TO: Planning & Development Committee
FROM: B. Newell, Chief Administrative Officer
DATE: August 15, 2013

Administrative Recommendation:
THAT the Board amend the Electoral Area ‘F’ West Bench, Okanagan Lake West Zoning Bylaw No. 2461, 2008 to introduce:

a) a new definition of “carriage house” at Section 4.0 (Definitions);
b) a new set of regulations pertaining to “carriage house” uses at Section 7.0 (General Regulations), including the exclusion of these uses from the study area of the 1992 report “West Bench/Sage Mesa Geological Hazards Review” prepared by Klohn Leonoff;
c) “secondary suites” as a permitted use in the Small Holdings Three (SH3), Small Holdings Four (SH4), Small Holdings Five (SH5), Residential Single Family One (RS1) and Residential Single Family Two (RS2) Zones; and
d) “carriage houses” as a permitted use in the Small Holdings One (SH1), Small Holdings Two (SH2), SH3, SH4, SH5, RS1 and RS2 Zones.

Purpose:
The purpose of this report is to seek direction from the Planning and Development (P&D) Committee on a preferred approach to the expansion of “secondary suites” and introduction of “carriage houses” as permitted uses in the Electoral Area ‘F’ Zoning Bylaw No. 2461, 2008.

Background:
A bylaw amendment application has recently been submitted to the Regional District which proposes to formalize the existence of an accessory dwelling unit on the second floor of a detached garage at 125 Hyslop Drive in West Bench. The applicant has requested that this be done through the introduction of a site specific amendment that would allow for a “secondary suite” in an accessory structure.

In urban, or semi-urban areas, accessory dwelling units in detached accessory structures are generally referred to as either “carriage houses”, “granny suites”, “laneway housing”, “garden suites”, “garage apartment” or “coach houses”. Within the Regional District, the City of Penticton, District of Summerland and Town of Oliver Zoning Bylaws all make allowances for these types of dwelling units and refer to them as “carriage houses”. Accordingly, and as a matter of consistency, this is the term that shall be used to describe these types of dwelling units.

Generally, communities that have introduced “secondary suites” and “carriage houses” as a permitted form of residential use see this as an opportunity to:

- diversify housing stock and add housing choice;
- allow for greater privacy and independence for both the owner and the tenant;
- create a more liveable alternative to basement suites;
- create potential accommodation for extended family or caregivers;
- allow people to age in place and stay on their properties as their lifestyles change over time; and
expand rental housing options for young people, seniors and families while generating rental income for homeowners.

Administration considers these issues of affordability and diversity of housing to be relevant to Electoral Area ‘F’ (as well as the other Electoral Areas) and notes that the OCP Bylaw No. 2460, 2008, does state that the Regional District Board “will review the need to provide more affordable and rental housing using secondary suites, within existing and new areas while maintaining the character of that area, subject to servicing requirements” (Section 8.2.4).

Affordable housing is typically considered to be housing that costs less than 30% of a household’s gross income. Based on 2006 Census data (being the most recently available), the following table shows the maximum monthly housing costs and estimated maximum home purchase prices available to typical households earning the median income in Electoral Area ‘F’.

<table>
<thead>
<tr>
<th>Household Type</th>
<th>Median Income (2005)</th>
<th>Monthly Income Available (30%)</th>
<th>Estimated Maximum Home Purchase Price*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Couples with children</td>
<td>$81,044</td>
<td>$2,026</td>
<td>$340,066</td>
</tr>
<tr>
<td>Couples without children</td>
<td>$52,644</td>
<td>$1,316</td>
<td>$220,636</td>
</tr>
<tr>
<td>One person households</td>
<td>$27,391</td>
<td>$685</td>
<td>$114,157</td>
</tr>
<tr>
<td>Other households</td>
<td>$42,955</td>
<td>$1,074</td>
<td>$179,606</td>
</tr>
</tbody>
</table>

* ADJUSTED TO REFLECT CPI INCREASE BETWEEN 2005 AND 2013

This table assumes a mortgage interest rate of 5.0%, average tax and heating costs in Canada, and a 25 year amortization with a $25,000 down payment.

While it is difficult to obtain real estate statistics for rural areas, data available from the South Okanagan Real Estate Board indicates the average selling price of a single detached dwelling in Penticton between May 2012 and April 2013 was $370,188, whereas a similar dwelling type in Summerland was $343,052. If these figures are assumed to be reflective of trends in Electoral Area ‘F’, individuals who do not already own their dwellings likely face affordability challenges.

The Electoral Area ‘F’ Zoning Bylaw was last reviewed in the late 1990s and is not reflective of more recent policy directions adopted by the Regional District Board. Specifically, the introduction of “secondary suites” as a permitted accessory use in the Rural Zones (i.e. SH1, SH2, SH3, SH4 & SH5) and Low Density Residential Zones (i.e. RS1 & RS2) in Electoral Areas ‘C’ (2002), ‘A’ (2004), ‘E’ (2007) and ‘H’ (2013).

Analysis

Administration considers the submission of the rezoning application for the property at 125 Hyslop Drive to be a pertinent point at which to review the Electoral Area ‘F’ Zoning Bylaw with regard to the provision of “secondary suites” and “carriage houses”. The issues associated with each of these uses as well as the challenges posed by the West Bench / Sage Mesa / Husula Highlands (hereafter referred to as the West bench) areas will be discussed under specific sub-headings below:

Secondary Suites

Starting with the comprehensive review of the Electoral Area ‘C’ OCP and Zoning Bylaws in 2002, the Regional District has applied a policy of introducing “secondary suites” as a permitted use in all Rural and Low Density Residential zones.

As a matter of consistency, Administration generally favours a similar approach being applied to Electoral Area ‘F’ with “secondary suites” introduced as a permitted accessory use in the SH3, SH4, SH5, RS1 and RS2 Zones.
Of concern, however, is the suitability of increasing residential densities in the West Bench of the Electoral Area due to identified geotechnical hazards and the recommendations contained within the “West Bench/Sage Mesa Geological Hazards Review” prepared by the engineering firm of Klohn Leonoff in 1992 (which will be discussed further below).

**Carriage Houses**

Administration considers the merits of allowing “carriage houses” as a permitted use to be akin to that of “secondary suites” in terms of meeting affordable and rental housing objectives under the OCP — subject to the introduction of a density provision in order to limit the number of accessory units to either one (1) “secondary suite” or one (1) “carriage house” per parcel.

The other proviso to this support is that it is recognised that “carriage houses” are generally developed above a garage (or other accessory building or structure) and require a greater building height than what is currently contemplated for “accessory buildings and structures” in the Low Density Residential Zones under the Electoral Area ‘F’ Zoning Bylaw (i.e. 4.5 metres – NOTE: the Rural Zones allow accessory buildings and structures to be constructed to a height of 8.0 metres).

This larger height allowance required for “carriage houses” carries with it the potential to alter the existing character of an area and the amenity of adjacent properties. In those communities that have introduced “carriage houses” as a permitted form of housing, maintaining the character of existing neighbourhoods has been an important consideration and has resulted in a different set of regulations to those applied to “secondary suites”. Specifically, “carriage houses” should:

- be subordinate in size to the principal residence on the property;
- compliment but not replicate the principal residence;
- respect the scale and built form of neighbouring properties; and
- respect the privacy of adjacent neighbours by trying to minimize overlook and shadowing impacts.

In response, “carriage houses” as a permitted use in the Zoning Bylaw should be accompanied by a new series of General Regulations related to their development, such as increasing the maximum building height, but requiring setbacks similar to those of the principle dwelling unit, restricting the floor area to that associated with “secondary suites” (i.e. 90.0 m²), and requiring their development on the second storey of a building.

Similar to ‘secondary suites”, Administration is also concerned with increasing residential densities in the West Bench area of Electoral Area ‘F’ due to identified geotechnical hazards (which will be discussed below).

**Hazard Lands – West Bench Geotechnical**

As a result of development pressures in the 1970s and 1980s, two different geotechnical assessments of the West Bench area were completed. The later of these two studies, the “West Bench/Sage Mesa Geological Hazards Review” (1992) by the engineering firm of Klohn Leonoff was commissioned by the Regional District in order to evaluate the possibility of further development in the area.

A copy of this report is included as a linked attachment (see Attachment No. 1), and it is noted that it found that “the use of septic fields for house wastewater disposal significantly increased the groundwater levels in the silt bluffs and therefore significantly increases the probability of a landslide.”

The report further concluded that “no further development proceed in the remainder of the study area or in the catchment for the study area without suitable measures to control the increase of groundwater levels”, and specifically recommended the following measures:
• restriction of development in the study area and the study area catchment to limit the quantity of water entering the silts and gullies;
• installation of septic sewers, storm sewers, road curbs and gutters and roof and driveway runoff collection to carry water to Okanagan Lake level;
• improvement of water system distribution and maintenance requirements;
• collections of ground water from the sands and gravels downstream of Madeline Lake and use as irrigation or transport to Okanagan Lake level; restriction on construction of swimming pools and ornamental pools; and
• distribution of information to the residential of West Bench and Sage Mesa regarding the potential hazards and associated risks along with methods for mitigating the potential trigger mechanisms.

In response to the recommendations of the Klohn Leonoff Report, the Board adopted Policy No. P3740-00.02 in October of 1992 (see Attachment No. 3).

This Policy requires a report certified by a Professional Engineer with experience in geotechnical engineering prior to the issuance of a Building Permit for any development within the zones identified as 1, 2, 3, 4 and 5 by the Klohn Leonoff Report (see Attachment No. 2).

Under this Policy, the Professional Engineer is required to prepare a detailed report to determine and certify that the land may be used safely for the uses intended and to assess the impacts of the proposed development on adjacent and downstream lands.

Administration is concerned that the introduction of “secondary suites” and “carriage houses” into the Zoning Bylaw could effectively double the permitted density and use of septic fields in the West Bench. Such an increase in density is seen to be inconsistent with the recommendations of the Klohn Leonoff Report and the Electoral Area ‘F’ OCP, which states that:

development will be directed away from those lands which may have a potential natural hazard, soil instability, or have been identified as hazardous … specifically but not limited to, the lands identified in the West Bench/Sage Mesa Geological Hazards Review (1992).

**Options**

Administration considers that there are a number of options that could be pursued by the Board in relation to “secondary suites” and “carriage houses”:

**Option 1 — Status Quo**

That the Board resolves to not initiate an amendment to the Electoral Area ‘F’ Zoning Bylaw to introduce “secondary suites” and “carriage houses” in all of the Rural and Low Density Residential Zones.

Under this option, any proposal seeking approval for a “secondary suite” or “carriage house” would need to be addressed on a case-by-case basis through a formal rezoning application.

**Option 2 — Initiate Bylaw Amendment**

That the Board resolves to initiate an amendment to the Electoral Area ‘F’ Zoning Bylaw to introduce “secondary suites” and “carriage houses” in all of the Rural and Low Density Residential Zones, to introduce a new set of general regulations related to “carriage houses” and to introduce a new definition for “carriage houses”.

With regard to the identified geotechnical hazards associated with the West Bench area, the following options are available:
Sub-Option ‘A’ — Prohibit in West Bench

Prohibit “secondary suites” and “carriage houses” in the West Bench area.

This option is seen to be the most consistent with the recommendations of the Klohn Leonoff Report and the OCP.

Sub-Option ‘B’ – Regulate in West Bench

Regulate “secondary suites” and “carriage houses” in the West Bench area through the introduction of a Development Permit (DP) Area under Section 919.1(1)(a) — protection of development from hazardous conditions — of the Local Government Act.

This DP Area could be structured so as to make these uses contingent in the Class 2 (“Sinkhole”), Class 3 (“Silt Bluff”), Class 4 (“Gravel”) and Class 5 (“Bedrock”) areas identified in the Klohn Leonoff Report, subject to a geotechnical report prepared by a suitably qualified individual.

Administration is concerned that this may be inconsistent with the recommendations of the Klohn Leonoff Report, and that site specific geotechnical assessments done in support of individual “secondary suite” and “carriage house” proposals may not accurately capture the cumulative impact of new and/or expanded septic systems in the West Bench over the long-term.

Sub-Option ‘C’ – Permit in West Bench

Permit “secondary suites” and “carriage houses” in the West Bench area by introducing them as allowable accessory uses.

This option is seen to be the least desirable and contrary to the recommendations of the Klohn Leonoff Report as it could allow for an effective doubling of density in the West Bench without the possibility of any mitigating requirements to address slope stability or groundwater levels.

Administration is also concerned that such an approach would legalise a number of units in the West Bench without the benefit of any sort of geotechnical assessment to ensure that the use is appropriate given local site constraints.

Option 3 — Defer to OCP Review

With the recent cancellation of the preparation of an Official Community Plan (OCP) for Electoral Area ‘B’, Administration is anticipating that the review of the Electoral Area ‘F’ OCP will be commenced in 2014. The Board may wish to defer consideration of the introduction of “secondary suites” and “carriage houses” to this process.

Recommendation

Administration favours initiating an amendment bylaw to introduce “secondary suites” and “carriage houses” as permitted use in the Rural and Low Density Residential Zones (Option 2), but to prohibit these uses within the West Bench area — in accordance with the recommendations of the Klohn Leonoff report (Sub-Option ‘A’).

With regard to the current rezoning application for 125 Hyslop Drive, the above recommendation would not be supportive of this proposal.
Respectfully submitted:

C. Garrish, Planner

Attachments:  
No. 2 — Klohn Leonoff Report “Study Area Zone Plan”  
No. 3 — Regional District Board Policy No. P3740-00.02