

# What We Heard

Rural Housing Program Pilot Project

Capital Regional District | January 2025



Making a difference...together

# What We Heard



Making a difference...together

## Rural Housing Pilot Program Community Engagement

Capital Regional District | January 2025

---

### Contents

|                                                                         |    |
|-------------------------------------------------------------------------|----|
| PROJECT OVERVIEW.....                                                   | 3  |
| ENGAGEMENT BY THE NUMBERS.....                                          | 3  |
| SUMMARY OF COMMUNITY ENGAGEMENT RESULTS.....                            | 4  |
| KEY TAKEAWAYS.....                                                      | 4  |
| WHAT WE DID:.....                                                       | 5  |
| A. Stakeholder Engagement.....                                          | 5  |
| B. Property Owner's Survey .....                                        | 7  |
| C. Polls.....                                                           | 7  |
| APPENDIX A: RURAL HOUSING PROGRAM PROPERTY OWNER'S SURVEY RESULTS ..... | 8  |
| Appendix B: Poll Questions.....                                         | 20 |



### Project Overview

The Capital Regional District (CRD) is developing a Rural Housing Program (RHP) as a pilot project for the Southern Gulf Islands (SGI) and Salt Spring Island (SSI) Electoral Areas (EAs) in 2025-2026. The Rural Housing Program will enable the CRD to respond to the housing crisis in its rural communities and to pilot solutions more suited to the rural context. The project aims to provide:

1. Accessory Dwelling Unit Incentives
  - Support the development of new non-market units in the secondary housing market by providing financial incentives to build secondary suites and cottages in the pilot area.
2. Pre-development Funding for Affordable Housing
  - Support pre-development costs for technical studies and on-site infrastructure in the development of purpose built, multi-unit affordable housing in the Pilot Area.
3. Coordination, Information, Navigation, Advocacy
  - Coordinate on-going stakeholder engagement and guidance/support for non-profit housing proponents, inter-agency coordination, inter-divisional coordination at CRD, and outreach to other levels of government.

Community Engagement was conducted in 2024 by way of an online survey, polls, workshops, presentations, and delegations. Background and information have been posted on the CRD Get Involved project page: <https://getinvolved.crd.bc.ca/crd-rural-housing-program>.

As part of this engagement, an anonymous survey was conducted between September 16 and December 16 2024, for property owners in the SGI and SSI Electoral Areas, including those who expect to own property within those areas in the next 6-18 months. The goal of the survey was to better understand landowners' interest and capacity for building secondary suites, as well as their compatibility with the Provincial Secondary Suites Incentive Program eligibility criteria.

### Engagement by the Numbers

While the engagement site was active, it had over 3,600 visitors. Two hundred seventy-four people responded to the polls, and 573 property owners responded to the survey. The engagement tools were promoted using social media, posters, and articles in community newspapers.

The Rural Housing Program Pilot proposal was presented for discussion at 11 local meetings and workshops, online and in person across the five islands of the Pilot Area.

### Summary of Community Engagement Results

- Stakeholder engagement demonstrated a high level of interest in the CRD creating a housing program targeting its rural island communities.
- Workshops and consultation with the non-profit housing sector in both the SSI and SGI EAs offered better understanding of the needs of the sector overall, and the individual needs of each housing project.
- The pre-development funding program is long awaited and will see rapid uptake. There are 10 active projects proposed as affordable housing projects across the pilot area, in various phases of advancement. Together, these projects represent at least 188 units.
- The Property Owners Survey indicated interest in participation in the Accessory Dwelling Unit Incentive Program:
  - Eighty percent of respondents were year-round residents of the islands.
  - Thirty-seven per cent of survey participants have zoning that would allow a secondary suite or cottage, however a further 26% were unsure of their zoning permissions.
  - Workers received the highest ranking as a preferred tenant; however family members were the second highest preference.
  - Forty-one per cent responded that a \$40,000 funding incentive would make the difference in their ability to proceed with building an ADU.
  - An additional 70 participants responded that \$80,000 would be an incentive.
  - Thirty-eight per cent of respondents would not build an ADU even with an \$80,000 financial incentive.
  - The cost of construction was cited as the main obstacle to building an ADU, with prohibitive regulatory environment and the desire to preserve privacy also ranking highly. The Residential Tenancy Act was cited as a deterrent to being a landlord.
  - The majority of respondents (74%) indicated that their income was below the maximum income for eligibility for the Provincial program (\$209,420).

### Key Takeaways

There is a high level of interest in the CRD creating a housing program to support housing solutions in its rural island communities. The non-profit housing sector in the island communities have a high need for capital funding, and a CRD pre-development funding program will support project success. Despite some challenges with zoning and the building permit process, and concerns about privacy and the responsibility of being a landlord, there appears to be appetite for the Accessory Dwelling Unit Incentive Program by property owners who live year-round on the islands. Many residents confirmed that they meet the proposed eligibility criteria. Based on this, it is likely that both funding streams of the Rural Housing Program will see considerable uptake in the initial launch.

### What We Did:

#### A. Stakeholder Engagement

The CRD Rural Housing Project team met with housing groups throughout 2024 to present the proposed framework of the RHP pilot.

Engagement events included:

1. Salt Spring Island Local Community Commission, May 22, 2024, Meaden Hall, Salt Spring Island

Attendees represented the following organizations:

- 1) CRD SSI Local Community Commission
  - 2) Islands Trust/Salt Spring Local Trust Committee
  - 3) Salt Spring and Southern Gulf Islands Community Services
  - 4) Lady Minto Hospital Foundation
  - 5) North Salt Spring Waterworks District
  - 6) JG Consulting
  - 7) Islanders Working Against Violence (IWAV)
  - 8) Salt Spring Solutions
  - 9) Gulf Islands Seniors Association (GISRA)
  - 10) Housing Now
  - 11) Salt Spring Foundation
  - 12) SSI Chamber of Commerce
  - 13) Chuan Society
  - 14) Lookout Society
  - 15) Transition Salt Spring
  - 16) Salt Spring Community Marketplace  
(Country Grocer, Country Grocer Pharmacy, Upper Ganges Liquor Store and Harvest Moon Cannabis Store)
  - 17) Umbrella Society
  - 18) SGI Community Resource Centre (CRC)
  - 19) Positively Forward
  - 20) Other individual community members
2. Ask Salt Spring – August 16, 2024 – Presentation on Rural Housing Program to 19 participants at the “Ask Salt Spring” monthly speaker’s event.

3. Southern Gulf Islands Electoral Area - Housing Sector Engagement, September 10, 2024, online. Attendees:
  - 1) Galiano Affordable Living Initiative
  - 2) Mayne Island Housing Association
  - 3) Pender Island Housing Association
  - 4) Galiano Cottage Co-op
  - 5) Galiano Island Housing Association
  - 6) Housing Now
  - 7) Galiano Film School Housing Project
  - 8) Wiser Projects
  
4. Salt Spring Island Foundation Funders Table – September 13, 2024 – Presentation focused on key points for a collaborative funding framework for rural housing solutions in the islands. There was a group of 12 participants including board members of the Salt Spring Island Foundation.
  
5. Salt Spring Local Community Commission – Housing Strategy Workshop – October 17, 2024. The workshop included LCC members with housing experts from Salt Spring Island and focused on the need for an updated Salt Spring Island housing strategy.
  
6. Information about the proposed Rural Housing Program Pilot Project was presented to Islands Trust in a series of delegations to Local Trust Committees as well as to Islands Trust Council, which represents the federation of Islands Trust.
  - 1) Galiano Island Local Trust Committee, October 8, 2024
  - 2) Salt Spring Island Local Trust Committee, October 10, 2024
  - 3) Mayne Island Local Trust Committee, October 28, 2024
  - 4) North Pender Island Special Advisory Planning Commission on Housing – November 1, 2024
  - 5) North Pender Island Local Trust Committee – November 29, 2024
  - 6) Islands Trust Council – December 3, 2024

### B. Property Owner's Survey

The Property Owner's Survey was open from September 16 to December 16, 2024. The survey was aimed at property owners to gauge uptake and seek feedback on the proposed criteria for the Accessory Dwelling Unit Incentive Program. It was supported by the CRD Get Involved website, which provided background materials and quick poll questions. A social media campaign drove interest in the page and in the survey and has ensured the island communities are well informed about the goals of the Rural Housing Program.

The online survey received a total of 573 responses. Respondents were asked about the following topics:

- Their property's infrastructure, improvements and zoning
- Whether they currently operate a rental unit and their preferences regarding tenants
- Whether a financial incentive would encourage them to build a secondary suite or cottage.

See Appendix A for the full results of the Rural Housing Program Property Owner's Survey.

### C. Polls

Community members were able to participate in a series of polls to indicate their thoughts about building an ADU or Secondary Suite.

Responses to these polls are shown in Appendix B.



### Appendix A:

#### Rural Housing Program Property Owner’s Survey Results

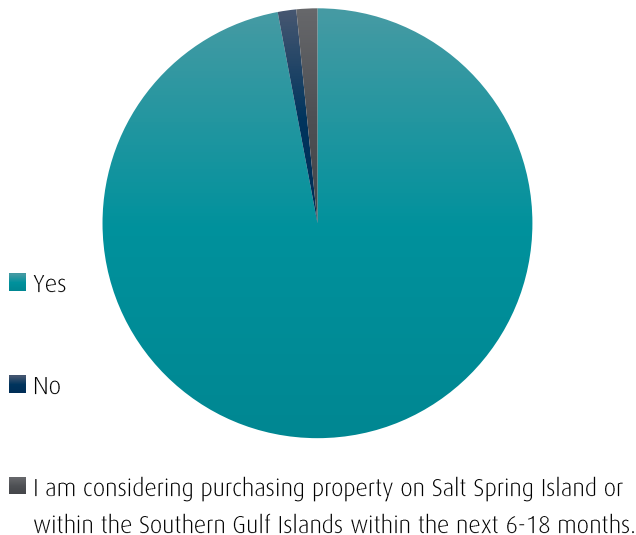
##### Who We Heard From

The online survey included several demographic questions to allow the project team to better understand who participated. The following results are specific to the online survey only and do not reflect the demographics of the participants who used the other tools.

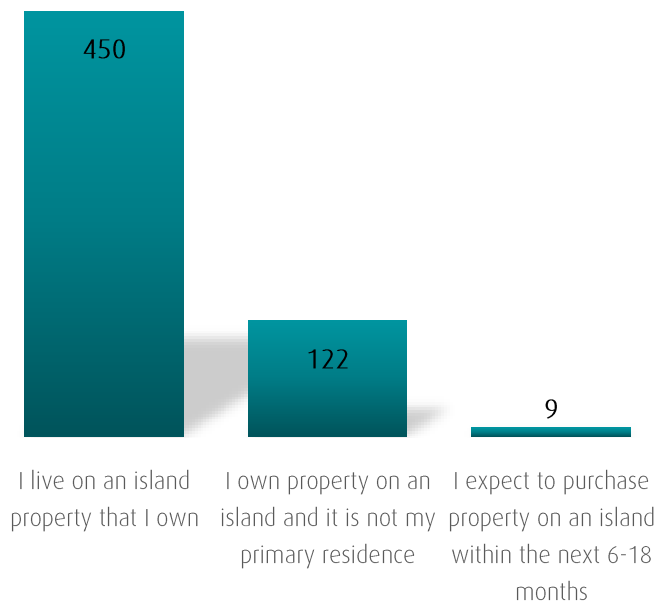
##### Geographic Representation

Respondents were asked the following question: “Do you own property on Salt Spring Island or the Southern Gulf Islands?” Figure 1 shows their responses. The vast majority of respondents (97%, or 556 out of 573) own property on an island. Four hundred fifty respondents out of 560 (80%) live on an island property that they own; 122 (22%) own property on an island that is not their primary residence; nine (2%) expect to purchase property on an island within the next 6-18 months (see figure 2).

Land Ownership (figure 1)



Island Connection (figure 2)

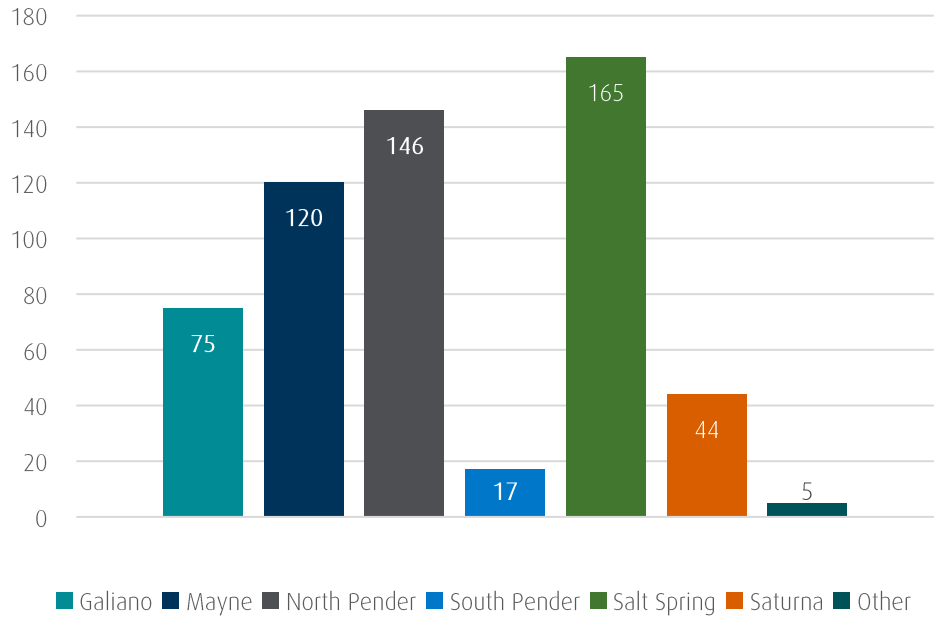




Capital Regional District | January 2025

Respondents were also asked: “On which island do you own property? (Select all that apply)?”. As shown in figure 3, Salt Spring Island had the most responses (165); followed by North Pender (146); Mayne (120) and Galiano (75). Saturna and South Pender had the fewest responses at 44 and 17, respectively. Comparing participation against the population of each island, participation for the Southern Gulf Islands ranges from 5% to 9% of island population, indicating a fairly equitable involvement. Salt Spring Island, which has a much higher population, had a lower response rate (1%).<sup>1</sup>

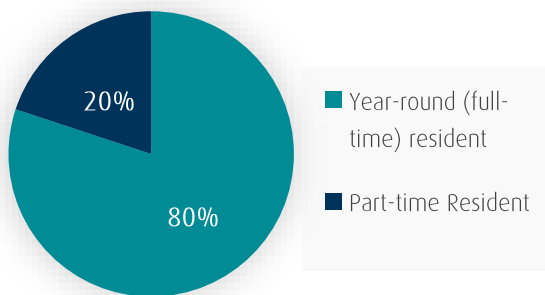
On which island do you own property? (figure 3)



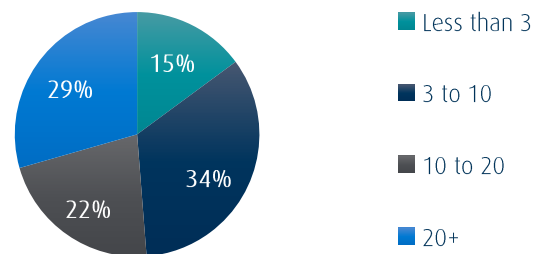
### Residential Status

Respondents who indicated that they live on an island were asked if they were a year-round or seasonal resident. Eighty per cent, or 450 out of 562 were year-round residents (see figure 4). They were also asked how long they have owned property in SSI or SGI. As shown in figure 5, 34% of participants (191 out of 564) have owned their properties for at least three years, 22% (123 out of 564) for 11-20 years, and 29% (166 out of 564) for longer than 20 years. Fifteen per cent (or 84 out of 564) of respondents have lived in the community for three years or less.

Residential Status (figure 4)



Years of Ownership (figure 5)

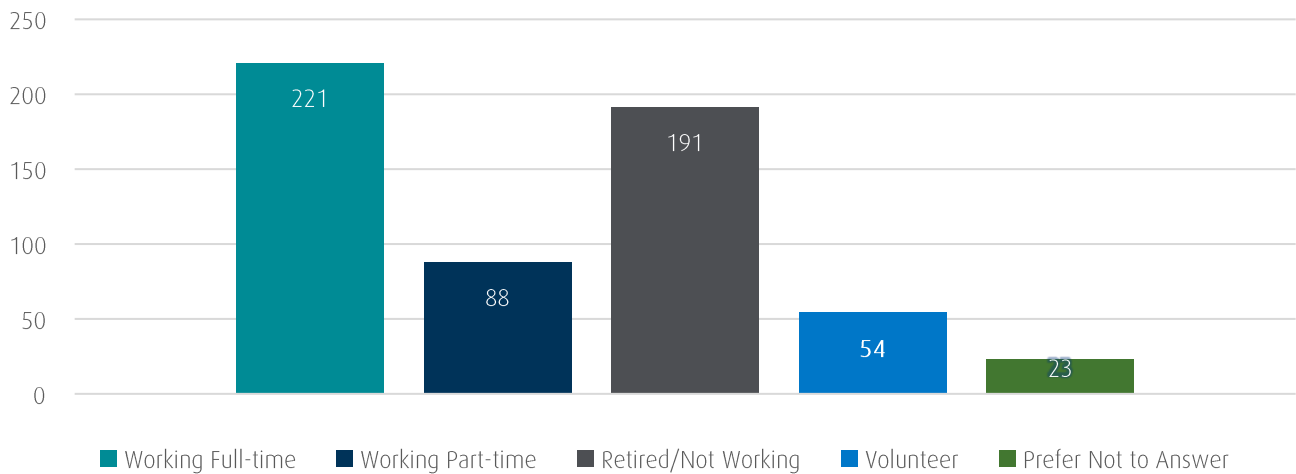


<sup>1</sup> 2021 Census Profile Populations: Salt Spring Island 11,635; Pender Islands 2,470; Mayne Island 1,310; Galiano Island 1,395; Saturna Island, 465.

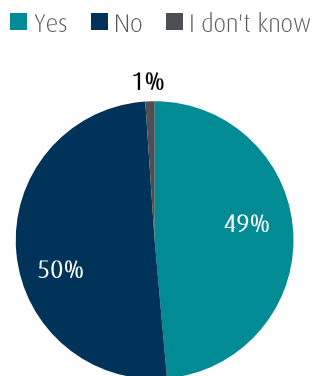
### Employment Status

Respondents were asked “What is your employment status? (Select all that apply)”. Two hundred twenty-one out of 514 (43%) said they were working full-time; 99 (19%) said they were working part time; 191 (37%) said they were retired/not working; and 54 (11%) said they were volunteering. Twenty-three (4%) indicated they preferred not to answer (see figure 6).

Employment Status (figure 6)

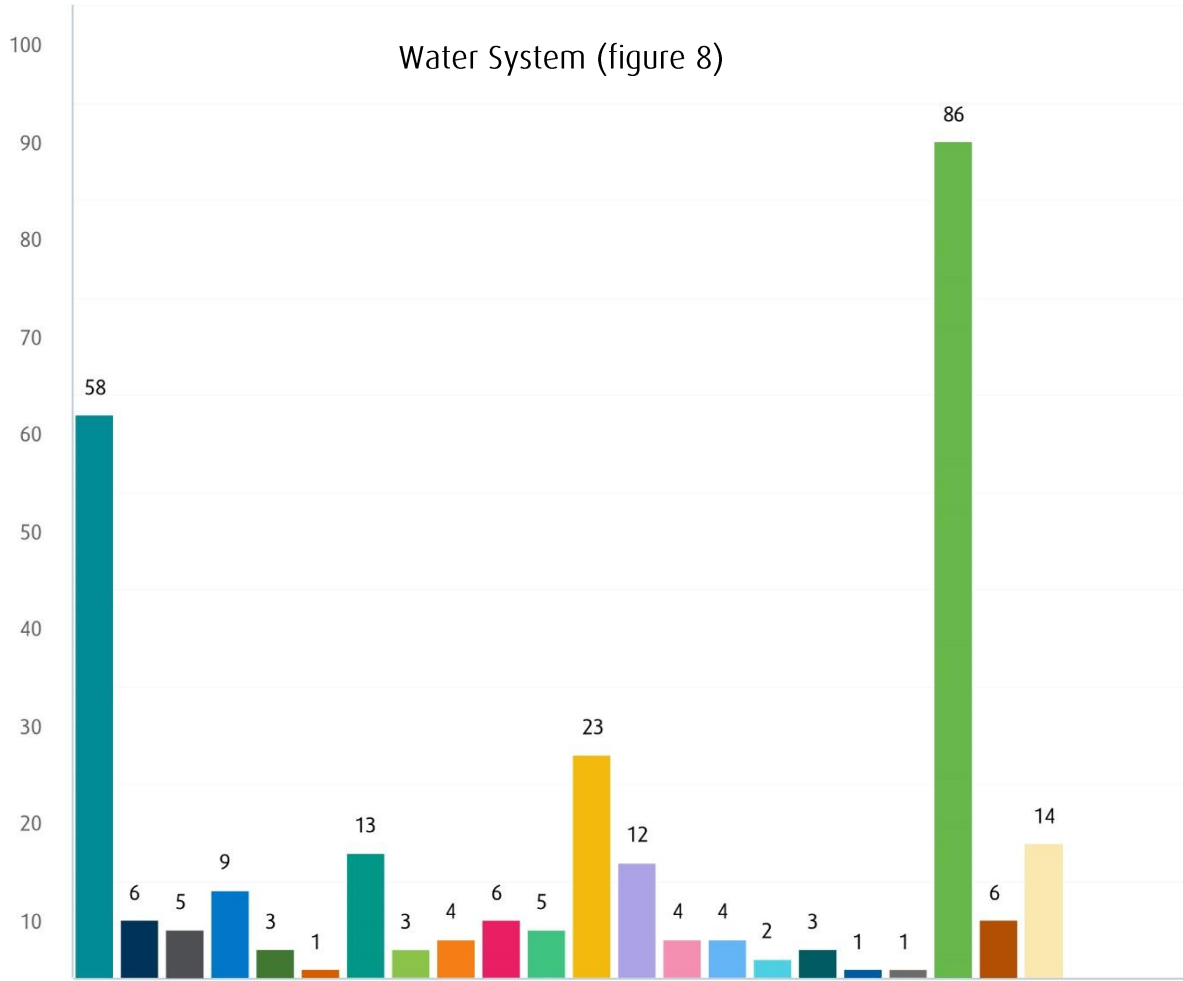


Water System (figure 7)



### Water Service Areas Represented

Respondents were asked whether their “property [is] serviced by a water system operated by either the CRD, an improvement district, or another community water purveyor” (see figure 7). Forty-nine per cent (or 272 out of 560) indicated yes; 50% (282 out of 560) indicated no; and 1% (6 out of 560) didn’t know. The Magic Lake Estates Water System on Pender Island had the most respondents (86), followed by North Salt Spring Waterworks District on Salt Spring Island (58). See figure 8 for the distribution across other water systems.



- North Salt Spring Waterworks District (Salt Spring Island)
- Beddis Water System (Salt Spring Island)
- Fulford Water System (Salt Spring Island)
- Highland-Fernwood Water System (Salt Spring Island)
- Mount Belcher Improvement District (Salt Spring Island)
- Harbour View Improvement District (Salt Spring Island)
- Lyall Harbour - Boot Cove Water System (Saturna Island)
- Saturna Shores Improvement District (Saturna Island)
- Skana Water System (Mayne Island)
- Surfside Park Estates Water System (Mayne Island)
- Mayne Island Improvement District (Mayne Island) Campbell-
- Village Point Improvement District (Mayne Island)
- Bennett Bay Improvement District (Mayne Island) Mount Parke
- Georgina Improvement District (Mayne Island)
- Estates Improvement District (Mayne Island) Galiano Estates
- Sticks Allison Water System (Galiano)
- Improvement District (Galiano Island) Spanish Hills Improvement
- District (Galiano Island)
- Trincomali Improvement District (Pender Island)
- Lake Estates Water System (Pender Island)
- Cedar Lane Water System (Salt Spring Island)
- Gossip Island Improvement District (Galiano Island)
- Razor Point Improvement District (Pender Island)
- I'm not sure

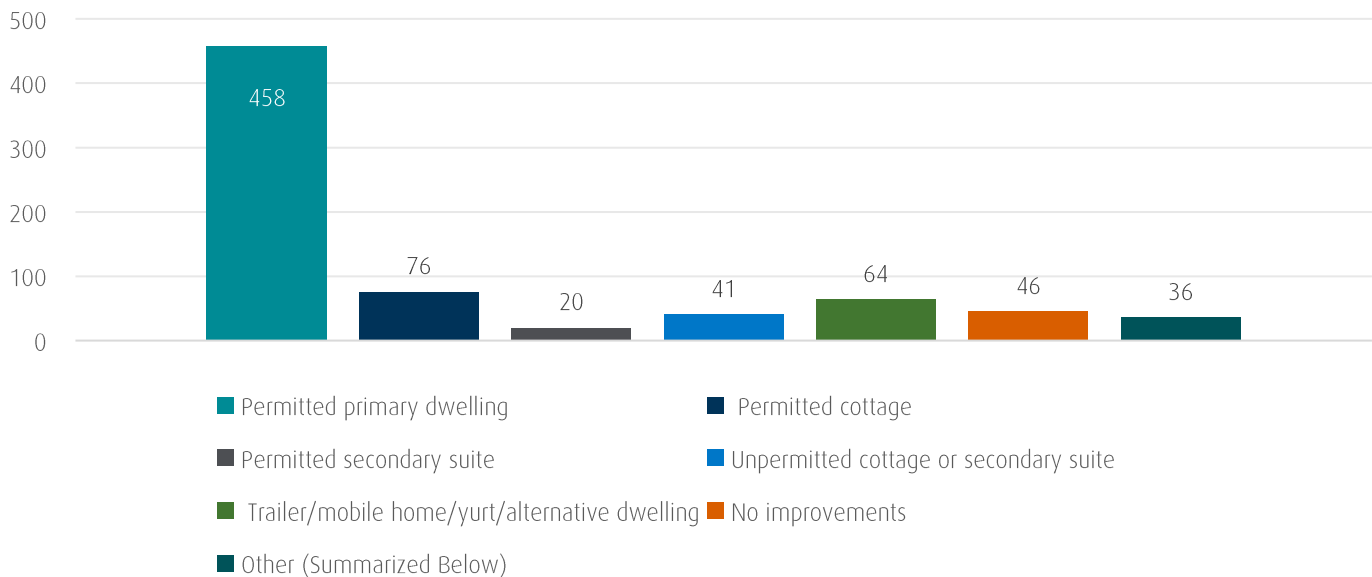
Optional question (268 response(s), 305 skipped)

### Improvements

Respondents were asked “Which of the following improvements does your property currently have? (Select all that apply)”. As shown in figure 9, most responses have a permitted primary dwelling (458 out of 557). Some respondents have a permitted cottage or secondary suite: 76 and 20, respectively. A further 41 have an unpermitted cottage or secondary suite. 64 respondents have a trailer/mobile home/yurt or alternative dwelling. Thirty-six respondents reported ‘other’ and reported a mix of structures and features, some of which are functional while others are underutilized or restricted by zoning regulations:

- Responses about common assets included garages, workshops, artist studios and accessory buildings. Other assets included patios, porches, new septic fields and metal roofs. These assets were a mixture of permitted and non-conforming.
- Some respondents have outbuildings, studios, garages or unfinished suites that could be converted into ADUs. Also mentioned were undeveloped lots with features like wells, hydro or driveways, but no structures or septic.
- Concerns about zoning restrictions, a challenging regulatory environment, and permitting are barriers to ADU conversion.

Property Improvements Already In Place (figure 9)



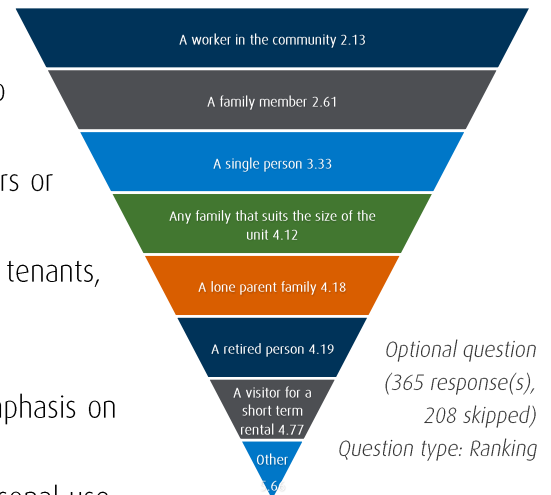
### Renting

Respondents were asked, “are you currently renting any of these residential spaces to a long-term tenant(s)?” Most respondents said no (490 out of 555).

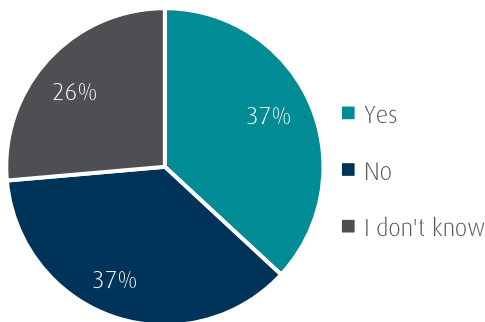
Respondents were also asked “If you are currently or are considering renting out a unit on your property, please rank your preference for tenants (with 1 being the most preferred).” As shown in figure 10, most respondents expressed a preference for a worker in the community or a family member. A retired person or a visitor for a short-term rental was the least preferred of the options provided. A small number of respondents indicated a preference for ‘other’ and elaborated.

- Preferences for tenants who could fill local needs (eg. hospital staff, tradespeople), and long-term tenants who were respectful and reliable. Responses also favoured tenants with limited income who are in need of housing.
- Some owners preferred to keep their properties for family members or want to build units for personal or familial use.
- There is reluctance to rent due to past negative experiences with tenants, legal disputes, or stress associated with being landlords.
- Comments about legal or zoning restrictions preventing rentals.
- Opposition to government interference in property rentals, and emphasis on self-reliance, innovative housing solutions, and minimal regulation.
- Some indicated a disinterest in renting to preserve property for personal use, or neighborhood concerns (e.g., overburdened infrastructure).

Preferred Tenant (figure 10)



### Does your zoning allow more density? (fig 11)



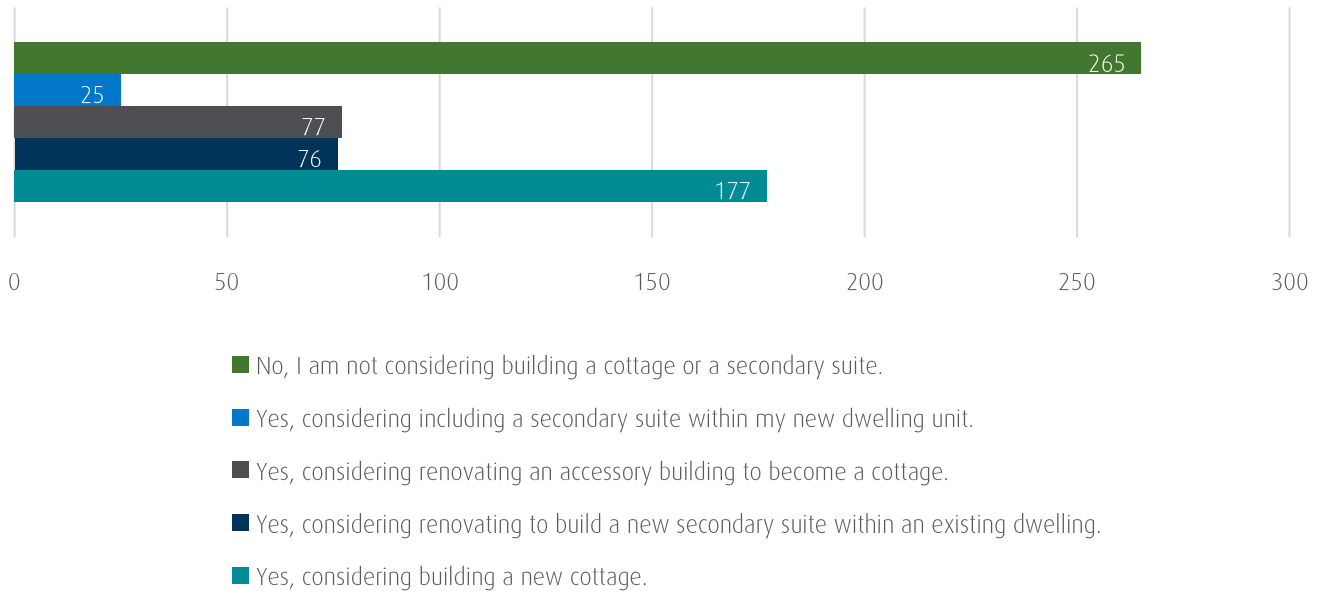
### Zoning

Respondents were asked “According to the zoning rules for your property, are you allowed to build either a new cottage or secondary suite on your property?” The responses were split between ‘Yes’ (37%, or 207 out of 561), ‘No’ (37%, or 206 out of 561) and ‘I don’t know’ (26%, or 148 out of 561) (see figure 11).

### Building an Addition

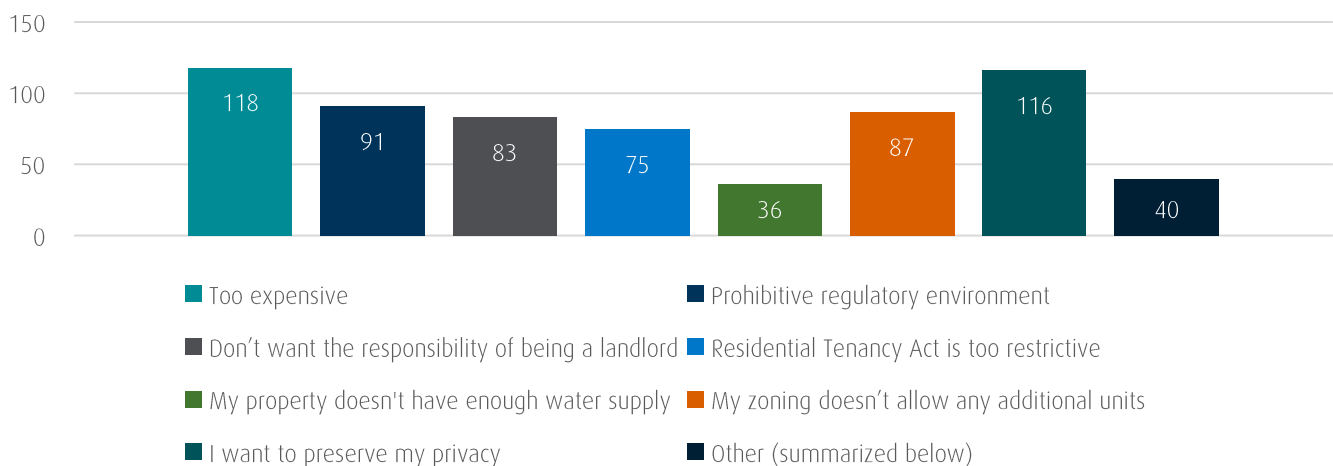
Respondents were asked “Are you currently considering building a cottage or secondary suite on your property? (Select all that apply)”. The majority of respondents said ‘No,’ they were not considering building (265 out of 554), see figure 12.

Are you considering building an ADU? (figure 12)



The remaining were considering building, with 177 considering building a new cottage; 77 considering renovating an accessory building to become a cottage; and 25 considering including a secondary suite within a new dwelling unit. Of those that were not considering building, the reasons given are shown in figure 13.

I am not considering building an ADU because... (figure 13)



Capital Regional District | January 2025

Comments covered the following perspectives:

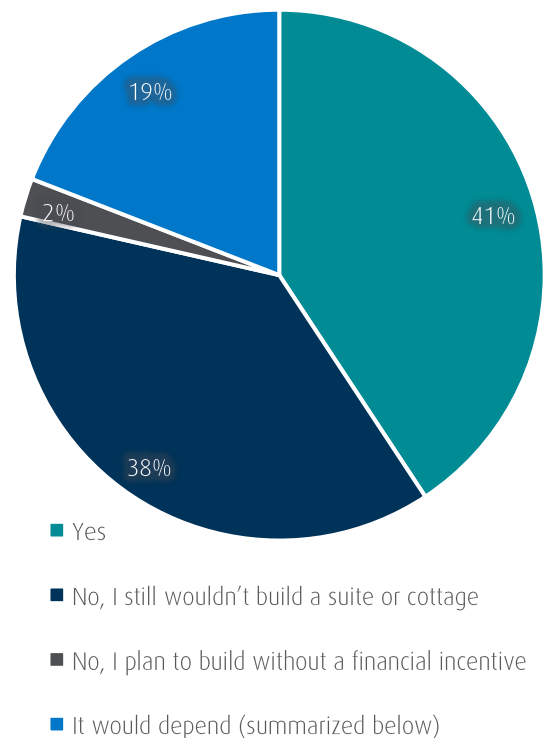
- Comments about excessive regulations, restrictive building codes, and zoning limitations, including restrictions on secondary dwellings, seasonal use only, or minimum lot sizes.
- Concerns about the environment; like limited water resources and overpopulation, as well as impacts to the communities' rural character.
- Concerns about limited infrastructure like healthcare, schools, transportation, septic and water supply. Access to contractors was also an issue.
- Remarks about a lack of space or suitable locations for additional structures.
- Concerns about the responsibility of managing tenants or wanting to keep properties for personal or family use.
- Statements about financial barriers, including high building costs and septic upgrades. Remarks that some properties already include secondary units, cottages, or other accommodations.
- Distrust in government and regulatory bodies, with calls for more flexible or innovative housing solutions.

a. Respondents were also asked "With consideration of your mortgage and other financial constraints, would a financial incentive of \$40,000 be likely to encourage you to build a cottage or a secondary suite on your property?" As shown in figure 14, most respondents said yes (41%, or 226 out of 555). Some respondents indicated that a financial incentive wouldn't encourage them to build an addition (38%, or 210 out of 555) while some indicated that they planned to build without a financial incentive (2%, or 13 out of 555).

b. Some respondents (19%, or 106 out of 555) indicated that whether a financial incentive would encourage them to build an addition would depend. The "it depends" responses reveal a variety of factors influencing property owners' decisions to build secondary suites and cottages, reflecting a mix of practical, financial, regulatory, and personal considerations:

- Comments about restrictive zoning, building codes, permit processes, and limits on secondary suite size as significant barriers. Needs for support navigating the regulatory environment.
- Views that the \$40,000 incentive is insufficient to cover building or renovation costs.

Would up to \$40K motivate you to build? (figure 14)

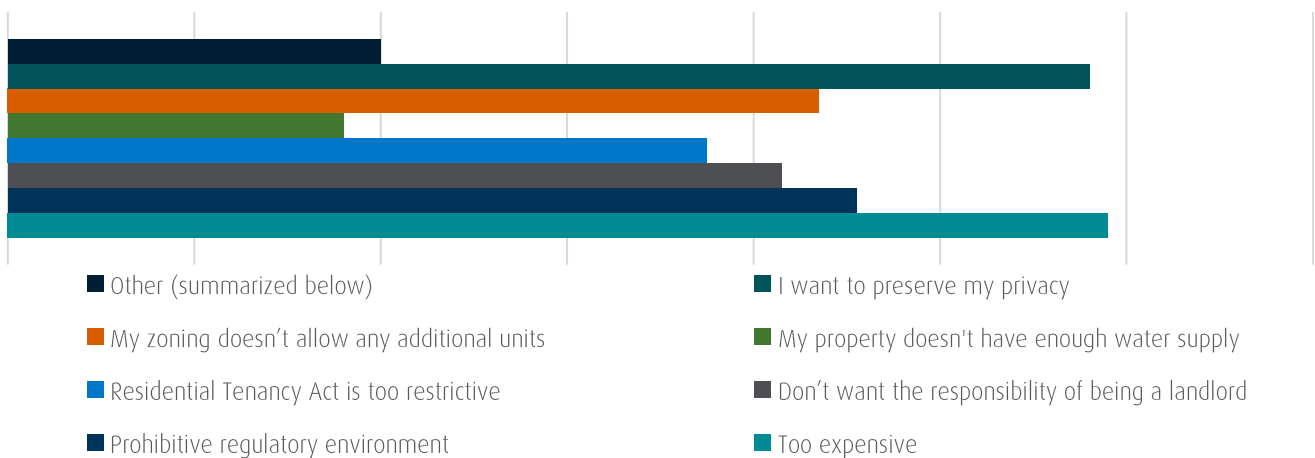


Capital Regional District | January 2025

- Observations on limited availability of skilled trades, as well as the high cost of construction, building materials, and infrastructure upgrades like septic, hydro and water. Some willingness to be owner-builders to reduce costs.
- Some respondents would only consider the incentive if it were a forgivable grant rather than a loan, as they are unwilling to take on additional debt.
- Observations that the long-term return on investment (ROI) and the ability to recoup costs through rental income are critical considerations. Concerns about obligations to rent units at below-market value, caps on rental rates, and the duration and rigidity of rental agreements.
- Perceptions that the Residential Tenancy Act is unfavorable to landlords. Preferences for renting to family members, trusted individuals, or short-term tenants to minimize risks, or using the units for personal use or vacation rentals rather than long-term tenants.
- Suggestions that prefabricated units, modular homes, tiny homes or renovations of existing structures are more viable alternatives to traditional construction. Concerns about water availability, septic capacity, and riparian restrictions in rural island settings.
- Statements that age, health, and time constraints influence decisions to build. Comments about considering the incentive if it aligned with long-term plans, such as downsizing or creating housing for family members.
- Remarks about already owning secondary dwellings and that additional incentives are unnecessary.

c. Those that responded that a financial incentive wouldn't encourage them to build an addition were asked why not. See figure 15 for responses. The options most selected were 'still too expensive' (148 out of 315) and 'prohibitive regulatory environment' (138 out of 315); followed by 'I want to preserve my privacy' and 'Residential Tenancy Act is too restrictive' (118 and 112 out of 315, respectively). The responses least selected was 'Don't want the responsibility of being a landlord' (95 out of 315). Participants could also select 'other'. The "other" responses highlight numerous reasons why financial incentives alone are insufficient to encourage property owners to develop secondary suites:

If no, why not? (figure 15)



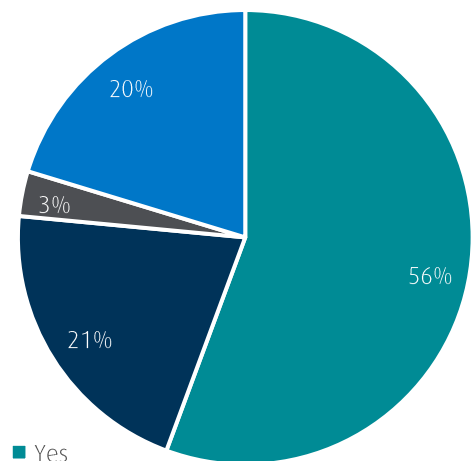


Capital Regional District | January 2025

- Challenges with properties not having zoning or suitability for secondary suites and ADUs. Watershed protections, water board restrictions, and other land-use regulations also barriers.
- Concerns about water shortages, aquifer impacts, and damage to local ecosystems.
- Comments that inadequate infrastructure, such as roads, public transportation, water, and access to services, make the islands unsuitable for additional housing. A few suggested centralized housing solutions closer to amenities is preferable to increasing density in rural or remote areas.
- Observations that a \$40,000 grant is insufficient to cover construction costs, particularly with rising building expenses and requirements for septic, plumbing and water upgrades.
- Comments on how the return on investment (ROI) from renting, after taxes and associated costs, is too low to justify the expense.
- Concerns about taking on the responsibilities of being a landlord, previous negative experience with renters and potential property damage. Openness to seasonal or short-term rentals but wary of long-term tenancy.
- Beliefs that property owners should not be expected to address systemic housing issues caused by long-term policy failures. Assertions that taxpayer dollars should directly support affordable housing projects rather than private property improvements.
- Perception that they'd already addressed rental needs by owning a cottage or a legal suite.

d. Respondents were asked “The Provincial government is offering a secondary suite incentive program, of up to \$40,000. There may be opportunities for stacking incentives. Would a total incentive of \$80,000 be likely to encourage you to build a cottage or a secondary suite on your property?” As shown in figure 16, 296 out of 532 respondents indicated that yes, a \$40,000 incentive would likely encourage them to build an addition. The balance of respondents was split between those who indicated they still wouldn't be able to afford to build an addition (111 out of 532) and those who said it would depend (108 out of 532). The remaining respondents (17 out of 532) indicated they plan to build without a financial incentive. Those that responded ‘it would depend’ elaborated with nuanced perspectives:

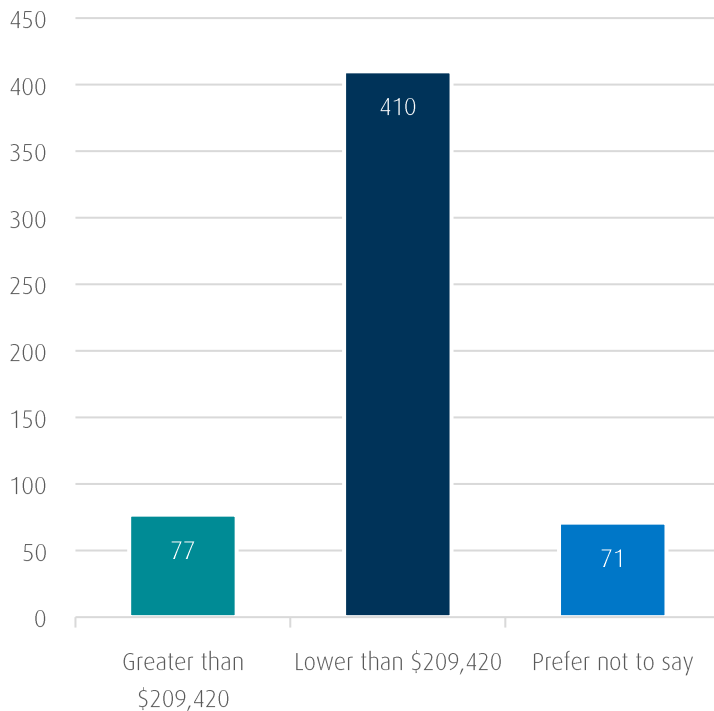
Would up to \$80K financial incentive motivate you to build a rental?  
(figure 16)



- Yes
- No, I still wouldn't build a suite or cottage
- No, I plan to build without a financial incentive
- It would depend (summarized below)

- Zoning restrictions and regulations are barriers to building secondary suites.
- Calls for reforming zoning laws to allow for accessory dwellings, tiny homes, modular homes, trailers, or other flexible options that might be more affordable or feasible.
- Beliefs that addressing systemic housing challenges should be the government’s responsibility rather than that of individual property owners.
- Concerns that \$40,000 would be inadequate to cover construction costs and infrastructure upgrades.
- Assertions that \$80,000 grant or other financial supports, such as tax rebates, would be more appealing.
- Concerns about the cost of infrastructure, such as roadwork, parking, and landscaping.
- Requests for clear terms and conditions for receiving incentives particularly regarding long-term rental obligations and rent controls.
- Expressions of distrust of government programs and skepticism about the strings attached to financial incentives, such as rent restrictions or increased property taxes.
- Comments on valuing privacy, and disinterest in building rental units regardless of financial incentives.
- Preference for housing family members or caretakers rather than renting to the general market.
- Expressions of conditional interest, contingent on revised zoning, simplified permitting, reasonable grant terms, personal considerations like age and health.

Gross Annual Income (figure 17)



e. Respondents were asked “The Provincial Secondary Suites Incentive Program has a maximum income requirement for eligibility. The CRD’s criteria is still under development. Do you have a combined gross annual income of homeowners on title that is higher or lower than annual income of homeowners on title that is higher or lower than \$209,420 (in the previous tax year)?” As shown in figure 17, the majority of respondents (74%, or 410 out of 558) indicated that their income was below the maximum income for eligibility for the Provincial program. A minority of participants (14%, or 55 out of 558) indicated their incomes were too high to qualify for the Provincial program, while 13% (or 71 out of 558) preferred not to answer.

### Additional Comments

Respondents were invited to share additional comments:

- Support for changes to zoning bylaws to permit secondary suites or detached accessory buildings, particularly to address the housing needs of local workers (e.g., healthcare professionals, seasonal workers).
- Concerns that secondary suites or cottages might be used for short-term vacation rentals (STVRs) rather than long-term affordable housing. Calls for purpose-built rental housing and co-operative housing models to address affordability.
- Challenges with current bylaws, the building permit process, enforcement practices, and infrastructure issues (e.g., accessing BC Hydro or water supply concerns). Many called for streamlined processes and better communication.
- Imbalances in land use regulations, where current policies restrict housing options to the wealthy and privileged while limiting opportunities for more equitable housing solutions.
- Doubts that private property owners would rent out secondary units at reasonable rates, suggesting that subsidies and incentives should focus on non-profit housing initiatives.
- Challenges such as financial costs, lack of incentives, and stress associated with providing rental housing.

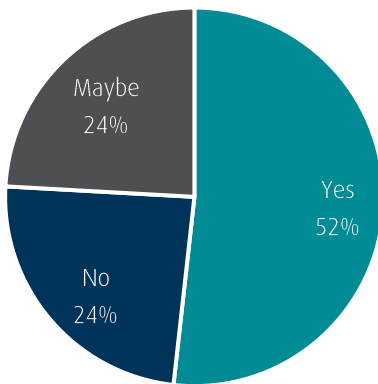


### Appendix B:

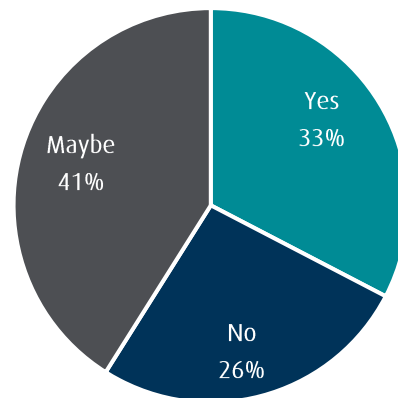
#### Poll Questions

These following poll questions were promoted on social media and were posted on the CRD Get Involved project page: <http://getinvolved.crd.bc.ca/crd-rural-housing-program>.

If you could get a grant, would you build a secondary suite or cottage on your property?



Are you considering building a rental unit?



Would you benefit from having a homecare worker or other support worker living on your property?

