by the year 2032<sup>5</sup>. Housing the workforce should consider the diversity of the workforce itself – which means providing housing options that meet the needs of temporary workers, singles and families, workers with disabilities or people experiencing barriers to accessing employment, new workers to the area and workers retiring and looking to downsize.

4. Labour Force Status, Statistics Canada (2021).  
5. BC Labour Market Outline 2022-2032 Forecast.

**Table 1: Vancouver Island/Coast Top 10 Industries by Forecasted Job Openings**

Source: BC Labour Market Outline 2022-2032 Forecast

Industry	Job Openings 2022–2032		
	Expansion	Replacement	Total
Ambulatory health care services	4,830	4,940	9,770
Business and building support services (excluding travel)	5,430	5,060	10,480
Computer systems design and related services	7,020	2,940	9,950
Food services and drinking places	3,900	4,670	8,560
Hospitals	2,440	5,760	8,200
Nursing and residential care facilities	4,510	3,320	7,830
Personal, non-automotive repair and non-profit services	4,630	3,810	8,440
Provincial and territorial public administration	1,320	5,650	6,970
Retail trade (excl. cars, online shopping, and personal care)	5,620	8,820	14,430
Speciality trade contractors	2,050	5,560	7,600

Some industries experiencing growth are already experiencing high job vacancy rates. Industries experiencing the most pressure between current and future demands include accommodation and food services, construction, service sector, and manufacturing. We heard through engagement that industries particularly challenged with attracting, retaining, and supporting workers include healthcare, tourism, agriculture, construction, and non-profit organizations. For the Cowichan Region, it is expected that these industries will continue to grow and attract new workers to the region, all of whom will require suitable housing. Further adding pressure to this situation is the observed decline in the labour force from the last census in manufacturing, accommodation, and food services.

- Healthcare:** The healthcare sector employs the most people in the Cowichan Region and is expected to continue growing. The BC Labour Market forecast estimates that Vancouver Island’s healthcare sector is going to require thousands of more workers in the coming decade: more than 3,000 job openings for nursing and residential care facilities, nearly 5,000 more

**Key industries facing labour shortage require workers in order to meet the needs of the community, and workers need housing in order to participate in the labour market. The housing-job linkage is integral to the social fabric of the Cowichan Region.**

ambulance related jobs like paramedics and drivers, and nearly 6,000 more jobs opening in hospitals including administrative roles. There is already a widespread shortage of healthcare workers across BC and it is a highly competitive environment to attract and retain these workers. In Cowichan, this is particularly a challenge given the Cowichan District Hospital Replacement Project and anticipated need for healthcare workers once in operation. Workers in the healthcare sector are as diverse as the general population. Roles range from entry-level administration to highly paid physicians. Some workers are single, some have families. Workers may already be living in the region and some may be looking to relocate. Job positions can include full-time, part-time, auxiliary, and even short-term contracts (e.g., travelling nurses). There are also healthcare students out of Vancouver Island University and the new hospital may be a training hospital for UBC medical students, who will also need to be housed.

- **Construction:** The vitality of the construction industry is fundamental to all aspects of implementing the Workforce Housing Strategy. First, there is a need to provide housing for construction workers as a means to address the high job vacancy rate in the construction sector (8.6%). The second is to ensure that the construction industry is in the position to match the scaling-up of development activity needed to address the housing unit estimates needed in Cowichan. This is a tall order, especially given the anticipated new job openings for specialty trade contractors is estimated to grow by 5,000 positions on Vancouver Island in the coming decade<sup>6</sup>. Some construction workers live and work year-round in Cowichan and require long-term housing, and may be single or have families, and at different life stages (entry-level, family-formation years, nearly retired). A key challenge emerging for the Cowichan Region is identifying solutions to accommodate the anticipated influx of temporary construction workers needed for building major projects such as the Cowichan District Hospital. There is already an influx of demand for construction workers during the building phase of the hospital. There is currently a process of actively seeking candidates to fill these positions, which includes efforts to attract individuals within 100-kilometre driving distance of the project. Options for accommodating these workers in the region are currently being evaluated. With an extremely low rental vacancy rate and existing residents already challenged to find housing, the current housing inventory cannot accommodate significant surges in housing demand.
- **Agriculture:** The Cowichan Region is situated within a highly productive agricultural land base. There are over 32,000 hectares of arable land in Cowichan, with nearly a third of this considered prime agricultural land<sup>7</sup>. Over 5% of land in the Cowichan Region is designated and protected as Agricultural Land Reserve (ALR). There are restrictions on what uses and activities can take place on ALR lands, including the provision of housing. The nature of agricultural operations requires seasonal

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6. BC Labour Market Forecast (2022-2023).

7. Cowichan Region Area Agricultural Plan (2010).

workers, including temporary foreign workers. This creates seasonal fluctuation in housing demand, as many workers move to the region in the summer for agriculture-based jobs (as well as tourism). Temporary, seasonal, and foreign workers help BC producers meet their labour needs during peak agricultural periods. Agricultural businesses are challenged to fill their positions and are often operating short-staffed (with a job vacancy rate of 7.6%) and the lack of temporary and affordable housing options is a key challenge. Agricultural workers who move into the Cowichan Region require temporary housing solutions that are affordable and typically located on-site or in close proximity to their place of work. The vast majority of these temporary workers are single persons.

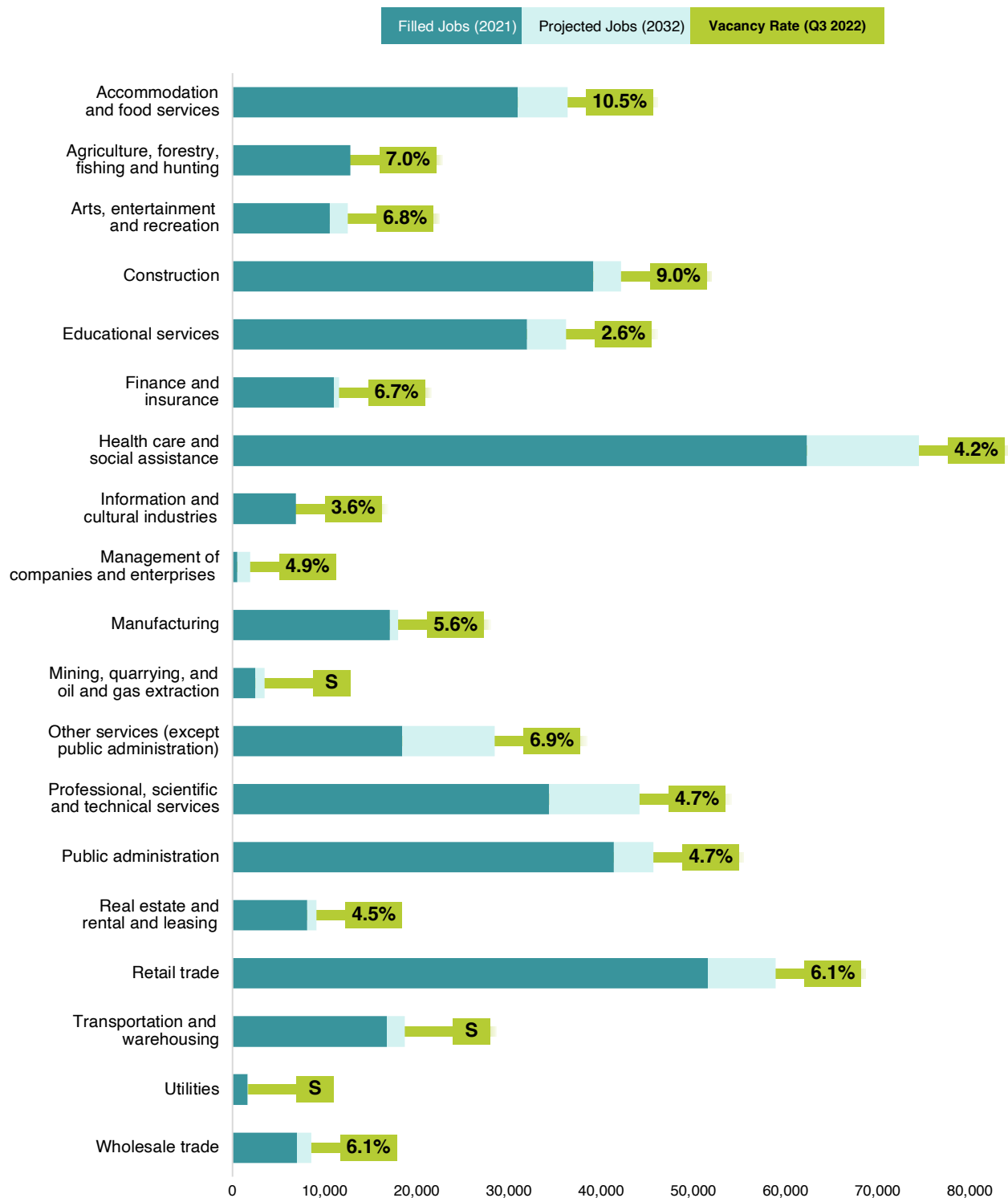
- **Tourism:** Tourism is a key industry in Cowichan, welcoming approximately 25,000 annual visitors to the Cowichan Regional Visitor Centre. Tourism in Cowichan is highly integrated with the agricultural sector, cultivating artisanal food and drink experiences with the support of farms, wineries, distilleries, and cideries. The tourism sector extends broadly to many different sub-sectors and includes workers in hospitality, retail, arts and culture, restaurants, and other service industries. Accommodation and food services have a job vacancy rate of 11.9% – the highest amongst all sectors. Housing workers in the tourism sector is vital to support tourism businesses and programs in Cowichan.
- **Non-profits:** the non-profit sector delivers essential services to the community, including assisting job seekers with skills training, job readiness programs, and job placement programs. Non-profit organizations face challenges with recruiting and retaining workers in a wide range of positions, such as administrators, social workers, facility managers, and professionals – often competing with other industries that can offer more comprehensive compensation packages. The job vacancy rate for public administration is 4.3% and professional services 6.4%, which has created short-staff operations for many non-profit organizations in Cowichan. In addition, non-profits working in the housing space have limited capacity to pursue the development of housing projects. Finding ways to provide housing that is affordable to the non-profit workforce will give non-profit organizations the capacity to participate in development of housing projects as well as support services.

Access to available, affordable, and safe housing is required to attract a labour force and, subsequently, sustain an economy. As workforce housing must accommodate people with diverse needs, it is recognized how multifaceted a housing strategy must be to better support the residents – current and prospective – that call the Cowichan Region home.

### Figure 11: Job Creation Potential and Vacancy Rate by Industry

Source: BC Labour Market Outline 2022-2032 Forecast, Statistics Canada (2021)

Note: Vacancy rate data is suppressed for mining, quarrying, and oil and gas extraction; transportation and warehousing; and utilities



## APPENDIX A: OCCUPATIONAL WAGES

Source: Employment and Social Development Canada (2022); Statistics Canada (2022)

Occupation	Lowest Wage	Median Wage	Highest Wage	Annual Earning Range
<b>Health Care and Social Assistance</b>				
Doctor	\$34.33	\$85.73	\$159.35	\$66,056–\$306,582
Health Care Aide	\$18.95	\$24.00	\$26.00	\$36,460–\$50,024
Registered Nurse	\$31.00	\$43.00	\$48.08	\$59,644–\$92,506
<b>Retail Trade</b>				
Retail Sales Associate	\$15.65	\$16.25	\$25.00	\$30,111–\$48,100
Retail Sales Manager	\$18.00	\$31.25	\$64.90	\$34,632–\$124,868
Retail Store Owner	\$18.00	\$31.25	\$64.90	\$34,632–\$124,868
<b>Construction</b>				
Construction Electricians & Repairers Foreperson	\$26.50	\$39.00	\$50.49	\$50,986–\$97,143
Construction Manager	\$23.00	\$38.00	\$62.50	\$44,252–\$120,250
Construction Worker	\$15.65	\$19.00	\$31.00	\$30,111–\$59,644
<b>Educational Services</b>				
Elementary School Teacher	\$26.50	\$39.00	\$50.49	\$50,986–\$97,143
School Secretary	\$16.83	\$25.47	\$35.00	\$32,381–\$67,340
Teacher's Aide	\$23.00	\$26.00	\$28.58	\$44,252–\$54,988
<b>Public Administration</b>				
Administrative Clerk	\$19.80	\$24.00	\$33.75	\$38,095–\$64,935
Data Administrator	\$24.04	\$40.60	\$60.44	\$46,253–\$116,287
Labour Policy Officer	\$29.12	\$35.00	\$53.30	\$56,027–\$102,549
<b>Manufacturing</b>				
Machinist	\$30.00	\$44.23	\$51.44	\$57,720–\$98,971
Manufacturing Engineer	\$30.00	\$44.23	\$51.44	\$57,720–\$98,971
Manufacturing Technician	\$25.00	\$29.72	\$41.03	\$48,100–\$78,942
<b>Accommodation and Food Services</b>				
Food Service Worker	\$15.65	\$15.65	\$20.00	\$30,111–\$38,480
Hotel Clerk	\$15.65	\$16.51	\$21.49	\$30,111–\$41,347
Housekeeper	\$15.65	\$17.10	\$22.00	\$30,111–\$42,328

Occupation	Lowest Wage	Median Wage	Highest Wage	Annual Earning Range
<b>Professional, Scientific, and Technical Services</b>				
Accountant	\$23.08	\$35.00	\$51.28	\$44,406–\$98,663
Architect	\$30.00	\$39.38	\$60.00	\$57,720–\$115,440
Forest Engineer	\$31.87	\$37.25	\$54.27	\$61,318–\$104,416
<b>Agriculture, Forestry, Fishing, and Hunting</b>				
Crop Production Technician	\$17.00	\$19.23	\$40.66	\$32,708–\$78,230
Farm Labourer	\$16.00	\$18.00	\$24.36	\$30,784–\$46,869
Fish Farmer	\$15.65	\$29.22	\$47.17	\$30,111–\$90,755
Forestry Technician	\$21.54	\$28.00	\$38.46	\$41,443–\$73,997
<b>Tech Sector</b>				
Biomedical Engineer	\$22.00	\$46.00	\$70.77	\$40,040–\$128,801
Digital Electronics Technician	\$25.00	\$38.46	\$53.00	\$45,500–\$96,460
IT Consultant	\$29.12	\$40.54	\$55.38	\$52,998–\$100,792
Robotics Engineer	\$24.04	\$36.75	\$57.52	\$47,753–\$104,686
<b>Emergency Services</b>				
Firefighters	\$33.84	\$46.21	\$57.17	\$65,108–\$109,995
Paramedic	\$26.00	\$35.00	\$45.00	\$50,024–\$86,580
Police Officers	\$34.62	\$45.00	\$60.00	\$66,609–\$115,440





# Workforce Housing Case Studies

A PLACE TO BUILD FUTURES

May 2024



## LAND ACKNOWLEDGEMENT

We acknowledge that for thousands of years the Quw'utsun, Malahat, Ts'uubaa-asatx, Halalt, Penelakut, Stz'uminus, Lyackson, Pauquachin, Ditidaht, and Pacheedaht Peoples have walked gently on the unceded territories where this work has taken place.

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## INTRODUCTION

On behalf of the Cowichan Valley Regional District (CVRD), CitySpaces Consulting prepared a Workforce Housing Strategy for the Cowichan region. The purpose of the Strategy is to address housing problems as it relates to employment.

This *Case Studies* document is a companion report to the Workforce Housing Strategy, illustrating a range of housing solutions that have been implemented in different communities across Vancouver Island, the Gulf Islands, British Columbia, Canada, and United States. The case studies serve to inspire industry leaders, businesses, community organizations, First Nations, and government looking for ideas to address workforce housing issues in the Cowichan region.

## CASE STUDIES

### Lady Minto Housing Foundation Staff Housing Project

#### *Salt Spring Island, BC*

- In May 2022, Lady Minto Hospital Foundation (LMHF) on Salt Spring Island purchased a former hotel to convert into rental housing for employees.
- LMHF had been struggling to fill over thirty vacant positions across all departments including cleaning staff, cooks, technicians, and nurses, resulting in a shortage of family physicians, with the Emergency Room becoming a walk-in clinic for many residents.
- To fund the \$4 million hotel purchase and associated renovation costs, LMHF raised \$5.6 million, including \$2.5 million from the Foundation's endowment fund.
- LMHF planned to convert the hotel's 28 rooms into 17 affordable rental apartments for staff.
- The property is considered a key recruitment tool to attract and retain staff.
- The Foundation has also launched a Housing Information Portal to connect property owners to hospital staff and help identify available rentals.

### łúxválásu'ailas Heiltsuk Hospital Staff Housing

#### *Bella Bella, BC*

- The łúxválásu'ailas Heiltsuk Hospital in Bella Bella, Campbell Island, provides community hospital services to Heiltsuk Nation and Bella Bella residents. The community experienced a labour shortage given its remote location.
- When the former staff housing building was destroyed by fire in 2004, Vancouver Coastal Health Authority funded a replacement six-unit, two-storey row of attached townhouses. The staff housing

was built with a modular construction to Passive House standard to provide a cost-effective, sustainable, and time-sensitive housing solution.

- Fully furnished housing is now available for physicians and health care staff. Housing is free for locums and regular physicians are charged a reasonable day rate.



## Housing for Frontline Workers

### *Minnesota, United States*

- Presbyterian Homes & Services (PHS) is a non-profit senior living organization, based in Minnesota, US, offering senior housing and care services to older adults.
- As witnessed across the senior care sector, PHS experienced labour shortages. Employee recruitment and retention issues were heightened by the lack of affordable housing which led to several employees being informally housed in communities.
- PHS embarked on a workforce housing development strategy and began developing workforce housing communities; the largest community is at Spring Park, Minnesota where up to 50 employees are housed in a dedicated apartment building adjacent to its campus housing.
- Frontline workers who rent workforce housing receive a 10% rent discount and units are also available to renters who do not work for the community. Rents are listed at \$650 per month for a one-bedroom unit to \$900 per month for larger, two-bedroom units.
- It was reported that over 19% of international staff at Spring Park have utilized workforce housing at some point.

## Temporary Housing for Construction Workers and Legacy Project

### *Revelstoke, BC*

- Revelstoke Mountain Resort (RMR) announced plans in 2020 to expand the resort by building a hotel, conference centre, and permanent employee housing.
- Construction work began in 2023. Once complete, the site will provide 480 permanent employee housing units across three apartment buildings. A new hotel will accommodate 154 rooms, a conference space, restaurant and bar, and spa and fitness suite.

- To facilitate the expansion and accommodate the influx of employees required to complete the planned construction work, RMR applied for a two-year Temporary Use Permit to establish a temporary workforce housing site. The lands are zoned RR60 which allows for a temporary construction work camp for utilities, transportation, and communications.
- The temporary workforce housing comprises a pre-fabricated, modular residential complex for 64 workers on 12-hectares of land.
- Once construction is complete, the temporary buildings will be repurposed to provide additional housing for staff and/or future project crews.

## Re-purposed Modular Housing

### *Whistler, BC and Various Locations Across BC*

- Accommodation was needed for more than 6,000 people ahead of the 2010 Winter Olympics in Whistler, BC.
- As a solution to housing shortages, Whistler Chamber of Commerce, Whistler Housing Authority (WHA), and Municipal Council created an athletes' village formed of temporary modular housing for up to 320 Olympic officials and athletes. Furthermore, the Vancouver Organizing Committee chartered a cruise ship to house 1,100 people dockside in nearby Squamish.
- After the Olympics, the temporary accommodation was relocated for re-use by other organizations. Some modules were moved to provide workforce housing to support industry operations in North Dakota. Six other structures were relocated across BC to provide 156 social housing units.
- The permanent buildings at athletes' village were turned over to WHA for worker-dedicated housing.

## Agricultural Workers Campsite

### *Oliver, BC*

- Regional District of Okanagan-Similkameen (RDOS) opened an agricultural workers campsite in Oliver to accommodate employees in 2021, following a successful application by RDOS to the Agricultural Land Commission to allow for a commercial campground as a non-farm use within the Agricultural Land Reserve.
- The campsite offers accommodation to temporary agricultural workers throughout the harvest season from May to October, with 125 individual camping spaces. The site hosts workers employed at agricultural operations in the region, including vineyards, orchards, cannabis farms, and mushroom farms.
- In 2022, workers paid \$100 per week to stay at the campground.

- The campground provides an important and inexpensive accommodation option for migrant farm labourers and helps to meet the region's wider goal of expanding the agricultural sector.

## ***Temporary Farm Workers Housing***

### ***Okanagan Valley, BC***

- Jealous Fruits, a large commercial cherry farm in the Okanagan Valley, BC recruits over 1,000 seasonal farm workers each year between May to October. The farm hires general farm workers, harvesting labourers, processing plant workers, and cherry sorters.
- Given the difficulty in finding affordable rental options for workers in the Okanagan during the summer season, the farm has sought alternative ways to house its seasonal workers.
- Temporary foreign workers are recruited through the Seasonal Agricultural Worker Program (SAWP) that has specific housing requirements for workers. SAWP workers are housed in temporary modular buildings or ATCO trailers; the farm owns approximately 800 beds on its property.
- The farm has a designated camping area for backpackers and newcomers on working holiday visas. Campers pay a camp fee of \$150 for the season, which is fully refundable if they stay until harvest end.
- Camp facilities include showers, washrooms, communal kitchen, ice machines, and a weekly grocery bus.
- Regional District of the Central Okanagan collaborated with the Ministry of Agriculture and Agricultural Land Commission to develop a region-wide policy relating to temporary farmworker housing. The policy aims to minimize the footprint of development on farmland and risk of temporary farm worker housing being used for non-farm purposes.

## ***Employer Led First Time Home Buyers' Assistance Program***

### ***Toronto, Ontario***

- Crozier, a consulting engineering firm with five offices in Ontario, became aware that its employees were being priced-out of towns and cities where company offices were located.
- In response, the firm established a First-Time Home Buyers' Assistance Program to attract and retain employees.
- All employees are offered up to \$20,000 for a down-payment on their first home, with full-time employees eligible to apply for the \$20,000 down-payment providing they have worked with the firm for more than one year.
- The company will deposit \$10,000 plus 10% base salary into the employee's RRSP account tax-free as a gift.

- The program works in conjunction with the federal government’s Home Buyers’ Plan, which allows eligible Canadians to withdraw from their Registered Retirement Savings Plans to buy or build a qualifying home.
- Employees who benefit from the program are required to stay with the firm for a minimum of three years after receiving the funds.

## ***Sports Bar Employee Housing***

### ***Vernon, BC***

- The owners of the Roster Sports Club Bar, a squash club, bar, and grill in Vernon, BC purchased employee housing to support business expansion and additional staff hires.
- The business bought a building formed of two 2-bedroom suites to house some of their employees.
- The suites are rented out at affordable monthly rates, inclusive of utilities. The employee housing is not revenue generating but considered by the owners as an investment in their employees.

## ***Union Steamship Company’s Employee Float Homes***

### ***Bowen Island, BC***

- Business owners of Union Steamship Company Marina, which operates a restaurant and marina business on Bowen Island, had heard from staff that it was difficult to find affordable and available housing on the Island.
- Upstairs rooms in the restaurant have been rented out to staff for several years, but it was reportedly not enough. In response, the owners bought float homes to rent out to their workers.
- The previous land use zoning allowed for three floating houses in the marina; the owners submitted a rezoning application to allow for six floating duplexes with two living quarters per, which was moved and seconded at public hearing.
- The float homes are governed by a Housing Agreement requiring the units be available for Bowen workers from May to September. There is the potential for non-employees to live there during the off-season.



## Essential Workers Temporary Housing Program

### Campbell River, BC

- In May 2023, City of Campbell River announced an Essential Workers Temporary Housing Program to provide short-term rental accommodation for locum physicians and other essential healthcare workers. The program was formed through collaboration with Campbell River & District Division of Family Practice and Campbell River Medical Staff Initiative.
- The program provides temporary furnished suites in an apartment building close to the hospital for healthcare workers. The short-term rentals are available for a minimum of one week up to three months, on first-come first-served basis.
- The suites cost \$50 per night including utilities, internet, and weekly cleaning. All revenue from the rental service cycles back into the program, bringing more healthcare professionals to Campbell River and further addressing the community's healthcare needs.

## Capital Region Housing Corporation

### Victoria, BC

- **The Capital Region Housing Corporation (CRHC)** is a wholly-owned subsidiary of the Capital Regional District (CRD). CRHC's mandate is to develop and manage affordable housing to meet the needs of people living in the region. CRHC's primary activities are the day-to-day management of housing and providing property management services to residents living within its 49 housing complexes across seven municipalities.
- CRD comprises a board of 24 Directors, including a Chair and Vice Chair, that also serve on the Capital Regional Hospital District Board and CRHC Board.
- In the 2023 CRD Financial Budget, CRHC was allocated a \$28 million operating budget and \$53 million capital budget.

## Whistler Housing Authority

### Whistler, BC

- The Resort Municipality of Whistler made the provision of workforce housing for resort employees a key objective and established the **Whistler Housing Authority (WHA)** as a wholly-owned subsidiary in 1997. WHA has successfully collaborated with partners at different government levels to implement workforce housing development projects and policies.
- The Whistler model is designed to be self-funded (and not dependent on local taxpayer contributions) and relies on an Employee Housing Service Charge to support the development of affordable

housing. The bylaw requires developers of commercial, tourist, and industrial land to either build resident housing or contribute cash-in-lieu to the housing reserve fund.

- Whistler’s approach requires developers to partner with the municipality to ensure housing units are built for local workers. WHA has built-up significant equity to invest in new developments, with grants or loans from Canada Mortgage and Housing Corporation and BC Housing, assisting to keep costs affordable. Long-term loans are secured through conventional financiers.
- WHA comprises a Board of Directors, primarily Council and Senior RMOW Staff, with three Community-at-Large voting Directors. Each Director serves a three-year term and may stand for re-election through an open public process. In 2022, WHA scaled-up and diversified its Board of Directors composition by adding two additional positions, including a dedicated representative for Employee Rental Housing.
- WHA has a portfolio of 7,300 beds of affordable rental and ownership housing to workers in Whistler.

## **Short-Term Rental Regulation Bylaw**

### **Victoria, BC**

- The City of Victoria introduced a Short-Term Rental Regulation Bylaw that limits the use of short-term vacation rentals so they are no longer an acceptable land use in the transient zone. The motivation behind this bylaw is to protect the housing supply within the city, address the city’s low vacancy rate, and free-up rental units for residents.
- Short-term rentals are only permitted if the property is a principal residence – the whole home on occasion for up to 30 days (i.e., during the occupant’s vacation) or up to two bedrooms in the home with shared kitchen and living spaces. Self-contained dwelling suites are not permitted, apart from when a renter rents out on occasion with the owner’s permission. Short-term rentals are permitted as a legally non-conforming use where transient accommodation is a permitted use (i.e. when the property was in use as a short-term rental in a transient accommodation zone prior to 2017 changes).
- To operate a full-time short-term rental, all operators must hold a valid business license. Possible fines (ranging from \$10 to \$10,000) are issued for every instance that an offence occurs or each day it continues.

**In October 2023, the Province of BC introduced new legislation to regulate short-term rentals that focuses on: increasing fines and strengthening tools for local governments; returning more short-term rentals to long-term homes; and establishing provincial rules and enforcement. These changes are timely for the Cowichan Region as it provides local governments with more tools to address short-term rentals.**

## **Short-Term Vacation Rentals Temporary Use Permit Policy**

### **Alberni-Clayoquot Regional District, BC**

- Alberni-Clayoquot Regional District (ACRD) undertook public consultation and research in 2017 in response to a growing number of visitors and complaints about vacation rental units. In 2018, the District adopted a Short-Term Vacation Rentals Temporary Use Permit Policy that outlines when a Temporary-Use Permit (TUP) may be considered to allow short-term rental use. The zoning of a property determines whether a TUP is needed to operate a short-term rental. A business license is not needed to operate a short-term rental, as the District does not require one to conduct any type of business. However, if the property falls within Tofino, Ucluelet, or Port Alberni, a business license may be required.
- In issuing a TUP, ACRD may specify conditions including buildings to be used, area of use, hours of use, total number of permitted rental occupants, availability of owner or caretaker, form and character of the rental, and environmental protection.
- The Regional District of East Kootenay, Squamish-Lillooet Regional District, and Regional District of Okanagan Similkameen are among other regional districts in BC that have implemented TUPs to manage short-term rentals.

## **Worker Housing Pilot Project**

### **Ucluelet, BC**

- The District of Ucluelet launched a pilot project in 2021 to fast-track Temporary-Use Permits (TUPs) to allow the use of land for seasonal workers to reside in RVs or campervans.
- During the pilot, 11 applications were received for 25 campsites. While the council approved nine applications, only three followed through to obtain a TUP.
- To submit, applicants paid a \$350 permitting fee. Council waived the \$500 public notice fee that would normally be collected for a TUP and expedited the process that would typically take a few months.
- The prerequisites for a permit included applicants consulting neighbours, developing an outline of how they will deal with sewage, and providing fire extinguishers and smoke detectors. In addition, following approval, all mobile dwellings were inspected by the fire chief.
- There was a minimum residency requirement of 30 days for anyone participating in the program.
- While the pilot program was not continued, there have been various successful TUPs approved for seasonal workers outside of this program. For example, Ucluelet Harbour Seafoods, the community's major fish processing plant, was issued a TUP to allow up to 13 recreational vehicles for seasonal employee housing.

## Cube Hotel Workforce Housing

### *Revelstoke, BC*

- The Cube Hotel is a 24-unit turn-key hotel conversion in Revelstoke, BC. A fast-tracked innovative model was created to generate rotating capital from the local business community in exchange for securing units for their workers.
- A silent working group formed comprising Community Futures and business leaders that worked together in trust. They acquired the services of a lawyer and accountant to create an innovative organizational structure, registering a new non-profit housing society (Revelstoke Employee Housing Society) to purchase the hotel on a conditional agreement to generate financing.
- The Society invited local businesses and organizations to become a society member on the condition that each provide an interest free \$40,000 loan. In exchange, members gain access to one unit in the Cube Hotel that they can utilize to house their workforce. The \$40,000 is effectively a door deposit, with members not gaining ownership or equity in the property. Monthly rent is charged to members and generates rent revenue for the Society.
- Members can hold the unit as long as needed as workforce housing. If a member no longer requires a unit, notice is provided to the Society and the member's \$40,000 is returned. The Society can then offer the unit to another business or organization on the wait list.
- The \$40,000 per unit is an initial interest free capital injection into the project and used as rotating capital for the Society. This capital injection makes it possible for the Society to access other financing required to complete the sale purchase and cover other costs such as the property transfer tax and minor renovations.
- There were 28 respondents to the initial call for expression of interest in the 22 Society memberships/units, and as such, the Society already has a wait list. Organizations that expressed interest include several local businesses, non-profit organizations, and the Royal Canadian Mounted Police.

