

GROUND-ORIENTED SMALL SCALE RESIDENTIAL DEVELOPMENTS

DECEMBER 9, 2024

BACKGROUND

At the September 23, 2024, Special Committee of the Whole, the Committee recommended that Council direct staff to report back with an impact assessment on the Ground-Oriented Small Residential Development proposal. This motion was ratified at the October 7, 2024, Council meeting. This initiative is associated with two items listed in the “potential future projects” of the Council Priorities Plan, namely “Townhouse Zoning Incentive Program” and “DADU Housing Simplification Program”.

Ground-Oriented Small Scale Residential Development includes any built housing form where access to the unit is directly accessible to the ground. This housing form includes single detached dwellings (not part of this study), duplex dwellings, townhouses, and detached accessory dwelling units. This type of housing could respond to the perceived demand for more family-sized units with three or more bedrooms.

The Official Community Plan encourages the development of this form of family oriented housing. Recent amendments to the *Local Government Act* also encourage Small Scale Multi-Unit Development. These developments are expected to cater to families. While this form of housing is attractive to families, developers have noted that lower profit margins on these types of projects make them vulnerable to the impact of regulation and permitting processes that can hinder development. Some of the barriers identified by developers include the following:

- requiring fire sprinklers for building with more than four units;
- using subjective design guidelines;
- requirement for underground electrical and communications services;
- use of “shall” instead of “should” in some sections of the Official Community Plan related to this form of housing;
- limits on Floor Area Ratio for townhouse developments with more than four units;
- requiring the owner to live in either the principle dwelling or detached accessory dwelling unit (DADU). Some residents have reported that mortgage companies refuse to approve loans on properties with this criterion thereby blocking the project; and
- requirements to provide a minimum amount of usable open space;

Many of these barriers within the control of the Township. In response to the concerns raised by developers and the demand for this type of housing, Council wishes staff to consult with developers

of this form of housing and nearby municipalities, then propose bylaw amendments and process improvements that will help make this form of housing more viable to build.

PROJECT SCOPE

The scope of this project includes:

- Hiring a consultant with a background in small scale residential development.
- Conducting key informant interviews and focus groups with developers who build this scale of housing to get a better understanding of the challenges they face.
- Reviewing those barriers that have been identified and are in the control of Esquimalt and determine if they can be lowered or eliminated.
- Doing a scan of other municipalities in British Columbia to look for and identify best practise.
- Preparing a draft report that outlines the barriers to the economic feasibility of building this form of housing and recommendations for overcoming or eliminating those barriers.
- Circulating the draft report to stakeholders, the Advisory Planning Commission, and the Design Review Committee for review.
- Revise the draft report in response to the stakeholder’s review.
- Prepare a final report for ratification by Council.

PROJECT SCHEDULE

Based on existing workload and available resources, the estimated project schedule is outlined in the table below. Advancing the schedule would require reprioritizing or rescheduling other projects or commitments.

Project	Start	Finish
Request for Proposals and award of contract	Q4 2025	Q4 2025
Commence consultations with stakeholders	Q1 2026	Q2 2026
Scan for best practices in British Columbia	Q1 2026	Q2 2026
Prepare draft report based on stakeholders’ consultation and scan of best practices	Q3 2026	Q3 2026
Circulate draft report for public comment including	Q3 2026	Q4 2026

referring it to the APC and DRC.		
Prepare final report based on comments received during the circulation period	Q4 2026	Q1 2027
Present final report to Council for ratification	Q1 2027	Q1 2027

STAFF IMPACT

Without any changes to current commitments or schedules, staff do not have the capacity to progress with this project in this term of Council. Alternatively, if the project is led by Development Services and executed by a consulting firm, this project is achievable. Development Services staff will need to prepare the request for proposals, assemble all the supporting material, and manage the consulting contract. This is expected to require an average of 4 – 10 hours per week of staff time. The consulting firm will likely require 120 to 160 hours of billable time. This will include background research, interviewing key informants, running focus groups, preparing background information, preparing a final report, and presenting findings to staff and Council. The contract will be managed by the Director of Development Services with back up from the Manager of Development Services and the Policy Planner.

Supporting staff will include:

- Director of Engineering and Public Works
- Manager of Engineering
- Fire Chief or Assistant Fire Chief
- Building Inspector

STAKEHOLDERS/POTENTIAL PARTICIPANTS OR DEPENDENCIES

The following is a list of potential stakeholders:

- Developers,
- Building contractors,
- Quantity surveyors,
- Architects and building designers,
- Planning consultants,
- Bankers,
- Development finance experts,
- Building systems safety experts,
- Structural engineers,

- Planning/Development Departments of neighbouring municipalities,
- Urban Development Institute,
- Potential purchasers,
- Realtors, and
- Other related professionals

PROJECT RISK MANAGEMENT

The greatest risk is that Development Services does not have time to manage this project due to workload. Priority projects include the Development Capacity Study, amendments to the Official Community Plan, Health Needs Assessment, and the Municipal Building Greenhouse Gas Study. This is on top of processing of land use applications, answering public inquiries, and partaking in several internal and external committees.

FINANCIAL IMPACT

An operating budget supplemental budget request for the of \$50,000 is anticipated for 2025.