

Islands Trust Housing Needs Assessment

A step towards a Comprehensive Affordable Housing Strategy for Salt Spring Island

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THE REAL ESTATE
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Islands Trust



CAPITAL
REGIONAL
DISTRICT

Salt Spring Island's Affordable Housing Continuum

Emergency / Cold
Weather Shelter

Housing for the
Homeless and/or
Special Needs

Housing for those
at Risk of
Homelessness

Housing with
Rental Assistance

Market Rentals or
Entry-level
Homeownership

This Affordable Housing Needs Assessment was commissioned by the Salt Spring Islands Trust in May, 2008. The final report was received by the Salt Spring Island Local Trust Committee in December, 2009.

The intent of this report is to provide the Salt Spring Island Local Trust Committee, housing providers (non-profit and private), and the general community with an objective view of the current and forecasted affordable housing situation on Salt Spring Island.

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Islands Trust Housing Needs Assessment – Phase II

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INTRODUCTION

This Housing Needs Assessment was commissioned by the Islands Trust for the purposes of gaining a better understanding of Salt Spring's housing needs, and to confirm (or modify) and to quantify the *perceived* community's affordable housing needs.

Housing needs change over time, in response to changes in demographics, new housing supply, and various economic and social conditions. This Housing Needs Assessment can be used as a baseline, and if updated periodically over the years, can help ensure that the housing strategy and policies continue to meet the community's changing needs. In the short term, the results from the proposed Housing Needs Assessment can be an important tool in assisting the Local Trust Committee with any OCP and or Land Use Bylaw changes related to affordable housing policy. Over the longer term, it can also help guide their land use decisions relating to re-zoning applications and requests for increased densities for housing. It can also be of benefit to affordable housing providers in targeting their development proposals to areas of greatest community priority and need, and objectively demonstrating this need to potential funding partners.

Phase I of this Housing Needs Assessment was issued in October 2008. It provided a general overview of the housing market, an examination of the current demographics, an estimate of the price range of housing that would be affordable to this population and a general overview of the community's existing housing supply. The intent was to identify how the housing stock matched the financial means of the community, and identify gaps in the supply.

This report represents Phase II of the Housing Needs assessment. Its primary goals were to seek community confirmation about the key findings of Phase I, and provide an update to the housing market conditions in light of the recent economic downturn. This report also provides a summary population forecast to assist the Trust in helping the community create a collaborative affordable housing strategy.

To assist the Trust in the initial planning stages of a comprehensive affordable housing strategy, this report also outlines a strategy development process that local governments typically follow. This section of the report relies heavily on research conducted by CMHC of best practices from across North America.

The resulting full Housing Needs Assessment is intended to be a snap shot of the housing situation and needs, which should be reviewed and updated regularly over the years in order to assist the Islands Trust in directing strategies and land use decisions to give priority to the most critical housing needs identified. Ideally, the housing policies and the resulting strategy will reflect the need for ongoing monitoring of affordable housing and the regular update of relevant aspects of the Housing Needs Assessment in order to measure the success of the community's housing strategy, and/or make any required modifications if the intended improvement in affordability is not achieved.

This report should be read in conjunction with the Phase I report, which provides much of the background information and analysis upon which Phase II is based. A summary of the conclusions from Phase I are provided on the following page, and a full copy is provided as an appendix.

Housing Needs Assessment - Phase I (2008)

It is widely recognized that housing on Salt Spring Island is extremely expensive and not affordable to many island residents. The purpose of Phase I of this needs assessment was to research the basic demographic and housing supply information, and to identify if the perceived shortcomings in the housing market are corroborated by the statistical information that is readily available. Some reliance was placed on anecdotal information as well, particularly in some of the more difficult to quantify areas.

Essentially, the research confirmed virtually all the perceptions about a crisis of affordability, and the critical and increasing need for more affordable housing to satisfy Salt Spring's population's most basic requirements.

Home and land prices have increased very dramatically over recent years, and ownership is beyond reach of most renters. There is a large gap in the supply of homeowner housing that is attainable to the general population, based on their incomes. Generally the available supply of housing is at least double the price that would be affordable to a median income earner on Salt Spring Island.

Trends in incomes are exacerbating this problem; there are increases in the number of residents of very low incomes, declines in the number of low to moderate income earners, and sharp increases in the number of residents with very high incomes.

The supply of rental housing is in very short supply, often in poor condition, and likewise very expensive. A portion of the rental supply is available only seasonally, as tenants are vacated to allow non-resident owners either to spend their vacations on Salt Spring, or to capture the more lucrative (but generally not legal) vacation rental market. There have been decreases in the number of market rental properties, with some, but few non-market rental units developed with government assistance. These non-market rental projects often report full occupancy and sizeable wait lists.

Employers in all sectors reportedly experience labour shortages due to housing affordability challenges of employees and potential employees. This appears to be a factor in the decisions of many young families who choose to leave the island, or move off-island and commute back to work. Clearly this out-migration of families would be a significant contributor to the reported declines in permanent resident school enrolments. These important labour shortage and school enrolment issues that were reported are to be further explored in Phase II of the Housing Needs Assessment.

Many individuals and families are increasingly at risk of homelessness, as their tenure is insecure and a very significant portion of their incomes are dedicated to shelter costs. There are substantial numbers of residents that struggle with rental costs, but single-parent female-led families with children appear to be one of the populations exhibiting the most urgent need.

There have been reports of a very significant increase in the number of homeless persons on Salt Spring, the great majority of who are originally from this area. While a large number of the homeless population is harder to house because they need additional supports, it is reported that an increasing number of persons and families with children are becoming homeless due to simple economic factors. While challenging to quantify, and often based on anecdotal evidence, this is the most critical and urgent need identified during the research undertaken for this report.

A full copy of this Phase I report is located in the Appendix.

Housing Needs Assessment - Phase II (2009)

Phase II of the Housing Needs Assessment largely confirmed, in most areas of inquiry, the findings of Phase I, which concluded that:

There is a critical and increasing need for more affordable housing to satisfy the Salt Spring population's most basic requirements. There is a large gap in the supply of homeowner housing that is attainable to the general population. The supply of rental housing is in very short supply, often in poor condition, and likewise very expensive, a portion of the supply is only available seasonally. There is an increase in homeless persons, many whom are harder to house because they need additional supports.

Essentially, this report confirms that affordability is a problem throughout the entire continuum of affordable housing, and it affects virtually all segments of the population. While some populations are clearly in more urgent need, Salt Spring does need a new supply of a wide range of housing types, price ranges and tenures.

A Housing Needs Assessment is a snapshot of the housing situation at one point in time, and is not sufficient by itself to determine what a community should do next in terms of solving its housing affordability problems. What this report does do, however, is to identify a number of housing issues that should clearly be priorities in the short term if possible, but it also identifies some issues that were less clear and/or where there were differing views from the members of the community that were consulted.

Reconciling some of these differing views may be desirable during the development of the affordable housing strategy through further research and/or consultation, although this may not be possible or even necessary; we have a diverse community and a diversity of views and opinions is to be expected.

Since, as mentioned previously, what is clear is that Salt Spring needs to increase the supply of affordable housing in virtually every category, there is less need to have consensus in the community about 'the' greatest need, or 'the ideal number' of any particular form of housing. It is accordingly neither practical nor necessary to continue performing additional research in attempts to determine the exact inventory of various existing housing supplies, or the exact or ideal number, location, or type of any new supply needed.

Rather, an ideal outcome at this stage would be to get general agreement on some *achievable* priorities from stakeholders as part of the affordable housing strategy development process. Since it is very clear that we need affordable housing in every category identified and for most household types and sizes, goals can be modest across a number of priorities. They can be designed to tackle a number of needs, which would encourage buy-in and commitment from the broader community, as well as provide a high likelihood of achieving success.

A scheduled update of the need and market conditions in the relatively short term can then be a mechanism to confirm or modify these priorities, as well as measure success towards achievement of the stated goals. This then gives the community the tools it needs to 'stay the course' or to modify its plans if the intended results are not achieved, circumstances changes, and/or other opportunities present themselves.

Key findings of Phase II of the report which can be used to help direct priorities are summarized on the following pages, and then detailed in the balance of the report.

Demographics

Salt Spring's population is expected to continue to grow at a steady rate over the next 30 years, with a cumulative increase of 30% over 2006 census figures. The largest increases are expected to be in the seniors' populations, particularly the most elderly. The number of households is forecast to grow more quickly, indicating a trend towards smaller household sizes.

BC Assessment reports that non-resident ownership of residential properties is approximately 22%, with an increase of 21% in the number of properties between 2005-2009. While this number, in and of itself, may not be particularly relevant, trends over a longer period of time and/or an evaluation of the nature of the properties owned may provide useful insight into affordability issues.

Housing Supply

The economic slow-down in 2008-2009 did appear to have affected the number of home sales on Salt Spring Island, with downward pressure on prices. However, the value of homes available for sale through MLS continued to climb (Sept 2009 average \$1,001,700, median \$749,000), which is effectively unattainable for most of Salt Spring's population. There was no obvious softening in the rental market, and as may be expected, a significant number (20%) of the current rental listings (Sept-Oct 2009) were advertised for the winter only.

There are 11 affordable housing projects currently proposed on Salt Spring, in various stages of development. Most are either in very preliminary stages, or on hold due to funding or other challenges, with only 3-4 projects (potentially 25-28 units) expected to have any likelihood of proceeding in the short-medium term.

Community Consultations

Consultations with the community were focused on interviews and surveys of "Key Informants", who are individuals in the community with particular knowledge of Salt Spring residents and their housing needs. A total of 25 individuals were consulted, representing 14 essential service agencies, employers, non-profit housing providers, social service providers, one church and one foundation.

The focus of the consultations was to seek confirmation of the primary findings of Phase I of the Housing Needs Assessment regarding the most urgent needs, to solicit their views on some of the reasons for these housing challenges and to get some ideas on what type of housing may be needed.

The Most Urgent Needs

Most, but not all, agreed that housing for those who are homeless, or at risk of homelessness is the most urgent need. There was widespread agreement that many of the housing challenges faced by this segment of the population are not merely economic, but rather a complex combination of low income and mental health issues (including addictions).

There is a serious need for housing that meets both the affordability thresholds for those on social assistance or disability pension (\$375/month) and provides integrated social services that can help ensure success in their housing. The form and location of housing should also be given important consideration.

Families with Children

The results of Phase I indicated that families with children, particularly single parent families were especially vulnerable to housing affordability problems. While many of our interviewees (particularly the social service providers) confirmed this perception, overall responses provided a more complex picture of the needs of families.

There is no question that many families are struggling with housing affordability, and there were numerous reports of families leaving Salt Spring due to this. However, there were also reports (particularly from employers) that most of their workforce does have stable and reasonably affordable housing. Further probing led to the hypothesis that there are two distinct groups of families on Salt Spring – those that are long-time residents who had the opportunity to get into the housing market when the average wage-earner could afford to purchase housing, and those who are newer to the Island and/or have traditionally been renters. It is this latter group that is generally not in a position to purchase a home and who may be faced with insecurity of rental tenure and/or challenges with affordability.

Sub-Standard Housing and Insecure Tenure

Key informants confirmed reports of sub-standard housing, expressing widespread distress about some of the conditions that people are living in. These reports represented some of the most compelling information received in the interviews, including many situations where health and safety are seriously affected. Interviewees reported that many tenants do not complain or move because there are no alternative affordable options. Users of the extreme cold weather shelter are reported to be primarily those whose housing may be stable and affordable, but is in such poor condition that it is un-inhabitable in very cold weather.

Several interviewees confirmed that seasonal evictions are an issue for many families and individuals, forcing many to camp or find temporary accommodation while owners return during summer months, and until 'winter rentals' become available again. This was supported by a review of the current listings of rental accommodation, with 20% clearly identified as available only until late spring or early summer.

Population Diversity and Incomes

Many key informants expressed concerns that housing affordability problems are leading to a loss in valuable diversity in our population, as lower (and even many moderate) income families are unable to stay on Salt Spring. Likewise, many new families are unable to settle on the island, or choose not to because they are unable to purchase housing.

The concern about the influx of wealth (particularly retirees) relates to not only the resulting gentrification and inevitable upward pressure on the price of housing, but also as it relates to community values and integration.

Many who work with lower income residents report that *poverty* is the biggest cause of homelessness and affordability problems. There is very little housing available to the lowest income residents, and even many of the 'affordable' units are not attainable to those on social assistance or disability pensions.

Housing for Residents with Special Needs

The strong need for housing for those with special needs was brought to our attention by several key informants. This would include housing for those with physical disabilities, with brain damage, with mental health issues and/or those with addictions. While there is no suggestion that there is a single solution to these housing needs, the common thread is the need for supportive services either on-site or on an outreach basis. There are also design implications for both the residents and the service providers.

A need for housing for youth who do not live with their families was also identified, as they often have difficulty finding accommodation in the private market. Youth housing may or may not need supportive services, but it does need to be safe and appropriate. The need for an emergency shelter dedicated to youth was also identified.

Location and Tenure

While there was strong support for the merits of locating housing in or near Ganges, the introduction of the bus service appears to have made many respondents receptive to other locations as long as they are along the bus line. A strong majority (80%) of respondents felt that access to public transportation was a very important locational feature for affordable housing.

While there was some interest in home ownership, the need for rental housing was overwhelmingly supported as the most realistic and appropriate tenure to meet our greatest needs.

Seniors Housing

The results of Phase I indicated that seniors (with the possible exception of 'south-enders') were reasonably well served with the relatively large number of new supportive units introduced in recent years.

This was not borne out in the interviews conducted. It was generally the respondents' views that most of this housing is not affordable to many of our community's seniors, and we heard reports of urgent current needs for affordable units for low income seniors. Many of the seniors are long-time residents who don't want to leave the island, and rental rate increases and eviction are increasing worries for those who do not currently own their homes. There were reports of seniors living in sub-standard housing, with few other options.

Housing for lower-skilled and lower-income female seniors was identified as a particular need, as was the need for housing for harder to house seniors who may have various disabilities, suffer from mental illness and/or have active addictions.

Legalization of Suites and Cottages

There was very strong support for the legalization of suites and cottages as part of the solution to our affordable housing problems. Respondents were very clear and consistent in their responses, however, that there should be conditions attached to these approvals – the units must be *kept* affordable, and their standards and condition of the units must be maintained.

When pressed about the possibility of losing housing spaces because some owners might not pay to make the changes required by inspection, all said that it was worth the risk, reiterating that some of the conditions are inhumane and the community should not continue to turn a blind eye.

The Islands Trust Role

Key informants expressed a strong positive reaction to the Trust's efforts in seeking solutions to the housing affordability problem, but express less confidence that it will be able to be effective in enacting solutions. Some of this apprehension may be based on a lack of understanding about what the Islands Trust can actually do under its mandate and regulatory limitations; however it does identify an opportunity for the Trust to take these perceptions into consideration when developing a communication and public education strategy as part the community's Affordable Housing Strategy.

One common theme that emerged was the view that the Islands Trust could take as strong, clear, pro-active partnership approach with stakeholders, and provide assistance in navigating the regulatory process of development. Regulatory requirements and processes were sometimes viewed as barriers to the development of affordable housing, possibly (at least in part) because of the lack of a *common* understanding of the requirements. Proponents of most affordable housing projects are volunteer-based non-profit societies, and could benefit from assistance in furthering their proposals through regulatory systems, both locally and provincially.

Another common suggestion was that the Trust could take a leadership and educative role in the community, particularly but not limited to the "NIMBY" (not in my backyard) reaction to neighbourhood change when affordable housing is proposed. This role could contribute to the general understanding of how stable and affordable housing is a benefit to the whole community, encouraging wider public support for new affordable housing development.

There were many other very specific suggestions from interviewees, which should be evaluated and considered in the development of an affordable housing strategy for the community. While recognizing that some of these suggestions may be outside the mandate or ability of the Islands Trust to implement, some of the more common, or those we felt most relevant are as follows:

- Develop in-house expertise about affordable housing;
- Convene people and organizations who are working in this area and facilitate a cooperative relationship among all parties;
- Help find funding for and establish some kind of "housing resource centre" which could meet a number of needs including information, referrals, perhaps a location for the landlord tenancy branch to base someone here for a couple of days a month;
- Legalize suites and cottages, but only with conditions to ensure ongoing affordability and adequate condition;
- Give incentives, such as more reduced fees, tax requisitions (like for the pool), fund legal fees for legal review of covenants and housing agreements, provide grants;
- Fund enforcement of standards and bylaws;
- Develop a clear target of achieving certain units, in certain locations, within a certain timeframe;
- Allow more subdivisions and greater building height limits;
- Ensure that mechanisms are in place to maintain affordability over time;
- Surcharges on the construction of larger residences;
- Better working relationship with the CRD;
- Lobby other levels of government;
- Explore mechanisms for legalizing trailers on a temporary or permanent basis.

Affordable Housing Strategy

In the absence of traditional senior government funding for affordable housing development, local governments and community groups are increasingly collaborating and finding creative partnership solutions. The Islands Trust could play an effective role in some of the solutions by developing a comprehensive affordable housing strategy with specific housing goals, utilizing their land use tools, and playing a leadership role in encouraging other stakeholders to promote development.

A comprehensive affordable housing strategy should be based on the need and demand of the community as established and monitored on an ongoing basis through a formal Housing Needs Assessment process. Public participation and consultation is key throughout the process to ensure that action plans developed meet the needs and priorities of the community.

Successful implementation of the strategy must recognize that it is an ongoing process, with both short and long term goals that are prioritized and scheduled. Partnerships with a wide range of stakeholders is a very important aspect of implementation, and the Islands Trust can play a key role in encouraging and facilitating these relationships. A formal process for monitoring outcomes should be developed, to allow for changes or adjustments as required. There are some limited funding opportunities available to assist with the development and implementation of this strategy.

Demographics and Age 2001-2006

Categorizing the population according to age can be helpful as an indicator of housing need as, for example, families have different needs than seniors. Current demographic data, along with recent trends can provide useful insight into current housing needs, and may help explain any gaps between the population's need and the current housing supply.

Phase I identified some key age aspects of the demographics that would affect housing need and that can be forecast into the coming decades. An analysis of these anticipated changes can assist in understanding likely future housing need for policy and housing strategy purposes.

First, the Salt Spring population is much older than both the CRD and the provincial averages. As many wealthy Canadians have chosen Salt Spring Island for their retirement, this higher income can be expected to exert an upward pressure on housing values. Over the last 5 years (2001-2006) early retirees and the 75+ age groups have experienced increases far in excess of growth rates in either the CRD or the Province. This is expected to continue at a much faster rate through at least 2036, as detailed further below.

Phase I data indicated that there are far fewer young families and school aged children on SSI compared to BC, and that these numbers have declined significantly faster than the provincial average. It is widely believed that very high housing prices are, at least in part, responsible for this trend, with reports of young families leaving Salt Spring, and many commuting back to Salt Spring Island to work. Population forecasts, however, anticipate a reversal of this trend in the coming 30 years, as detailed further below.

During the conduct of Phase II interviews, School District personnel confirmed that, in spite of increases from the foreign exchange programs, school enrollment has declined by about 10% since 2001.

Demographics and Population Forecasting

While current housing policy and priorities should be driven by the current population, an effective long-term housing strategy must also anticipate long-term changes to need as driven by changes to population demographics.

While population forecasting is not an exact science, BC Stats performs small population projections, published as 'P.E.O.P.L.E' statistics (Population Extrapolation for Organizational Planning with Less Error). These forecasts use area-specific fertility, mortality and migration assumptions based on past conditions. Accordingly, these forecasts are not necessarily what will be, as unforeseen changes in economic factors, government policy, and land use and zoning will affect future populations.

The 2008 'P.E.O.P.L.E' publication provides the following context for its population forecast:

"The Gulf Islands 'Islands Trust' exists to ensure that the Islands maintain their character and this control over development will likely keep growth on the Islands to a minimum. That island character is also what attracts migrants to the Gulf Islands, so there should continue to be a growth to the extent that the current residents allow. This region is expected to see steady net migration inflows over the projection period. Some of the gains in population from migration will be offset by increasingly negative natural increases. Overall, this area is expected to add over 6,000 people to its population by 2036. The population will continue to age, but more slowly than the historical pattern. By 2036, it is projected that the region will have almost 9.5 dependents for every 10 people of working age and most of these dependents will be seniors."

DEMOGRAPHICS

SSI Population and Household Forecasting Methodology

BC Stats does not publish population forecasts for Salt Spring Island alone, but rather for the entire School District 64 section of the Gulf Islands. This includes Salt Spring Island, Galiano Island, Mayne Island, Pender Island, and Saturna Island.

These forecasts are projected annually from 2006 to 2036. Populations are grouped in 5-year age groups in the 'P.E.O.P.L.E' data sets (e.g. ages 0-4, 5-9, 10-14, etc.).

For the purposes of the analysis for this report, 2006 Stats Can Census population data for Salt Spring Island was used as the baseline, using the same age groupings as the 'P.E.O.P.L.E' data. The annual % growth forecast for each age group in the Gulf Islands 'P.E.O.P.L.E' forecast was then applied to the baseline Salt Spring data to estimate annual population growth in each age category, as well as the overall population.

Household forecasts are also projected in the 'P.E.O.P.L.E' data sets, and a similar method for forecasting the number of Salt Spring Island households was employed. Stats Can 2006 household counts for Salt Spring, as reported by BC Stats was used as a baseline, and 'P.E.O.P.L.E' forecasted annual % increases for the School District 64 Gulf Islands was then applied.

For reporting purposes, the resulting population forecasts are grouped into 5-year periods (2006, 2011, 2016, etc. to 2036). Age forecasts presented on the following pages are not in these 5-year age groups, but rather for ease of comparison, combined in the same groupings as the more commonly reported BC Stats data used in Phase I of this Housing Needs Assessment. These age categories are grouped in the table below so as to be useful for Housing Needs Assessment purposes, for example, 5-14 (school aged children) or 25-44 (parents of school aged children) or 55-64 (early retirees).

SSI Population Forecast

Using the methodology described above, the overall population of Salt Spring Island can be expected to grow from its 2006 Census figure of 9,640 to 12,530 in 2036. This reflects an overall increase of 2,890 people, or an increase of 30%.

	<u>Increase</u>	<u>Population</u>	<u>% increase</u>	<u>Cum. # incr.</u>	<u>Cum. % incr.</u>
2006		9,640			
2011	389	10,029	4.0%	389	4.0%
2016	433	10,462	4.3%	822	8.5%
2021	530	10,992	5.1%	1,352	14.0%
2026	556	11,548	5.1%	1,908	19.8%
2031	543	12,091	4.7%	2,451	25.4%
2036	439	12,530	3.6%	2,890	30.0%

Source: BC Stats 'P.E.O.P.L.E.' SD 64 data, extrapolated to SSI

This would indicate an anticipated steady increase in the population over the next 30 years. While annual increases are not particularly large, an overall increase of 30% is fairly significant and will have long-term planning implications for not only housing, but all forms of housing related infrastructure and services.

Comments about Population Forecasting

As explained on the previous page, population forecasts for Salt Spring Island used for this report were based on BC Stats estimates of population change rates for Salt Spring, Galiano, Mayne, Pender, and Saturna Islands combined. It should be noted that any demographic differences and trends between the overall group of islands (used as the baseline) and those of Salt Spring Island by itself can potentially have the effect of skewing forecast results.

For example, real estate prices on Salt Spring Island have traditionally been higher than those on the outer islands. Assuming this results in greater housing affordability on the outer islands, one might expect a higher proportion of young families, both staying on and migrating to these outer islands. This could potentially overstate expected increases in families on Salt Spring, who may not stay as long or migrate in as fast. On the other hand, the lack of secondary school facilities on the outer islands could have the opposite effect, making Salt Spring a destination and a draw from the smaller islands.

Another obvious difference between Salt Spring and the smaller islands is the existence of Lady Minto hospital, which is often a factor in making housing location choices particularly for seniors. As a result, one might expect that the seniors' population on Salt Spring might grow more quickly than on the smaller islands. Again, using BC Stats forecasted change rates for the entire area could potentially have the effect of underestimating the growth of this segment of Salt Spring's population.

While these factors should be kept in mind when considering population and household forecasts, one should also consider that Salt Spring does have a far greater population than all of the other islands combined (SSI in 2006 = 9,640, all others combined = 5,662). As such, factors affecting Salt Spring's historical trends and forecasts would be heavily weighted in the forecasting criteria utilized by BC Stats, largely mitigating any anomalies that population differences on Salt Spring could create.

SSI Long-Term Population Forecast by Age Group

Again using the 'P.E.O.P.L.E' forecasting data, the forecast was broken down by age group:

	2006	2011	2016	2021	2026	2031	2036	Change
Age 0-4	300	347	387	437	466	465	461	53.7%
Age 5-14	955	847	853	951	1,050	1,140	1,172	22.7%
Age 15-19	565	561	519	462	516	566	626	10.8%
Age 20-24	340	430	423	391	355	393	432	27.1%
Age 25-44	1,685	1,746	1,966	2,177	2,360	2,438	2,441	44.9%
Age 45-54	1,720	1,543	1,416	1,423	1,485	1,596	1,808	5.1%
Age 55-64	1,925	2,076	1,956	1,817	1,722	1,739	1,811	-5.9%
Age 65-74	1,005	1,268	1,611	1,737	1,644	1,548	1,480	47.3%
Age 75-84	810	807	883	1,148	1,456	1,557	1,471	81.6%
Age 85 +	325	404	448	449	494	649	828	154.8%
Total	9,640	10,029	10,462	10,992	11,548	12,091	12,530	30.0%

Source: BC Stats 'P.E.O.P.L.E.' SD 64 data, extrapolated to SSI

Not unexpectedly, the largest increases will be in the seniors' populations, particularly the most elderly. This will have planning implications for not only housing, but health care and service provision. While it is interesting to note the long term forecasted changes, a shorter term forecast is perhaps is more meaningful for current housing policy purposes.

DEMOGRAPHICS

SSI Mid-Term Population Changes

For housing policy and strategic planning purposes, it is assumed that the Islands Trust would begin by looking first at short to mid-term horizons of approximately 5-10 years. It is further assumed that demographic updates would be conducted on a periodic basis, as forecasts are just that – forecasts. Many factors can and will change and an effective housing strategy should have flexibility designed in to adjust priorities and targets as new information becomes available over time.

However, at this point and to assist in setting initial priorities and housing targets for this shorter time frame, the details of forecasted changes are presented in more detail below.

<i>Population Changes</i>			2006-2011				2006-2016	
	2006	2011	Change	% chg	2016	Change	% chg	
Age 0-4	300	347	47	15.7%	387	87	29.0%	
Age 5-14	955	847	-108	-11.3%	853	-102	-10.7%	
Age 15-19	565	561	-4	-0.7%	519	-46	-8.1%	
Age 20-24	340	430	90	26.5%	423	83	24.4%	
Age 25-44	1,685	1,746	61	3.6%	1,966	281	16.7%	
Age 45-54	1,720	1,543	-177	-10.3%	1,416	-304	-17.7%	
Age 55-64	1,925	2,076	151	7.8%	1,956	31	1.6%	
Age 65-74	1,005	1,268	263	26.2%	1,611	606	60.3%	
Age 75-84	810	807	-3	-0.4%	883	73	9.0%	
Age 85 +	325	404	79	24.3%	448	123	37.8%	
Total	9,640	10,029	399	4.1%	10,462	832	8.6%	

Source: Stats Canada 2001, 2006 Census

SSI Household vs. Dwelling Count

The official count for Salt Spring Island according to the Stats Canada 2006 Census is 4,320 households. A household is defined as “a person or a group of persons who occupy the same dwelling and do not have a usual place of residence elsewhere in Canada”.

A household may consist of a family group, two or more families sharing a dwelling, a group of unrelated persons, or one person living alone. Because a household relates to those occupying a single dwelling, this is the measure that is most commonly used for housing analysis purposes because it is strongly related to housing need and affordability.

The number of ‘households’ on Salt Spring Island should not be confused with the number of ‘dwellings’, which is roughly estimated to be upwards of 5,600, based on the number of ‘mailing addresses’ on Salt Spring. This is substantially higher than the official ‘household’ count, and would reflect dwellings that are owners’ vacation homes, future retirement homes, and investment properties (see non-resident ownership data on following page). It could also include cottages and suites that can not legally be used as permanent residences (although commonly known that many are), and possibly home based businesses if they have a separate address for mailing purposes.

Another estimate of the number of residences on Salt Spring was provided by the BC Assessment count of residential properties for property tax purposes. This was 4,434 for the 2009 tax year, which differs from both the census count and the mailing address count. Reconciling these differences to produce an accurate count of existing dwellings would be useful for many planning related purposes, and could be undertaken in further stages of a housing strategy development. However, no further attempt to reconcile was made as part of this Housing Needs Assessment exercise.

DEMOGRAPHICS

Non-Resident Dwelling Ownership

During the research of both Phases I and II of this Housing Needs Assessment, it was not uncommon for community members to report and express concerns about the increasing non-resident ownership of residential properties on Salt Spring Island.

These concerns centred primarily around two perceptions of the results of non-resident ownership. First, many of these homes are left empty for most of the year, resulting in either the loss of housing stock for residents of the community, or as a contributor to the problem of seasonal evictions as owners return for the vacation season. Second, and perhaps less tangible, is the resulting change in character of the community when many of its residents are vacationers. These part-time residents are viewed to have a different level and type of commitment to the community, with their children not in the school system and their time and energies not dedicated to the various events and volunteer activities on Salt Spring.

These concerns are not uncommon, as many communities across BC are experiencing increasing housing affordability problems as their favourable locations, climates and natural environments become appealing to non-residents seeking recreational properties and second homes.

This study does not endeavour to explore this issue any further, nor does it attempt to reconcile these property counts with the Stats Can dwelling count, but does present some limited BC Assessment data provided by Islands Trust staff on both resident and non-resident ownership.

This data compares the number of properties owned by residents and non-residents of Salt Spring Island between 2005 and 2009, which may be useful if changes and/or trends are monitored over time as part of Salt Spring Island's affordable housing strategy.

RESIDENTIAL PROPERTIES:

	2005	% total	2009	% total	change	% change
Resident Owned						
Single family dwelling	2,663		3,099		436	16%
Duplex/Townhouse/Strata Apts.	164		132		-32	-20%
Manufactured Homes	<u>280</u>		<u>241</u>		<u>-39</u>	<u>-14%</u>
Total resident owned	3,107	80%	3,472	78%	365	12%
	2005	% total	2009	% total	change	% change
<u>Non-Resident Owned</u>						
Single family dwelling	738		893		155	21%
Duplex/Townhouse/Strata Apts.	23		61		38	165%
Manufactured Homes	<u>35</u>		<u>8</u>		<u>-27</u>	<u>-77%</u>
Total non-resident owned	796	20%	962	22%	166	21%
Total Residential Properties	3,903		4,434		531	14%

Source: BC Assessment (via Islands Trust)

DEMOGRAPHICS

SSI Household Forecast

Household counts are more meaningful than population counts when evaluating housing need, because a 'household' relates to all persons residing in a single dwelling. It is the number (in addition to type and price point) of these dwellings that is relevant when developing housing policies and/or targets. Using the methodology described previously, the number of Salt Spring households can be expected to grow from its 2006 Census figure of 4,320 to 6,679 over the next 30 years.

	<u>Increase</u>	<u>Households</u>	<u>% increase</u>	<u>Cum. # incr.</u>	<u>Cum. % incr.</u>
2006		4,320			
2011	541	4,861	12.5%	541	12.5%
2016	635	5,496	13.1%	1,176	27.2%
2021	374	5,870	6.8%	1,550	35.9%
2026	270	6,140	4.6%	1,820	42.1%
2031	269	6,409	4.4%	2,089	48.4%
2036	270	6,679	4.2%	2,359	54.6%

Source: BC Stats 'P.E.O.P.L.E.' SD 64 data, extrapolated to SSI

Assuming the 'P.E.O.P.L.E' forecast holds over this time period, Salt Spring could expect to require an additional 2,359 dwellings of various types within the next 30 years. This would be net of any demolitions or other removals due to physical or functional obsolescence. It is interesting to note the much larger increases in the first 10-year period. While this forecast can be used as a working number, it is unlikely that the underlying assumptions will hold true over time. As such, a housing strategy should include provisions for updating current and forecasted populations and households on a regular basis.

It should be noted that even as of the date of this writing, more current building permit data indicate that this rate of new household formation may be overestimated, particularly in the short term. For example, the P.E.O.P.L.E forecast data would suggest 541 new households between 2006 and 2011, or an average of 108 per year (127 per year between 2011-2016). Actual building permit data for the first three years of this period (2006-2008) reveal an average of 75 new dwellings per year, over 40% less than the P.E.O.P.L.E. forecast. While one may certainly expect fluctuations in the short term, it would be advisable to monitor actual building data, and update Salt Spring's household forecast at regular intervals as new P.E.O.P.L.E. data is released.

SSI Mid-Term Household Changes

As indicated previously, using Southern Gulf Island household forecasts, Salt Spring could expect a 27.2% increase in number of households by 2016. This translates to 1,176 households, indicating a significantly faster growth than the population, which is forecasted to grow by 832 people.

<i>Household vs. Population</i>	2006-2011				2006-2016		
	2006	2011	<u>Change</u>	<u>% chg</u>	2016	<u>Change</u>	<u>% chg</u>
Households	4,320	4,861	541	12.5%	5,496	1,176	27.2%
Population	9,640	10,029	399	4.1%	10,462	832	8.6%

Source: Stats Canada 2001, 2006 Census

This difference between forecasted households and population would seem to indicate that migration to smaller household sizes within the existing population is expected, possibly suggesting a need for more smaller sized dwellings in the short term. Using the 2011 forecast as an example to illustrate this principle, even if each of the 399 new residents chooses to live alone this would produce a forecasted household increase of 399. The forecast is for 541 new household, an excess of 142. If this data proves out, this would mean that 142 of our current residents that are currently living in households with one or more other persons would choose to (or have to) live alone.

Households and Affordability

As reported in Phase I, an estimate of rental rates and home purchase price levels affordable to the population of Salt Spring Island was constructed; this is presented again below for reference.

These affordability thresholds are based on 30% of income for rental accommodation, and conventional mortgage qualification criteria (6% interest, 25 year amortization, 75% loan-to-value ratio).

While it is recognized that this is a crude estimate of affordability, the Phase I report clearly indicated a substantial difference between Salt Spring Island's rental and ownership housing stock, and what the population could afford. This was particularly true for residents in the lower income ranges (please see Phase I report for further details).

	<u>Total</u>	<u>Median Income</u>	<u>Monthly Shelter (30%)</u>	<u>Affordable Purchase</u>	<u>Monthly Utilities</u>	<u>Affordable Rent</u>
Couple families with children	795	\$57,830	\$1,446	\$259,600	-\$100	\$1,346
Couple families no children	1,565	\$62,935	\$1,573	\$286,200	-\$100	\$1,473
One person households	1,360	\$25,387	\$635	\$90,600	-\$100	\$535
Other households *	<u>600</u>	<u>\$43,213</u>	<u>\$1,080</u>	<u>\$183,500</u>	<u>-\$100</u>	<u>\$980</u>
Total Households	4,320	\$45,693	\$1,142	\$196,400	-\$100	\$1,042
Average household size	2.2					
<u>*Includes, amongst others:</u>						
Female-led lone-parent families	285	\$33,199	\$830	\$131,200	-\$100	\$730
Male-led lone-parent families	<u>110</u>	<u>\$45,332</u>	<u>\$1,133</u>	<u>\$194,500</u>	<u>-\$100</u>	<u>\$1,033</u>
Total lone-parent families	395	\$33,977	\$849	\$135,400	-\$100	\$749
Average household size	2.3					

Source: Housing Needs Assessment Phase I

Since the Phase I report was issued last year, there has been a very significant economic downturn that has impacted the housing markets throughout North America. One might expect that there would be downward pressure on housing prices as a result, possibly improving affordability for many Island residents.

Unfortunately, for households experiencing affordability problems, there is little evidence that price decreases seen in 2009 are very significant.

HOUSING MARKET UPDATE

Single Family Home Sales 1999-2008

Historical sales values from 1999 to 2008 as provided by a local realtor are presented below (year-to-date to mid-September 2009 follow below), indicating the changes in average and median sales prices during this time .

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Number sold	157	161	192	172	197	184	185	142	190	112
AVG price	285,500	356,109	332,319	364,816	440,311	565,876	560,887	609,873	616,954	757,618
Avg incr \$		70,609	-23,790	32,498	75,495	125,565	-4,989	48,986	7,081	140,664
Avg incr %		25%	-7%	10%	21%	29%	-1%	9%	1%	23%
Cum \$ incr		70,609	46,819	79,316	154,811	280,376	275,387	324,373	331,454	472,118
Cum % incr			16%	28%	54%	98%	96%	114%	116%	165%
MEDIAN price	262,261	277,975	265,651	313,157	361,807	426,717	469,022	517,873	548,510	648,214
Median incr \$		15,714	-12,324	47,506	48,650	64,910	42,304	48,852	30,637	99,704
Median incr %		6%	-4%	18%	16%	18%	10%	10%	6%	18%
Cum \$ incr		15,714	3,390	50,896	99,546	164,456	206,760	255,612	286,249	385,953
Cum % incr		6%	1%	19%	38%	63%	79%	97%	109%	147%

Source: SSI realtor

While there were clearly many fewer sales in 2008 than in previous years, sales values for the year climbed significantly. By year end, a family would have needed to earn \$124,600 to be able to afford the average home on Salt Spring Island, which was priced at \$757,618. Using the affordability benchmarks described on the previous page, they would need to earn \$106,600 to afford the median-priced home (\$648,214).

Referring to the household income profile on the previous page, these required incomes far exceed the overall household median income of \$45,693.

Single Family Home Sales Sept-2009

Year-to-date sales for 2009 do, however, appear to reflect a softening in single family home prices. According to a local realtor, there were 108 sales of single family homes (excluding mobile homes on pads or co-op/recreation homes) as of mid-September 2009.

While the volume of sales is up quite substantially, sales prices are down; the average sales price was \$552,632 and the median price was \$454,000. Accordingly, a family would need to earn \$90,900 to be able to afford the average home and to earn \$74,600 to afford the median-priced home.

This would appear to have been quite a shift in prices, and a likely improvement in affordability for many families. However, the market is reported to be recovering, and anecdotally prices are climbing again. While it will take some time to confirm any permanent change in the market, current MLS listings do not reflect any substantive decline in overall housing prices (see next page).

HOUSING MARKET UPDATE

Single Family Homes Available

A good measure of available housing is current MLS listing data.

Following is a summary of all single-family properties listed on Salt Spring in May-2008 (data used for Phase I), compared to September 2009. While this does include a number of 'estate' type properties that most families would not consider, it does give a snapshot of what is currently available on the market on Salt Spring.

<u>Price Range</u>		<u># listed</u>	<u>Average \$</u>	<u># listed</u>	<u>Avg. \$</u>	<u># listed</u>	<u>Avg. \$</u>
		<u>May-08</u>	<u>May-08</u>	<u>Sept-09</u>	<u>Sept-09</u>	<u>change</u>	<u>change</u>
0	149,000	0	n/a	0	n/a	0	n/a
150,000	199,000	0	n/a	0	n/a	0	n/a
200,000	299,000	1	289,000	1	299,000	0	10,000
300,000	399,000	14	372,443	12	365,500	-2	-6,943
400,000	499,000	25	454,256	27	455,352	2	1,096
500,000	599,000	30	551,797	25	568,800	-5	17,003
600,000	699,000	15	665,860	18	669,000	3	3,140
700,000	799,000	14	762,607	17	763,588	3	981
800,000	899,000	16	874,000	16	871,323	0	-2,678
900,000	999,000	6	972,500	13	982,492	7	9,992
1,000,000	1,499,000	16	1,232,875	18	1,335,583	2	102,708
1,500,000	1,999,000	5	1,743,600	10	1,738,100	5	-5,500
2,000,000	2,999,000	4	2,448,500	15	2,483,333	11	34,833
3,000,000	3,999,000	0	n/a	0	n/a	0	n/a
4,000,000	4,999,000	0	n/a	3	4,566,667	3	n/a
5,000,000	and up	0	n/a	0	n/a	0	n/a
Total # listings		146		175		39	
Average			768,047		1,001,757		233,710
Median			629,000		749,000		120,000

Source: MLS

This data continues to support the perception that there is very little available for the average family, let alone a single person; a household would require an annual income of \$164,800 to afford the average priced home or an income of \$123,200 to afford a median priced home.

It should be noted that household income is not the only factor in determining affordability, as there may be various other mechanisms to assist a household in securing housing. This may include such things as private loans or gifts for down payments, high-ratio financing, rent-to-own scenarios, longer amortization periods for mortgages, or using an affordability ratio greater than 30%. Some families who are already in the market may be seeking a change, and it is very likely that seniors would be considering downsizing. These techniques are appropriate and available in some circumstances, and would improve affordability and allow access for families of lower incomes.

MLS listings likely do not reflect the entire supply of homes available for sale; homes are sometimes offered directly for sale by the owners, often advertised through the local newspaper and community listserve. In the two-week period leading up to the writing of this report, there were, however, no 'for sale by owner' listings in either of these publications.

Rental Homes Available

As pointed out in Phase I of this report, CMHC does not conduct any rental market surveys on Salt Spring Island, and rental market listings were obtained from a local property management firm for that report.

Since the advent of the Salt Spring Island community listserve in 2009, all forms of accommodation are routinely offered for rent in a very accessible manner. The listserve rentals from September to mid-October 2009 (51 listings) were combined with current newspaper listings (12) and property management listings (22), for a total of 85 rental listings. These average rents are presented below, with a comparison to the 2003-08 results from Phase I (please see Phase I report for more details).

	<u># listings</u>	<u>2003</u>	<u>2007</u>	<u>2008</u>	<u>Oct-09</u>
Rooms	6	n/a	n/a	n/a	489
Bachelor	10	n/a	n/a	n/a	674
1-bedroom	25	703	801	846	767
2-bedroom	28	933	1,259	1,301	1,119
3-bedroom	15	1,219	1,551	1,072	1,663
4-bedroom	1	1,691	1,707	1,787	2,400
Total/Average	85	925	1,177	1,146	1,027

Source: Property management firm stats, Driftwood listings, community listserve

It is interesting to note that the community listserve now offers the majority of listings, a mechanism which may have replaced the previously known 'word-of-mouth' rental marketing preference for private accommodation.

Previous data did not include any rooms or bachelor units for rent, making the overall current average of \$1,027 (while certainly a good reflection of availability) less relevant for historical comparison purposes.

For a better comparison to previous years, rooms and bachelor units are excluded from the overall calculation of average rents, providing an average current rent of \$1,128. This indicates a small decline over the previous year, but given the differences in the data sources, one should use caution in drawing any conclusions about any changes in the rental market.

	<u># listings</u>	<u>Avg. rent</u>
		<u>Oct-09</u>
1-bedroom	25	767
2-bedroom	28	1,119
3-bedroom	15	1,663
4-bedroom	1	2,400
Total/Average	69	1,128

Not surprisingly, a significant number of the rentals available were advertised for only the winter season (20%), although the majority (64%) did not specify a length of term.

Long term	14	16%
Seasonal	17	20%
Not specified	<u>54</u>	<u>64%</u>
	85	100%

Affordable Housing Projects Proposed

Communities across Canada are struggling with housing affordability and invariably a shortage of supply. Developing affordable *rental* housing without very significant government capital support is simply not economically viable. The ability to develop affordable *homeowner* housing is more a function of the income profile and asset base of a population and the price of land and servicing costs, but is likewise not commonly undertaken.

Salt Spring Island is challenged in most of these regards, with fairly low incomes and very high land and site servicing costs. Not surprisingly, very few affordable housing developments have been built in recent years. There have been however, some successes in developing government-supported non-profit rental housing. While these new units have made a tremendous positive impact on the lives of the residents, far more rental, homeowner and special needs units are required. There are a number of affordable housing proposals in various stages of planning, as listed below.

Proponent	Type	# units	Target population	Status	Target
SS Land Bank Society	Rental	10	Low to moderate income families, individuals, seniors	Re-zoning and fundraising underway	2010
SS Land Bank Society	Rental "care cottages"	2	Seniors or persons with disabilities	Preliminary	2010
SS Land Bank Society	Rental	3	Low to moderate income families, individuals	On hold	TBD
SS Land Bank Society	Homeowner and Rental	6	Low to moderate income families	Re-zoning application in process	2010-2011
SSI Abbeyfield Housing Society	Serviced Rental	10	Low to moderate income seniors	Re-zoning and fundraising underway	2011
School District 64	Homeowner and Rental	54	Moderate income families	Min. Education approval req'd. On Hold until rec'd	TBD
N.S.E. Holdings Ltd.	Homeowner	26	Moderate income families	On Hold	TBD
IWAV	2 nd stage Rental	4-6	Women, children leaving Transition House	Funding being sought	TBD
SSI Community Services Society	Undecided	TBD	TBD	Visioning stage	TBD
Lions Club	Undecided	TBD	TBD	TBD	TBD
RCMP	Rental	1	RCMP staff	Approved	TBD

As the reader will note, few projects are currently in an active, detailed planning stage and only three or four of these are considered likely to proceed in the short or medium term. These three projects are all proposed by non-profit societies, largely undertaken by volunteers, and rely on significant government capital funding. The capital funding required allowing these projects to proceed is in various stages of negotiation; none of the projects yet have a firm commitment for the full funding required to proceed to construction.

Introduction to Consultations

A central component of this research was to seek confirmation from selected members of the community ('key informants') that the priority housing needs identified in Phase I of this work were in fact viewed as priorities. These priorities were identified in terms of segments of the population most affected by lack of affordable housing options and included some assumptions about which housing forms and tenures might be best suited to meet their needs.

JG Consulting Services contracted with Judi Stevenson of Minerva Research & Communications for the design and conduct of the consultations, which included one-on-one interviews, focus groups and questionnaires. The reporting that follows is a collaborative analysis of those results.

The primary goals in discussions with key informants were to:

- seek confirmation of and further insight into the priority needs identified in Phase I
- obtain input about the type of housing that may best fill these needs
- assess support for legalizing suites and cottages in terms of meeting these needs.

The priority groups identified in Phase I as having unmet needs for affordable housing on Salt Spring were:

- the homeless
- those at risk of homelessness
- families with school aged children
- single parent families
- lower income workers
- farm workers
- seniors
- essential service workers.

While Phase I did not specifically state a priority need for any tenure, it was fairly clear that the solution for the greatest needs can only be met by rental housing. It was further assumed that some needs may be met with entry-level homeowner housing.

Consultations with Key Informants

While researchers might have conducted a large random survey of island residents to solicit their views and identify their needs, it was not practical to do so for this project from a resource perspective. The alternative we chose was to interview key informants, defined as individuals in the community with particular knowledge of Salt Spring residents and their housing needs. Face to face interviews with key informants provided the opportunity to probe more deeply into some of the complex issues surrounding housing need and the barriers many face. We felt there was great merit to this approach, and found the information provided by the 25 people we consulted to be rich, insightful and often compelling.

While key informant methodology has the advantage of tapping into the expertise, experience and breadth of perspective of carefully selected individuals on an issue, it is important to acknowledge its limitations: because it relies on interpretation and the specificity of individual perspective, it is open to possible bias and/or error. Accordingly, the purpose of these consultations was to test out and confirm what we learned in Phase I regarding the most urgent housing needs. Those results were fairly clear and consistent with what JG Consulting Services has observed in many years of work in the affordable housing arena on Salt Spring Island. The reliability of those findings was enhanced by key informants' confirmation that Phase I results were, for the most part, consistent with what they and their clients, colleagues, staff, etc. have experienced and/or seen.

Participants

Key informants were selected on the basis of their knowledge of the affordability challenges facing specific sectors of Salt Spring residents as identified in Phase I of the Housing Needs Assessment. We wish to thank the following organizations for their time and thoughtful contributions to this research:

- School District 64
- RCMP
- Mouat's Trading Company
- Mouat's Hardware store
- Salt Spring Inn
- Community Housing Land Trust Society
- Salt Spring Island Land Bank Society
- Lions Club
- Community Services Society
- Island Women against Violence (IWAV)
- Transition House
- Copper Kettle Community Partnership
- United Church Outreach Committee
- Salt Spring Island Foundation.

Content of Interviews and Surveys of Key Informants

Interviews and focus groups lasting approximately 60-90 minutes were conducted with representatives of these organizations, using an interview guide to provide structure and consistency to the discussions. In order to keep interview time to a reasonable length, key informants were also asked to complete a separate, written survey following their interviews. A total of 15 interviews and focus groups were conducted, involving 25 key informants; 19 of these individuals also completed written surveys.

The information sought in the combination of interviews and surveys included:

- Name, organization represented and position
- Nature of clients/members/employees served in terms of housing
- Priority or urgency of need amongst identified 'priority populations' (from Phase I)
- General agreement with identified 'priority populations'
- Number of clients/members/employees
- Availability of any housing related data or statistics
- Number (or percent) of clients/members/employees facing serious housing need
- Major problems that those in housing need are facing
- Number (or percent) of clients/members/employees in 'core need' or 'at risk of homelessness'
- Main reasons or risk factors forcing people to be in 'core need' or be 'at risk of homelessness'
- Incidence of clients/members/employees leaving SSI because of housing needs
- Views on future housing needs that may not be pressing now
- Type and tenure of housing most suited to their clients/members/employees
- Views on legalization of suites or cottages as part of the solution
- Other housing-related facilities and services needed
- Preferred locations
- Perception of how their clients/members/employees fit into the median income statistics and associated (calculated) affordable housing costs
- Client/member/employee familiarity with and/or access to the BC Housing rental subsidy program
- The Islands Trust role in providing solutions
- Impediments faced by the Islands Trust in developing affordable housing options
- Interviewee's plans and/or budget to develop or partner in the development of affordable housing

Confidentiality of Results

Interviewees were given an assurance of anonymity in regard to the content of their interviews. For the purposes of this report, what follows is a general summary of their views on specific issues/questions, along with un-attributed quotations to illustrate significant points.

Those with the Most Urgent Needs: the Homeless and Near Homeless

Phase I of this research concluded that:

While challenging to quantify, and often based on anecdotal evidence, [the homeless and those at risk of homelessness have] the most critical and urgent need identified during the research undertaken for this report.

Our perception that the most urgent need for affordable and appropriate housing is for the homeless and those at risk of homelessness (or the near homeless) received a high degree of agreement from the key informants. Although there was an understandable tendency for them to ‘champion’ their own constituencies in terms of what they see as the main problem or sector of the community with the most serious housing issues, nevertheless, there was widespread (though not unanimous) agreement that the homeless and near homeless are facing the most urgent/serious problems of all. According to one service provider whom we interviewed:

I’m getting three calls a day about housing, not just from my clients but from other marginal people and people with illnesses like cancer which means they can’t work—people who think I’m a general housing resource person. Nobody [on Salt Spring] is a general housing resource person. I’m hearing that there are 7 or 8 people competing for any reasonable place that comes up [for rent]. The majority, probably 80%, are long term residents of the island, people trying to find a way out of the places with the mould and the rats and the problematic landlords. I’ve got one client who has been living with her son in a vehicle for a year.

Those who work with and are most knowledgeable about this group indicated that many of them have difficult and sometimes intractable mental health issues (including addictions) and that, in their view, this segment of our population has been increasing. They are considered “hard to house” in the housing field, a term that understates the challenges. Their needs include:

- True affordability that matches their income assistance or disability allowances. (The shelter allowance for a single person on either income assistance or a disability allowance is currently \$375/month).
- Integrated support services to help them manage the interactive problems that probably made them homeless in the first place and often make them vulnerable to “failure” in standard housing situations that may be offered to them.
- The understanding by authorities/builders that not all of this client group can manage well in apartment or townhouse-type complexes: they may be too anxious and/or lack the social skills that are needed to live in close proximity to others. Some would do better in “less dense” developments.

Those with the Most Urgent Needs: the Homeless and Near Homeless – cont.

Not surprisingly, much of the specific information on the housing and other challenges experienced by this segment of our population was provided by representatives of the social service organizations who have first hand experience working with people who have these needs. In addition to the needs identified above, they made some other important points:

- The 'homeless' on Salt Spring are a complex group, including not only some who are suffering from addictions or living with mental illness but others who are employed yet simply can not find any reasonable accommodation (safe, clean, well-maintained) that they can afford.
- It is not uncommon for both singles and families living in rental accommodation to become seasonally homeless, i.e. forced to camp or couch surf during the summer months when homeowners return to Salt Spring for their vacations, perhaps year after year.
- The official homeless counts (ranging from 32 to 82, depending on how homelessness is defined) are widely believed to be an underestimate.
- There are a small but significant number of teenagers on Salt Spring who, for one reason or another, cannot or do not live with their parents. Landlords are generally reluctant to rent to teenagers, leaving them vulnerable to stressful, unstable or unsafe living situations, or possibly even to homelessness.

A minority view emerged that the homeless with the most serious life challenges should not be encouraged to stay on Salt Spring because there simply are not the facilities or services here to properly meet their needs.

A key informant from the RCMP described the homeless or near-homeless on Salt Spring as follows:

"The people without regular housing here are quite a mixed group, not just down-and-out addicts or whatever the stereotype is. Some really do choose to live outside conventional housing. Others have mental health issues and they need help to find shelter but they are hard to house. Some are people who are employed but they just don't have any place to live. When we go out to the encampments in the bush, we see people sleeping in a tent with their work clothes hanging in a tree. This situation has been constant in my 4 years. There's a transient group that are usually under 25. The group with mental health issues can be any age. The ones who resist conventional living are also in a wide age range and there are more men than women, about 60: 40."

Note that, while the word 'homelessness' is very commonly used in social housing and social service models, we were told that it gives offence to some observers as a label which conjures up very negative stereotypes and suggests a permanent condition. Perhaps consideration should be given in an affordable housing strategy to the use of language about attaining housing for 'people without homes'.

Homelessness Count 2007

These observations regarding the great need of the homeless and near homeless are further supported by an excerpt from the report entitled 'Services for the Homeless on Salt Spring Island' provided by one of the interviewees. This report provided an analysis of the 'rough count' conducted in 2007 in the Greater Victoria area, as coordinated by Cool Aid Society, and with the participation of the SSI Community Services Society. This document reports that:

"There are at least 32 homeless individuals and an additional 30-50 individuals at imminent risk of homelessness or living in substantially sub-standard shelter."

The report further explains the challenges involved in performing such a count, and compares the results on Salt Spring with those in the Greater Victoria, Greater Vancouver and other major centres in British Columbia. Because Salt Spring has no temporary housing such as a shelter or budget motels (commonly known as SROs or 'single room occupancy' accommodation), it is difficult to do an accurate count of this population. The report notes that most homeless individuals on Salt Spring are "spread among bush camps, vehicles or couch-surfing arrangements". As a result, the count done here relied on attendance at various hot lunch and food bank services. The report further notes that it is generally accepted by those conducting homeless counts that the results tend to under-report the actual numbers, and that in rural communities which lack temporary housing, the results are subject to even greater under-reporting.

For comparison purposes, and using the low end of the above range (i.e. 32 homeless persons), Salt Spring's count results in a homelessness rate of 32 persons per 10,000 in population. This compares to 19.3 per 10,000 in the Greater Victoria area and 11.9 in the Greater Vancouver area. Victoria is the only municipality with a per capita count higher than Salt Spring (Victoria = 62 per 10,000). Even Greater Vancouver lags behind Salt Spring's estimate (Vancouver = 25 per 10,000). The rate in other major centres in BC (Kamloops, Nanaimo, Abbotsford, Mission, Chilliwack, and Hope) ranges from a low of 14.0 (Chilliwack) to a high of 29.4 (Mission) per 10,000.

It is difficult to be assured of the accuracy of such counts, not only because of the factors described above, but also because of the self-reporting nature of the exercise. Comparisons to other communities are also difficult, because all communities may not count or report in the same fashion. Nevertheless, this data does give an indication of a relatively high degree of homeless, and provides further evidence of the need for the Salt Spring community to address this urgent housing need.

Families with Children: the Questions Raised

Results of Phase I of the Housing Needs Assessment indicated that families with children, particularly single parent families, are experiencing serious affordability problems on Salt Spring. This was based partly on anecdotal evidence, but median income profiles supported the assertion: their incomes are simply not sufficient to secure affordable and appropriate family housing at current market prices, according to standard housing authority formulas. This perception was partially confirmed in interviews with key informants, although their responses suggested a complex picture of the needs of families.

In the view of most of our interviewees, the group that faces the second most serious housing problems is working families with children, including single parent families in particular. Many expressed concern that such families are being forced to leave the Island, hollowing out the community, skewing its population and losing the people we need to do the jobs that keep the community running, from work in the hospitality industry and care-giving fields, to volunteering in service and other organizations.

On the surface, this seemed to contradict the responses from the employers in Ganges interviewed, who indicated that housing was not a particular problem for most of their staff. As one put it:

“It doesn’t seem too bad, certainly not any kind of crisis for our staff right now. (...) That seems kind of typical of all the businesses I know anything about. Two or three years ago, it was a worse problem, but I don’t hear it being talked about much at all now. And I think I would hear – the employees generally tell us [managers] their problems.”

The picture presented by the Ganges employers was of mainly long-term employees who are well-paid for the work they do (relative to industry standards), are long-time Salt Spring residents, probably with two earners in their families and have stable housing. Although these informants were few in number, they have a combined total of well over 200 employees in the retail, restaurant, and building supply sectors in Ganges. Two of them either are currently or were previously on the Board of the Chamber of Commerce, adding weight to their view that most businesses in Ganges have employees with a similar profile. This result was unexpected, as it has been alleged anecdotally that the lack of affordable housing is creating hardships for local employers, including those in the village core, giving them difficulty in both recruitment and retention. It also appeared to contradict the views of key informants who strongly supported the Phase 1 finding that “families with children” are a high-needs group.

The income profiles of families provided in Phase I of this report clearly showed a significant gap between median family income and the price of available housing. This gap was shown to be particularly acute for single parent families, and most especially for female-led single parent families whose median incomes lag far behind their male counterparts. However, *median* income data does not give the full picture.

The question of *income distribution* arose as we attempted to reconcile the contradictory input from the key informants. If the parents of families with housing challenges are not employed by the major businesses, where are they working? One possibility is that they are concentrated in lower paid social and health service jobs, the non-profit sector, and/or are working part-time or are unemployed. Thus it is very possible that there are distinct groups of families whose income profiles are hidden in ‘median income’ statistics: some with stable, long-term employment and good wages (enabling them to secure permanent housing), and others who are struggling financially. This latter group would be more visible to social service agencies and educators who, as key informants, attested to their need for affordable housing.

Families with Children: the Questions Raised – cont.

For long-term employees who are also long-time residents, the historical housing market statistics support the notion that they are now reasonably well housed: many may have had the opportunity to get into the market during a time when the average wage-earner could afford to purchase housing here. This leads to the hypothesis that affordability is more of a challenge to newer residents of the island, a conclusion which is consistent with responses we received from public sector employers (school district and RCMP). These organizations are experiencing difficulty recruiting and retaining new employees in part because of housing costs and conditions. Part time and seasonal workers, in whatever employment sector they are located (including the arts), are also bound to find housing a challenge on this island.

Sub-Standard Housing Conditions

Phase I of the Housing Needs Assessment reported that the supply of rental housing was in short supply, often in poor condition, and very expensive. The key informants confirmed these findings. They expressed widespread distress about the conditions that many people are forced to live in: no plumbing, running water, heat, etc; mould; rats; isolation. Several informants talked about “slumlords” or the equivalent as a serious problem on Salt Spring. The category of exploitive landlords was reported to include some who are preying on young women and other vulnerable people.

There are health risks in the way [many people] are living. For some who are renting, the conditions are atrocious—mould and damp, plus maybe no heating and not much insulation so it's always cold in the winter. Other places it's the mice and rats in the summer that are the worst thing. (...) Most Salt Springers have no idea what's out there, and people have to live there, they have no choice. There ought to be enforceable standards.

Descriptions of peoples' miserable housing conditions were some of the most compelling information we received from our interviewees. Respondents passionately described abhorrent, unhealthy and unsafe housing conditions, stating that in many cases high rental rates are being charged in spite of these conditions. They also reported that tenants, especially the more vulnerable and those with the lowest incomes (i.e. on social assistance) cannot move because there is simply no alternative accommodation that they can afford, given the low level of the shelter allowances provided by government. Many tenants are reluctant to report these conditions because they are well aware that much of this housing stock is illegal, and they risk losing what shelter they have if bylaws are enforced. To a lesser degree, overcrowding was also reported as a problem, again a situation people endure because there are no alternatives that they can afford.

The consequences can be extreme, as we were told by several informants:

“People are living horribly but they can't report their conditions because then they wouldn't be living anywhere. We know lots of cases like this. We lost a 22-year old last month to name one. She was living rough and died as a result of complications from prescription drugs.”

Informants from both the social service agencies and the school district reported serious concerns over the living conditions endured by some of the families with children in their purview. In the case of the school district, the inadequate situation often comes to light when students fall ill and their absence from school is checked. Representatives of the United Church, who until recently ran the ‘In from the Cold’ extreme weather shelter, reported that the majority of those who have needed their services in the past do have some form of permanent housing, but that it is sub-standard to the point of being uninhabitable in very cold weather.

Insecure Tenure

Phase I of the Housing Needs Assessment reported that a portion of the (limited) rental supply is only available seasonally, as tenants are forced to vacate to allow non-resident owners to either spend their vacations on Salt Spring, or to capture the more lucrative rental market. While the reasons for seasonal evictions were generally not probed in this research, virtually every key informant we interviewed provided some evidence or confirmation that insecure tenure is indeed a problem for many renters. Comments made in a focus group discussion by participants from Community Services included these (summarized from notes):

[Security of tenure] is a huge problem, especially in the summer but it's all year round too. [One informant] estimated that, of her clients, 3-4 per month are evicted or threatened with eviction. [Another] reported that 3-4 have recently been "moved on" (i.e., evicted) from campsites or other really informal places. [Another] said that in the past month he had had about 6-8 cases of clients either being threatened with eviction, afraid of it, or expecting/imagining it.

The School District, while not quantifying the problem, reported that it was not unusual to see some families with children having to move several times per year due to evictions. Several other respondents reported that the number of rental units does in fact drop in the summer, when seasonal evictions force tenants to camp or otherwise find temporary accommodation until 'winter rentals' become available again.

Notwithstanding the concern they felt for tenants unable to secure reasonable security of tenure, several key informants expressed sympathy for homeowners and landlords too; many have experienced property damage, disruption and financial loss from unruly or unstable tenants. They noted that many landlords would only accept long-term leases, once they found reliable and appropriate tenants.

Phase I of this report also referred to anecdotal reports that the amount of rental stock is declining. While not expressly asked during Phase II interviews, some respondents said that in their view this is the case, with owners increasingly removing their property from the market to take up residence themselves or else to leave it vacant. This was corroborated by one the housing providers interviewed (also a realtor) who indicated that many of Salt Spring's houses sit vacant most of the time.

Population Diversity and a Healthy Community

While not specifically studied in Phase I of the Housing Needs Assessment nor included in interview or survey questions, many of the respondents expressed serious concerns about the future of Salt Spring Island's diversity in the absence of affordable housing options.

Phase I of this study did identify, anecdotally, that many residents were being forced to leave Salt Spring Island because of housing affordability issues. We did ask key informants if they knew of people forced to leave the island because of housing costs and conditions, which they largely confirmed, but they went further to state deeply felt concerns about the future of the Island if we continue to lose valuable residents and the contributions they make to the community. Despite the number of documented departures however, leaving one's home place is never easy. It is often emotionally and financially costly, and can be very disruptive to families: many will make great efforts to stay on Salt Spring. As reported by one interviewee:

"Some are hanging on by their fingernails – too poor to stay, too poor to move".

Here again, there was a disparity between the experiences of the social service agencies, housing providers and the school district, and the experiences of the private sector employers we interviewed. Virtually all of the former group reported having clients and/or staff who had been forced to leave, while the employers generally are not having that experience with their staff at present. Even so, virtually all interviewees expressed concern about the need to improve housing affordability to ensure a healthy diversity in our community now and in the years to come. As one said:

"Our staff, and it's the same at the other downtown businesses, are all right now. They're settled. The problem is that this is not going to last, and over time, as prices continue to go up, the community is going to lose its range. (...) The laws of supply and demand are going to defeat any ideas we might have about affordability here. In 25 years, (my) staff won't be able to be living here, they'll be coming from off-island, and that situation is going to be widespread throughout all of the business community."

A number of respondents also expressed concern about the influx of wealth onto Salt Spring Island (brought particularly by newly arriving retirees), and the problems that result from the inevitable gentrification of the island, particularly as it relates to housing affordability though also as it relates to community values and integration. Phase I of this report identified this issue in the income trends of the past five years, and several interviewees noted an increasing disparity between extremes of income and wealth, and the negative effects that can have on the overall health of a community. In their words:

"The poor are getting poorer, the middle class is being eroded, and the wealth is being increasingly concentrated. This leads to deterioration of a community."

Several other interviewees expressed this thought in perhaps more practical terms, stating the obvious need for a range of service workers to meet the needs of the retirees if nothing else. One suggested that this loss of diversity is inevitable if current limits to subdivision and multi-family development in the community are maintained, simply because of the impact of supply-and-demand dynamics on land prices.

Incomes of Residents

While much of the research on housing affordability focuses on the cost of housing, the other side of the equation is the income available to meet housing costs. Many of the interviewees identified this issue as a major problem here and expressed concern about the level of income offered to the unemployed, part-time workers, the working poor and even some considered to be middle class in relation to the high cost of accommodation of all types. In the words of informants:

“The #1 problem is absolutely the kind of employment/income there is here compared to housing prices. There are lots of jobs around for \$8-10 per hour but families can’t even live on that let alone afford decent housing. It takes multiple jobs to survive for many, and even then they can’t afford the prices that are typical.”

“If we are going to make a whole lot of people live on fixed incomes [the poor, the disabled, the elderly], they need fixed rent. With a monthly [social assistance] payment of \$610 and an allowance of \$375 for rent, how can people live in decent accommodation on Salt Spring Island?”

“Most of the women leaving the Transition House don’t have much income—maybe none because they’ve got kids and they haven’t been working. They certainly couldn’t qualify for or manage loan payments. They often don’t even have a toothbrush when they leave here.”

“The problem of affordability is gradually affecting more people, not just those who are obviously poor. Like for instance, early childhood educators can’t afford to live here. People working at the transition house can’t afford to live here. Some of our own staff [Community Services] can’t afford to live here.”

It is beyond the scope of this report to address the reasons for, let alone explore solutions to such disparities between incomes and costs, but interviewees were very clear about its grave impact. Those who have experience working with lower income residents consistently reported that “poverty” is the biggest cause of homelessness, a problem of course not limited to our island.

Social assistance shelter rates (\$375/month) are woefully insufficient to cover rents on Salt Spring. Even the so-called ‘affordable’ housing projects on the Island cannot offer rents in this range. Projects that are funded by BC Housing and CMHC, for example, provide rental rates based on CMHC’s “Housing Income Limits” or HILs (previously Core Need Income Thresholds or CNITs). Salt Spring Island falls under the Victoria HIL formula, which provides rents of \$577 for a bachelor unit; clearly this is not affordable to an individual on social assistance. While a local community-based housing provider can choose to charge a lower rent, it would be difficult for a non-profit society to commit to funding this \$200+ per month difference.

Housing for Residents with Special Needs

Phase I of this report did not explicitly include ‘residents with special needs’ among the suggested priority populations for affordable housing. The need to consider affordable housing from this perspective was brought to our attention on several occasions by key informants, who noted that there is a great need for appropriate housing for the disabled, including those with brain damage, as well as those with addictions and mental illness (not mutually exclusive categories). While these issues are all very different and there was no suggestion that they should be addressed in the same fashion, what they have in common is that their “special needs” have implications for housing design and also for the provision of supportive services, whether located on-site or available on an outreach basis.

“The disabled (...) would be #1 on our list of those in need because many of those who end up in a bad housing situation are in that situation because of mental and physical disabilities – meaning both mental health issues and actual physical injuries. One study we read found that 50% of the homeless were brain-damaged, for example. People are unable to solve problems like that by themselves – they have to have supportive services, not just beds.

One of the problems some people on SSI face is lack of ‘continuity of care’. So, for example, we have emergency overnight shelter in the winter at the United Church (now managed on that site by Community Services) but nowhere for those people to go during the day when they have to leave the church. We have a Transition House for women seeking to leave violent and abusive relationships, but nowhere for them to go when their 30 days of residency is up. For the latter group, the lack of safe, secure, affordable, long term housing is considered the biggest single barrier they face in changing their lives, and it frequently forces them to go back to the abusive situations they have left (or contributes significantly to that choice). They need “second stage” housing which can support a more realistic concept of “transition” to more positive life circumstances.

Another group with special needs that came to light in this research are youth who are no longer living at home and may have no satisfactory housing options. Their reasons for having separated from their families may include domestic violence as well as mental illness or addictions, whether in themselves or as an issue in their families. They are generally hard to house: the behaviour problems they may exhibit make landlords reluctant to consider such youth for rentals, either as individuals or in communal houses. Yet they are at serious risk of a number of negative consequences, from alcohol and drug involvement to pregnancy to dropping out of school. The needs and vulnerabilities of youth differ from those of adults, and some interviewees pointed to the need for an emergency shelter and a group home dedicated to youth on Salt Spring.

Regardless of age, there is a great need for housing with on-site supports for people with mental health issues and resources to help people stay in housing (life skills, etc.). According to mental health service providers, 70% of their clients, many with schizophrenia, are struggling with housing issues; many also need psychiatric services and hospital beds to assist in their stabilization before they can succeed in supported housing. For those with active addictions or mental health problems, there is an urgent need for ‘low barrier housing’ which does not screen them out as tenants.

Many residents suffering from mental illness or addictions, even if under treatment, can’t handle being around too many people, either in their housing or in their environment, so a multi-unit or shared housing solution or a Ganges location (such as ‘*Murakami Gardens*’) may not be appropriate. Housing like the Copper Kettle’s proposed ‘*Wagon Wheel*’ is likely to be more suitable for many of these individuals. The ‘*Wagon Wheel*’ represents a model of supported housing, where individual units (detached or semi-detached) are clustered around or near a common building that provides space for gathering and service delivery. The scattered units provide much-needed privacy, yet a sense of community and supports are nearby to help residents succeed in their efforts to live independently.

Housing for Residents with Special Needs – cont.

The representatives of the United Church, who until this year operated the ‘In from the Cold’ extreme weather shelter, expressed concerns about the limited shelter facilities and said that the need for emergency shelter is increasing. They feel that Salt Spring needs a permanent, long-term shelter as in the original ‘*Home Front*’ proposal for the Diocese land, not just shelter for short periods of extreme weather. The ‘*Home Front*’ proposal is similar in concept to the ‘*Wagon Wheel*’ described on the previous page, but also includes a small number of small, self-contained apartment units designed for residents who are more independent, but not yet fully equipped to live completely independently.

They made the point strongly that, beyond reasons of compassion or morality for providing shelter for those in need, there are strong practical and economic reasons to do so: leaving people in poor conditions ends up costing society more in the long term due to increased social and medical costs.

As far as private accommodation for this population is concerned, it was clearly acknowledged that some of the hard to house residents are likely to be indeed too difficult for some well-meaning landlords with a room or a basement suite or even a second property to offer. While calling attention to “slum landlords” on Salt Spring, they also noted that some tenants’ behaviours exceed what is tolerable and that private landlords cannot be expected to take on this complicated housing challenge.

Most Suitable Locations

We asked the key informants if they felt the needs of their clients, members or employees for affordable housing would be best served by locating such housing near Ganges, near schools, along the bus line, or in any other locations they could specify. Responses were split nearly evenly between the choice of “Ganges”, and the choice of a location “near the bus route”. Almost as many indicated that proximity to schools was important, and identified other Island locations. However, informants who supported the desirability of locating affordable housing in or near Ganges did so with several major provisos, indicating they may not be firmly entrenched in this preference. Their comments included the following points:

- The bus makes some other locations more possible.
- For some people, what they came here for is not found in Ganges – they came here to live rurally, not in “little boxes”, not in hustle-bustle, but in peaceful surroundings.
- For people with certain problems, living in Ganges would be bad for them: either it would increase their stress levels, or it would add temptations (i.e., drugs).
- Progress toward affordable housing should not depend on land in Ganges.

When asked what housing-related facilities and services are most urgently needed, almost 80% cited ‘access to public transportation’ as a very important locational feature for housing. This is not surprising, as the cost of automobile ownership (including maintenance, insurance, and fuel) is very high and therefore represents an economic hardship for lower income residents already struggling with housing affordability.

Housing Tenure

While most of the residents of Salt Spring aspire to home ownership, like people everywhere in Canada, the majority of our interviewees did not view this as the type of tenure that could meet the most pressing housing needs of Salt Springers. They recognized that, for most of those who are currently facing difficulties related to housing, home ownership is out of reach because of the very high prices.

While there are some efforts being undertaken to achieve entry level homeownership (namely by the SSI Community Land Trust Society and the SSI Land Bank Society), the need for rental housing was overwhelmingly supported as the most realistic and appropriate tenure model. There may be opportunities to achieve both rental and home ownership goals with, for example, legalized 'mortgage helper' rental suites within family homes.

Essential Service Workers

Phase I of this Housing Needs Assessment suggested that essential service workers were facing housing affordability problems, based on anecdotal reports of difficulty in recruiting or retaining appropriate staff. To gain a fuller understanding of these needs, we conducted interviews with the RCMP, the School District and a volunteer member of the fire department. We also asked all other key informants for their views on the needs of the segment of the population.

The RCMP reported difficulty in recruiting experienced senior staff, primarily due to the high costs of housing. While police salaries are sufficient to secure housing of some kind, it would not meet the standard that many senior officers and their families have come to expect. As a result, at least 50% of the in-coming officers for Salt Spring are new recruits, who may lack the benefits of experience which are important for effective community policing. In relation to senior staff, we were told:

"[L]ots of veteran officers who would like to come here can't afford to either buy or rent at Salt Spring prices. It's a well known problem in the force – people don't even apply, or if they say they're thinking about it, someone says to them, "Do you know how much it costs to live there?" And that's the end of it. Someone who's got a house in the \$300-400,000 range would have to pay maybe \$500,000 to get the equivalent house here. Even if they'd be getting a promotion to come here, the increase in pay doesn't cover the difference."

Although we did not interview representatives from the Ambulance Service, we were told that the situation for ambulance workers is quite different than for police. Because Salt Spring is a small community, the police have no specialty units and officers need to be on call 24/7. This requires that all of them live on-island. Many employees of the Ambulance Service, however, work here only part-time and live off-island as a matter of choice. According to the volunteer fire fighter we interviewed and confirmed by the RCMP, firefighters are mostly volunteers who are already well established on Salt Spring, and have stable housing. Hiring is generally done from within this group, so the service is not experiencing housing-related recruitment or retention difficulties, at least at this time.

The School District, however, reported some recruitment and retention difficulties related directly to housing affordability. New teachers' salaries are insufficient to meet housing costs on Salt Spring, especially if they start as part-time employees, as is common in the school system. Some refuse job offers here, and some try to commute to SSI (or to the outer islands, where housing availability is even worse), a 'solution' which is stressful and difficult for their families. Lack of affordable housing has reportedly led to retention problems, a real loss to our community.

Key informants who are not directly involved in essential services tended to express a different perspective, suggesting that in their view most of the essential workers are well paid, and that while affordability could be a challenge, their salaries should enable them to secure reasonable housing.

Seniors' Housing

The results of Phase I of this report seemed to indicate that seniors are reasonably well served, particularly in the Ganges area, and particularly since there have been a number of supportive seniors housing projects developed in recent years (*Meadowbrook, Heritage Place and Braehaven*). The main gap identified in Phase I was for 'Southenders', particularly those with limited means wishing to remain in their neighbourhood (i.e. the south end) as they age.

This perception was not borne out by the key informants interviewed in Phase II. It was generally their perception that most of the seniors housing that has been built in the last 5+ years is not affordable for a large number of Salt Spring's seniors, including Meadowbrook and Heritage Place. Braehaven was built with support from BC Housing and the rents are geared to income, but it is an "assisted living" complex which is not the model of housing that many seniors want or need, at least in their own view. Arguably, many seniors may need more services than they are ready to admit, which suggests the need for awareness and education around the benefits of assisted living. Even if that were to be done effectively, for many seniors, the combined problem of affordability, availability and suitability would remain.

We heard reports of urgent current needs for affordable units for low income seniors, often long-time residents who don't want to leave Salt Spring Island. Some have been evicted (or fear it in their future), and can't afford the rents at most of the seniors' projects in Ganges. Pioneer Village is able to provide very low rents, and serves some of this population, but they only have 22 units, far from what is needed.

Informants were in widespread agreement that an ever more acute shortage of seniors housing, particularly affordable housing, is looming—coming at us like a tsunami, according to one—because of the demographic character of the island. This idea is clearly supported by the population forecasts presented earlier in this report. The primary concerns of our informants related to the future needs of lower income seniors, whom they view as having few viable housing choices even now. It was pointed out that a large number of the seniors facing affordability challenges are those who have been renters for many years. If they did not or could not get into the homeowner market when prices were lower, they now have no asset to sell to finance a move to seniors' housing. As well, over the years some have faced rent increases that they were unable to afford. As a result, they may have ended up living in sub-standard housing from which they have little chance of escaping as they age. Current economic conditions threaten to make the problem worse, as one informant told us:

We're dealing with an economy that is going to hurt more people—governments are going to be cutting services. Some seniors are well enough off that they are going to be okay, but low income seniors are going to be pushed to the edge in greater numbers. Even middle class seniors who have lost investments are going to have more trouble than we're ready for in terms of the affordable housing supply. The demographics [aging baby boomers] just make it worse.

Phase I of this study identified a gap in the housing options available for single women in the 50+ age group. This was also noted by one of the informants, who referred to them as the "lost group" – women in their 50s-60s who don't have many skills, who worked all their lives in low-paid jobs, but can no longer do physically demanding work, either as employees or in their own homes. They too risk a bleak future.

Housing is particularly difficult and an urgent need for hard to house seniors, who may have various disabilities, suffer from mental illness, or have active addictions. Their choices are even more limited, and they are at risk of homelessness.

Legalization of Suites and Cottages

As identified in Phase I of the Housing Needs Assessment and discussed in the community for some years, this is a fairly complex and controversial issue, with no simple solution. While in the past there has appeared to be some consensus that these units should be legalized, debate in the community centered on appropriate mechanisms to ensure the goal of long term affordability. Another concern has been that legalization could bring hundreds of densities to the Island, a result which could cause problems in itself (environmental pressures of various kinds) and, if permanent affordability could not be established, might only serve to increase the amount of *unaffordable* housing.

One of the mechanisms under discussion to ensure affordability has been the use of housing agreements to define some rent restrictions and allow some restrictions on occupancy. Negative reaction to housing agreements has related to potential homeowner resistance to the idea of restrictions placed on income generation from new units, as well as the cost and practicalities of administering such agreements.

As recognized during the research for Phase I, obtaining views on housing agreements and covenants from the public would be complicated without a fairly extensive education piece around the implications. Accordingly, for the purposes of this report, we chose to ask simpler questions about the role that suites and cottages could play in meeting some of Salt Spring’s affordability needs.

There was very strong support among our key informants for the legalization of suites and cottages as part of the affordable housing solution, with the following responses to this possibility:

	Suites		Cottages	
	responses	% total	responses	% total
Negative	1	6%	2	11%
Neutral	2	11%	1	6%
Positive	15	83%	15	83%

However, almost every person who agreed that suites and/or cottages should be legalized felt strongly that some very clear conditions should apply:

- (a) they must be kept affordable, and
- (b) they must be inspected and, if found to be substandard, brought up to code.

When pressed about the possibility of losing housing spaces because some owners might not pay to make the changes required by inspection, the key informants all said that it was worth the risk, reiterating that some of the conditions people on Salt Spring are living in now are inhumane and the community should not continue to turn a blind eye. In their words:

“Lots of landlords on Salt Spring won’t give leases, don’t pay attention to maintenance issues, and don’t keep their places to a decent standard of repair. If suites/cottages are legalized, they need to be kept to a decent standard for people to live in, even if that would mean some [landlords] would not continue to rent.”

“If people are [living] in illegal suites and cottages [now], they are told or they know that they have to shut up about it, no matter how bad the conditions are. [If they are legalized] tenants need real leases, and they need landlords to have to face some accountability [for meeting health and safety standards]. But they also need them to be kept affordable.”

The Islands Trust's Role

We asked the Informants what, in their view, the Islands Trust's role should be in developing affordable housing options on Salt Spring. We were also interested to hear what they thought were the impediments facing the Trust in accomplishing this. We felt that if there are unrealistic expectations or misinformation about what the Islands Trust can actually do under their mandate and regulatory limitations, it may be constructive for the Trust during the development and implementation of a community Affordable Housing Strategy in order to better educate the public.

Also, although the purpose of this Housing Needs Assessment was not to develop options for solutions to the problems identified, one of its key goals was to start gathering ideas from key informants about what they view as good starting points for a discussion of solutions in the next phase of strategy development.

Almost everyone we talked to expressed a strong positive reaction to the fact that the Trust is looking into these issues but had no matching confidence that it will act effectively. The past relationship between the Trust and proponents of affordable housing does not appear to be a fully positive one, based on these interviews. Respondents said over and over that the Trust appears to them to put roadblocks in the way of affordable housing, rather than working to remove them; that they don't seem to act like partners or collaborators let alone champions. Even people who described themselves as "pro-Trust" made this point. It seems important that the Trust avoid a defensive response, but rather to consider how this impression has been created and how it could be overcome.

While there were many, many suggestions for action, some common ideas emerged as to the most important things informants think that the Trust can or should do. One common theme was that the Trust could take a strong, clear, pro-active, partnership approach to those organizations with ideas and capacity, and assist them in navigating the regulatory system, both locally and provincially.

Other commonly held views included that the Trust could play a strong, clear, proactive leadership and educative role within the community to inform residents about the widespread and actual needs ("*we have all the problems of the Vancouver downtown east side right here*") and how the lack of stable housing affects the whole community. Many felt too, that the Trust could help counteract what they see as the NIMBY-ish resistance to neighbourhood change when specific projects are proposed. In their own words:

"They could help by providing a framework and by (...) playing more of an enabling role than they are now. One of our experiences was of all the hoops we had to jump through, bending over backwards to meet conditions—and that was all despite the personal support of individual trustees. The system just didn't function in a supportive way.

"We'd like to see the Trust working WITH us to remove barriers – e.g., [not just regulatory barriers but] contributing to public understanding that stable housing is a benefit to the whole community because people's lives are more likely to get straightened out [when they've got some place decent to live], and then social problems are reduced. A lot of people don't get that.

"Their mandate is land protection, so their hands are tied in a lot of ways. (...) I wouldn't want to see them fast-tracking proposals just for the sake of it. (...) But some people say this is the island of "no-you-can't". So I guess I'd like to see them be more open to suggestions [coming from community agencies]. The position they're in is hard. I feel for them, I really do. (...) One big thing, if they could do it, would be to find a solution for the NIMBY problem. That's what gets in the way of most proposals from what I can tell."

The Islands Trust's Role – cont.

Recognizing that some of the suggestions made may be outside the mandate or capacity of the Trust, we felt that the following ideas may be of interest, either for active consideration or only for information. Some of these suggestions may also be useful in identifying subjects for future education or information campaigns to help the community understand the Trust's role in affordable housing.

- Develop in-house expertise about affordable housing;
- Convene people and organizations who are working in this area and facilitate a cooperative relationship among all parties;
- Help find funding for and establish some kind of "housing resource centre" which could meet a number of needs including information, referrals, perhaps a location for the landlord tenancy branch to base someone here for a couple of days a month;
- Legalize suites and cottages, but only with conditions to ensure ongoing affordability and adequate condition;
- Give incentives, such as more reduced fees, tax requisitions (like for the pool), fund legal fees for legal review of covenants and housing agreements, provide grants;
- Fund enforcement of standards and bylaws;
- Develop a clear target of achieving certain units, in certain locations, within a certain timeframe;
- Allow more sub-divisions and greater building height limits;
- Ensure that mechanisms are in place to maintain affordability over time;
- Surcharges on the construction of larger residences;
- Better working relationship with the CRD;
- Lobby other levels of government;
- Explore mechanisms for legalizing trailers on a temporary or permanent basis.

Why Develop a Local Affordable Housing Strategy

Since World War II, all levels of government have been involved in housing policy, with the goal of improving the affordability, adequacy and suitability of Canada's housing stock. Senior governments developed a wide range of housing programs, and invested significant capital and operating funding to ensure that their policy goals were met.

In the early 1990s, the federal government withdrew funding for new social housing programs and over the following years, delegated responsibility of administering and maintaining the existing stock to the provinces. Only Quebec and British Columbia continued to deliver any social housing, but at a much reduced level, and often targeted to specific populations that may not be the priority needs of any given community.

For many local governments, this loss of funding has prompted the need to develop different solutions for the housing needs of their community members. While few local jurisdictions have the resources to develop housing themselves, many are engaging in various processes to encourage the private and non-profit sectors to develop this supply of needed housing.

Local governments can be active in supporting the creation of affordable housing through a number of tools and partnerships. The primary tools of the Salt Spring's Islands Trust are the control over land use, and the capacity to re-zone and increase density for affordable housing. The CRD has access to the property tax base, and has applied levies to fund the Regional Housing Trust Fund for the development of affordable rental housing. These two arms of Salt Spring's local government, working towards a common goal, have the capacity to have an impact on the affordable housing issues in our community.

What is a Local Affordable Housing Strategy?

According to CMHC, there are two primary approaches to local affordable housing strategies:

- Focused Strategies, and
- Comprehensive Strategies

Focused strategies are often appropriate in smaller communities where local government places attention on a single important issue that requires urgent and immediate attention (e.g. homelessness). This type of strategy can also be undertaken in response to a senior government funding program, such as the Federal 'Supporting Communities Partnership Initiative' (SCPI) that funded local government responses to homelessness in urban areas (Salt Spring did not qualify for this 'urban' designation or funding).

Another example of focused efforts would have been in response to the BC government's development of the Provincial Homelessness Initiative (PHI), which provided significant capital funding to develop rental housing for the homeless or those at risk of homelessness. Salt Spring was successful in securing partial funding under the PHI program for Murakami Gardens, by virtue of the fact that there is such a large gap between resident income and the cost of available housing; Salt Spring residents were deemed to be at risk of homelessness merely due to economic factors.

Focused strategies tend to respond particularly well to a specific housing need or problem that can be addressed in a relatively short period of time.

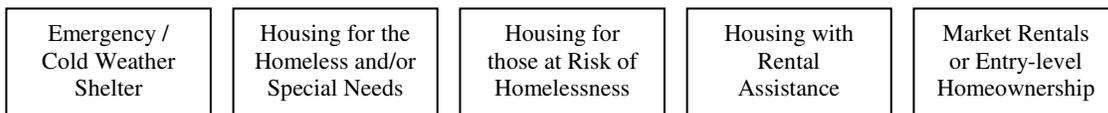
What is a Local Affordable Housing Strategy - cont.

Comprehensive strategies also address local housing issues, but rather the focus is to employ systematic frameworks of analysis, implementation and monitoring of the goals and achievements. While they can (and likely will) take advantage of any focused senior government funding programs that arise periodically, their goal is to address the full range of affordability issues facing the community.

Time and time again, feedback from members of the Salt Spring community during the conduct of both Phase I and Phase II of this report indicated that we need affordable housing for all segments of our community. Affordability is such a critical issue for everyone from the homeless, those with special needs, singles, families and seniors. While there was generally a consensus that there are some populations that have a more urgent need than others, we heard consistently that affordability problems affect most of the community.

A comprehensive strategy attempts to deal with the full spectrum of housing needs, hence the merit of addressing the full continuum through a comprehensive approach:

Salt Spring Island's Affordable Housing Continuum



A comprehensive strategy is more time and resource consuming to develop and implement than a focused strategy. However, it is usually considered superior to a focused strategy because its purpose is to develop a match between the actual housing needs of the community and the resources available. A comprehensive strategy conducts an initial and thorough assessment of both needs and resources, and it monitors the effectiveness of the policies and the changing needs over time. Its goal is to produce a system that is flexible and effective in dealing with the ongoing and changing housing needs as they emerge.

For the purposes of this report, it is assumed that the Salt Spring Island's Islands Trust will facilitate the development of a comprehensive strategy.

How the Local Strategy fits with the CRD's Affordable Housing Strategy

As part of the CRD's Regional Growth Strategy, it developed an Affordable Housing Strategy. To the best of the writer's knowledge, Salt Spring Island input or participation was not sought during the process, as the Islands Trust electoral areas were not included in the strategy.

While there was an extensive process around developing the strategy, and a comprehensive document was produced, it is beyond the scope of this report to research and evaluate the strategy or assess if or how Salt Spring could fit within that plan.

However, during the strategy development process that Salt Spring undertakes, this should be researched and evaluated for any possible opportunities for collaboration, elimination of duplication and/or combining of efforts.

Key Steps in Developing a Local Comprehensive Affordable Housing Strategy

It is beyond the scope of this report to develop an affordable housing strategy. The intent, rather, is to outline and briefly explain the basic steps that are commonly taken to design and implement a comprehensive affordable housing strategy.

CMHC has researched local affordable housing strategies across North America to identify best practices, and has developed a guidebook to assist local governments in their efforts. This publication “A Guide to Developing a Municipal Affordable Housing Strategy” is an excellent reference, and will form the basis for the outline presented in this report.

The key steps in developing a comprehensive strategy include:

1. Preparation and administrative set-up
2. Assessing the affordable housing needs
3. Launching a public participation process
4. Developing action plans
5. Implementing the strategy
6. Building Partnerships
7. Monitoring Outcomes

The following pages will provide a brief introduction to each of these key steps, as a general introduction to the issues. It should be noted that the focus is on the procedural issues that can assist the Islands Trust in identifying what needs to be done, and how, along with its local partners, to approach implementation. These are a series of steps that can be adapted to Salt Spring’s local resources, constraints and community and stakeholder needs, views and input.

It should be noted that while clearly some of these steps need to be taken in order, some can be undertaken concurrently and others can begin before previous steps are completed.

Step 1 - Preparation and Administrative Set-up

The first step when preparing to undertake the initiative is to appoint a “Strategy Coordinator”, who will oversee the development of the terms of reference, assist in forming any Task Force or Committee memberships, be responsible for record keeping and follow-ups, oversee any sub-contract work, and assist in day-to-day administration and document preparation.

The Trust may choose to strike a “Strategy Development Task Force” or “Steering Committee” to guide the process. Such a group should include multiple stakeholders and be responsible to outline the development process (as defined by the Trust), facilitate and initiate the ensuing key steps, develop and nurture partnerships for the implementation stage and make recommendations to the Trust with a draft/proposed affordable housing strategy.

“Terms of Reference” must be developed and approved by the Local Trust Committee, to establish parameters and guide participants through the process. The terms of reference should clearly state the mandate, membership of the various committees, roles and responsibilities, and provide definitions of terms (e.g. a local definition of housing affordability), timelines and budgets.

Step 2 - Assess the Affordable Housing Needs

The primary benefit to the conduct of a Housing Needs Assessment is to ensure that the housing strategy development process begins with a common understanding of the housing situation and the affordability problems that the community is facing. The needs assessment should be reviewed and updated on a regular basis in efforts to evaluate the effectiveness of the strategy, and to identify changes in the community that affect need and demand (i.e. demographics, economic circumstances, housing supply, etc.).

Typically, a Housing Needs Assessment report has three key components:

- Collection of data relating to the current housing market, and demographic and socio-economic characteristics of the population
- Compare the housing market to affordability of the populations, and identify gaps
- Prioritise needs and identify key issues

This is the goal of the subject **Phases I and II “Housing Needs Assessment”** report, and therefore this section of the report will not elaborate further on this component of the housing strategy.

Step 3 - Launch a Public Participation Process

Key throughout the development process is public participation, and ‘buy-in’ from the community. This may be one of the most challenging components of the process, but can be accomplished by inviting their involvement, and clearly demonstrating that the strategy is based on an ongoing and objective assessment of need.

The strategy that develops will need to reflect the interests, concerns and aspirations of the participants, but also the community at large, so the Trust will need to introduce a comprehensive public participation plan. Islands Trust staff are very experienced in the process of public hearings and consultations, so these suggestions do not presume to direct away from those experiences. They are rather generic techniques identified by CMHC as having been particularly effective in other jurisdictions.

The first step would be to identify the participants, who may be drawn from the general public and/or community groups that have a particular interest and stake in affordable housing. This could include, for example, community and neighbourhood groups, non-profit housing and service providers, representatives of persons with special needs, service clubs, Islands Trust and CRD staff, elected officials, housing policy experts, business and development professionals, and senior government representatives of housing agencies.

Next, the specific consultation and communications methods should be selected. Community consultations are targeted to both the general public and stakeholder groups to discuss affordable housing needs and challenges, the goal of the to-be-developed housing strategy, and options that may be explored. Typically, a consultation schedule is developed for specific points in the strategy development to get input on goals and principles, confirmation of key issues identified in the needs assessment, discussion of the options, formulation of the action plan, and to seek feedback on the draft strategy.

Various communication vehicles are used on an ongoing basis to inform the community throughout the process. The vehicles used may be the media, newsletters or e-mail lists, correspondence with representatives of community groups, and members of the community interested in the process or experiencing affordability problems themselves. Typically communications go out announcing the start-up of the process, to create general awareness of the need, to invite participation in the consultation sessions, and to advise when draft policy, action plans or monitoring reports are issued.

Step 4 - Develop Action Plans

The key components of the 'Action Plan' will evolve from the key issues and housing needs identified in the housing needs assessment, corroborated through community consultation, and priorities established throughout the process. This will also be informed by resources available. Each key issue is subject to an action plan, all of which are consolidated into a draft strategy for public consultation before being finalized. A common framework should be developed to address each issue for ease of consolidation.

There may be any number of activities already underway that address a key issue, and these should be identified and assessed for inclusion in the plan(s). A number of solution options or 'tools' for each issue should be identified and evaluated for its applicability and feasibility, including compatibility with other policy areas (e.g. growth management), acceptability to both stakeholders and the broader community, current economic, environmental, social and political realities, and any legislative or regulatory constraints.

Recommendations for the best options should be made, and specific goals, targets and responsibilities should be established for each key issue. Criteria for making these recommendations can include such things as how it could be implemented, resources available, experience of other jurisdictions, estimate of how much housing could be produced, costs of implementation, locations most appropriate, any other side benefits (i.e. containing sprawl), and potential complications or undesirable effects.

Relying on the common framework identified above, these separate action plans can then be brought together into a draft affordable housing strategy. In collating these various action plans, consideration must be given to avoiding conflicting approaches, linking key issues (or functional areas, depending on how the plan frameworks are organized), and appropriate use is made of existing resources. If any proposed solutions or assumptions are inconsistent with the overall strategy or otherwise deemed unrealistic, they must be referred back to the responsible party for reconsideration. Finally, and very importantly, the action plans must be realistic given the amount of resources available for implementation.

The resulting draft Affordable Housing Strategy should then be presented to the community, and input and feedback invited and obtained in a meaningful way. This input should be considered, and incorporated if appropriate into the final document for Local Trust Committee approval.

Step 5 - Implementing the Strategy

Implementation of the Affordable Housing Strategy is a completely separate process from the strategy development, and it should be set up as such. As with the development of the strategy, it will require established procedures and timeframes, resources, a communication plan, and a management structure.

While implementation plans vary so widely because of the great differences between each community's needs and chosen solutions, CMHC does provide some general guidelines to consider. First, it should be recognized that not everything can be done at once; short-and long-term implementation steps should be prioritized and scheduled. This should include specifically what measures are to be taken, assign responsibility, establish a time frame for completion, and make provisions for regular reporting to the Local Trust Committee (or other entity tasked with this role).

Some of the actions may require funding, and while the Islands Trust does not have the capacity to provide capital funding to develop housing, they are in a position to facilitate other stakeholders' efforts to secure funding from other levels of government, foundations, etc. These types of activities should also be included, as should strategies to respond to anticipated or potential problems such as opposition in the community or restrictive or conflicting bylaws.

Again, it is beyond the scope of this report to elaborate fully on implementation, but a number of features can help ensure success. Implementation should attempt to build capacity within the community, be supported politically, have flexibility to respond to a changing environment, and be based on a transparent and inclusive development process.

Step 6 - Building Partnerships

Limited federal and provincial funding for affordable housing in recent years has resulted in the necessity for creative solutions to develop housing that has historically been heavily funded by senior levels of government. Increasingly local governments are working with (or encouraging) stakeholders to work together to achieve common or complementary affordable housing objectives.

The term 'partnership' in the context of developing affordable housing has a very broad definition, and can take many forms. It can, but does not necessarily, mean the creation of a 'partnership' as a business form. Rather it is generally the combination of any number of participants that make some contribution towards the development of the housing; these participants can include senior levels of government through their funding mechanisms, non-profit societies as sponsors, developers and or private land owners, foundations, community organizations (service clubs, churches, etc.), or any other individual or entity that has an interest in the outcome.

Partners' contributions can be as varied as the partners themselves; common contributions include land, cash, fundraising efforts, in-kind services, cost or fee reductions, regulatory concessions or flexibilities, favourable loans, links to support services, etc.

The Islands Trust, for example, can participate in a housing partnership through application of their land use tools (primarily the application of bonus density), through the streamlining or expedition of any re-zoning or development permit process, and the expertise and assistance of planning staff.

The process of developing the housing strategy provides a good opportunity to encourage stakeholders to become involved and consider their potential roles in housing partnerships. The process of community consultation will raise awareness about housing affordability issues, and can be a catalyst for creative thinking and synergies among potential partners.

Step 7 - Monitoring Outcomes

Key to the successful implementation of an affordable housing strategy is the inclusion of provisions to monitor and evaluate progress towards the goals. This mechanism will then allow for any necessary changes or adjustments to the plan, the implementation steps, or the timeline should the expected results not be achieved.

An effective monitoring system should include quantifiable performance measures and targets that evaluate both the achievement of specific goals (e.g. housing units developed) and the effectiveness of this outcome (e.g. affordability of the units and/or satisfaction of the targeted populations). A component of this monitoring system would generally include regular updates of the Housing Needs Assessment.

POTENTIAL FUNDING SOURCES FOR A HOUSING STRATEGY

Establishing a budget for the development and implementation of a comprehensive affordable housing strategy will be highly dependent on the nature and scope of the plan developed. Accordingly, it is premature at this stage to venture an estimate of the funding required. However, there are a number of organizations that may be in a position to assist the Island Trust with funding for such an initiative.

Real Estate Foundation of BC

The Real Estate Foundation is a philanthropic organization whose purposes are:

"to undertake and carry out real estate public and professional education, real estate law reform, real estate research and other projects intended for the public or professional good in relation to real estate activities."

The Board of Governors has established the Foundation's mission, as follows:

"to support sustainable real estate and land use practices for the benefit of British Columbians."

The Foundation provides project funding and endowment grants to non-profit organizations (endowment grants are available only to organizations with charitable status). The Foundation has been very active on Salt Spring Island in recent years, and has provided significant funding to a number of non-profit affordable housing societies for their developments. Most relevantly, the Real Estate Foundation is a major provider of funding for both Phase I and Phase II of this Housing Needs Assessment.

Preliminary discussions have been undertaken with Real Estate Foundation staff to inquire as to the Foundation's interest in becoming a funding partner for the development and implementation of an affordable housing strategy, led by the Islands Trust. Funding to local governments is subject to the provision that the project planned is not one that is legislatively mandated (e.g. the Foundation will not fund OCP reviews). As such, the development and implementation of an affordable housing strategy would qualify for funding from the Foundation.

The Foundation's initial response was very positive, and the Islands Trust was requested to submit a 'Letter of Inquiry' for consideration by the Board of Trustees. The deadline for submission is November 30, 2009 for consideration at their December Board meeting. Organizations to be considered for funding will be advised of such around December 18th, and requested to submit a full application by January 15th 2010. The Board of Trustees will meet in March 2010 to review and approve funding applications.

Foundation staff advised that they would need to see 'partnerships' in the plan, and have an expectation that the local government would provide a portion of the funding themselves. Presumably, one or more of the following other potential funding sources would also assist in the funding of the initiative, and thus qualify as 'partners' for Real Estate Foundation purposes.

Further information and application details can be located on the Foundation's website at <http://www.realestatefoundation.com/howtoapply/howtoapply.html>

POTENTIAL FUNDING SOURCES FOR A HOUSING STRATEGY

ACT (Affordability and Choice Today)

ACT (Affordability and Choice Today) is a program funded by CMHC, and delivered by the Federation of Canadian Municipalities (FCM) in collaboration with the Canadian Home Builders Association (CHBA) and the Canadian Housing and Renewal Association (CHRA).

The program is designed to encourage housing affordability and choice through regulatory reform, which is defined by ACT as including:

“land use planning, residential building codes, zoning, residential regulations, the development approvals process, site and infrastructure development standards, resistance to regulatory change, provincial or territorial legislation, and redevelopment financing (e.g. for brownfields).

ACT grants of up to \$5,000 are available to facilitate the transfer of information and the implementation of solutions that contribute to housing affordability or that increase housing options. Program grants can also be used to hold workshops to discuss existing as well as new solutions, or to document successful, innovative solutions to share with others.

The grants may be used to organize workshops or similar sessions with local government staff, industry members and other key stakeholders to exchange information on solutions. The grants may also be used to document a community’s successful regulatory solutions.

More specifically, grants may be used to cover costs associated with holding or preparing for sessions that encourage support and facilitate uptake of one or more regulatory solutions developed. For example, funding can be used to bring in presenters who participated in developing or implementing a solution, logistical arrangements and facilitation, preparation of presentations or workshops, or to document and produce session proceedings.

The ACT sponsors expect that the project team includes industry representation (e.g. builder, non-profit housing provider, architect or planner), local government representative(s), and other stakeholders).

Initial discussions with representatives from the FCM (which carries out program administration on behalf of the partners) indicate that funding from ACT may be available for some aspects of this affordable housing strategy initiative. Staff advised that the application deadline for the next round of funding is November 30, 2009.

Further information and application details can be located on the Foundation’s website at <http://www.actprogram.com/english/welcome.asp>.

APPENDIX

POTENTIAL FUNDING SOURCES FOR A HOUSING STRATEGY

Salt Spring Island Foundation

The Salt Spring Island Foundation's purpose is:

“to enhance the quality of life in our island community”.

This is a fairly broad mandate, and since its inception in 1984, the Foundation has provided funding to dozens of local community organizations for many valuable projects. The Foundation supports the community in other ways, such as providing resources and encouraging community collaboration.

The Salt Spring Island Foundation supports only those agencies and organizations that benefit the citizens of Salt Spring Island. Grants are made to support the work of charitable organizations or other 'qualified donees' (as defined by Canada Revenue Agency); it is our understanding that the Islands Trust is a 'qualified donee', and thus eligible for funding should an application be made and approved by the Trustees.

The Foundation considers a number of criteria in making their funding decisions, and gives particular consideration to the seriousness of need, degree of potential benefit to the community, level of cooperation and coordination with other programs in the same field, reasonable assurance that the grant is sufficient to achieve the intended results, and the degree of volunteer participation and citizen involvement in the initiative.

In 2007 the Foundation initiated a Community Services Needs Survey in cooperation with a number of other community groups. The final report released in May 2008 identified affordable housing as the top priority for critical service issues in the community, specifically identifying the need for affordable supportive housing for seniors, second stage housing for women, suitable rental housing, special needs housing, and youth housing/foster homes. Homelessness was also ranked as very important, noting the lack of emergency shelter options for the whole community.

Given the strong commonality in the Foundation's findings and the findings of this needs assessment, the Foundation could potentially be a strong partner in the development of the affordable housing strategy – either as a funder or as a participant in some capacity. Clearly they have a keen understanding of the urgency of the need for affordable housing on Salt Spring Island.

Further information and application details can be located on the Salt Spring Island Foundation's website at <http://saltspringislandfoundation.org/guidelines.html>.

APPENDIX

PHASE I HOUSING NEEDS ASSESSMENT (2008)

Islands Trust Housing Needs Assessment – Phase I

Presented by JG Consulting Services Ltd.
Salt Spring Island, BC

August 2008

with funding from



THE REAL ESTATE
FOUNDATION
OF BRITISH COLUMBIA

Salt Spring Island's Affordable Housing Continuum

Emergency / Cold
Weather Shelter

Housing for the
Homeless and/or
Special Needs

Housing for those
at Risk of
Homelessness

Housing with
Rental Assistance

Market Rentals or
Entry-level
Homeownership

Islands Trust Housing Needs Assessment – Phase I

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Islands Trust Housing Needs Assessment – Phase I

Presented by

**JG Consulting Services Ltd.
August 2008**

INTRODUCTION

Phase I of the Housing Needs Assessment is intended to represent a starting point ('Phase I') for the Salt Spring Island planned Housing Needs Assessment funded by the Real Estate Foundation and the Islands Trust. The goal is to present as much data and analysis as possible within a very short time frame, with a focus on what is relevant and critical for input to the OCP review regarding the current affordable housing situation on Salt Spring.

The October 2007 Real Estate Foundation (REF) CIT grant application was used as a general guide, however, given the very tight timeframe to provide input to the OCP, the work performed (as planned) does differ from that contemplated in the original REF proposal. This proposal originally anticipated the use of a REF-developed data request and analysis methodology template which would greatly simplify and expedite the assignment. This tool was not yet available for Phase I of the project, and therefore it is expected there will be some duplication or additional work associated with completing Phase II of the Needs Assessment once the methodology is received; the implications of this was not considered in the proposed assignment.

The **focus for Phase I** is a general overview of the housing market, an examination of the current demographics, an estimate of the price range of housing that would be affordable to this population and a general overview the community's existing housing supply. The intent is to identify how the housing stock matches the financial means of the community, and identify gaps in the supply.

The **intended outcome of Phase I** is to provide a basic analysis of the statistical data that relate to housing affordability. This analysis is intended to provide some assurance that there are no large differences in the perception that housing affordability problems have escalated significantly in recent years, as well as various particular areas of concern. The analysis is brief, and has also identified areas or issues to consider for further exploration in Phase II of the project.

Phase I is not a full housing needs assessment, but rather a tool to assist the Local Trust Committee in the OCP review, and the development of the terms of reference for Phase II.

Phase II of the Assessment should include community surveys and consultations regarding the results of Phase I, and be undertaken once the methodology from the REF is obtained. Ideally this will occur in time for input to the LUB (Land Use Bylaw) revision, following the approval of the OCP changes. Phase II should also include a forecast of the future housing supply for comparison to population forecasts developed by BC Stats.

The resulting full Housing Needs Assessment is intended to be a snap shot of the housing situation and needs, which should be reviewed and updated regularly over the years in order to assist the Islands Trust in directing strategies and land use decisions to give priority to the most critical housing needs identified. Ideally, the OCP should reflect the need for ongoing monitoring of affordable housing and the regular update of relevant aspect of the Housing Needs Assessment in order to measure the success of their housing strategy, and/or make any required modifications if the intended improvement in affordability is not achieved.

SUMMARY CONCLUSIONS

It is widely recognized that housing on Salt Spring Island is extremely expensive and not affordable to many island residents. The purpose of Phase I of this needs assessment was to research the basic demographic and housing supply information, and to identify if the perceived shortcomings in the housing market are corroborated by the statistical information that is readily available. Some reliance was placed on anecdotal information as well, particularly in some of the more difficult to quantify areas.

Essentially, the research confirmed virtually all the perceptions about a crisis of affordability, and the critical and increasing need for more affordable housing to satisfy Salt Spring's population's most basic requirements.

Home and land prices have increased very dramatically over recent years, and ownership is beyond reach of most renters. There is a large gap in the supply of homeowner housing that is attainable to the general population, based on their incomes. Generally the available supply of housing is at least double the price that would be affordable to a median income earner on Salt Spring Island.

Trends in incomes are exacerbating this problem; there are increases in the number of residents of very low incomes, declines in the number of low to moderate income earners, and sharp increases in the number of residents with very high incomes.

The supply of rental housing is in very short supply, often in poor condition, and likewise very expensive. A portion of the rental supply is available only seasonally, as tenants are vacated to allow non-resident owners to either spend their vacations on Salt Spring, or to capture the more lucrative vacation rental market. There have been decreases in the number of market rental properties, with some, but fewer non-market rental units developed with government assistance. These non-market rental projects often report full occupancy and sizeable wait lists.

Employers in all sectors reportedly experience labour shortages due to housing affordability challenges of employees and potential employees. This appears to be a factor in the decisions of many young families who choose to leave the island, or move off-island and commute back to work. Clearly this out-migration of families would be a significant contributor to the reported declines in permanent resident school enrolments.

Many individuals and families are increasingly at risk of homelessness, as their tenure is insecure and a very significant portion of their incomes are dedicated to shelter costs. There are substantial numbers of residents that struggle with rental costs, but single-parent female-led families with children appear to be one of the populations exhibiting the most urgent need.

There have been reports of a very significant increase in the number of homeless persons on Salt Spring, the great majority of which are originally from this area. While a large number of the homeless population are harder to house because they need additional supports, it is reported that an increasing number of persons and families with children are becoming homeless due to simple economic factors. While challenging to quantify, and often based on anecdotal evidence, this is the most critical and urgent need identified during the research undertaken for this report.

SUMMARY OF KEY FINDINGS

Demographics

Salt Spring's population is much older (median age 51.3) and aging must faster those other regions in the Province of BC (median age 40.8). There are very significant increases particularly in the numbers of early retirement aged residents (incr. 49%) and older seniors (40-50%) over the last 5 years (see page 9 for details).

There are fewer school children aged 5-14 (SSI 10.3%, BC 12.2%), and large drops in the numbers of children (SSI 11.9%, BC 3.7%), and young families (decrease adults 25-44 SSI 13%, BC 4.2%) (see pages 9-10).

There is a slightly lower percent of single-parent families on Salt Spring (13.9%) than in the Province of BC (15.1%). While the great majority remain single mothers (71.3%), a there was a trend away from mothers to single fathers over the last 5 years (see page 12-13).

The proportion of families with children (18.4%) is much lower than in BC (26.3%), and has dropped by over 8% since 2001, while there is an overall Provincial increase of over 2%. The percentage of couples without children (36.2%) is much higher than provincial average (29.6%) (see page 14).

The increase in the number of households on Salt Spring (3%) has not kept pace with increases seen in the Province of BC (7.1%) over the last 5 years (see page 14).

There is a slightly higher percentage of one-person households (SSI 31.5%, BC 28%), but it is increasing at a much slower rate than Provincial averages (SSI 2.3%, BC 10.2%). There are some indications that more single persons are sharing residences (see page 14).

Income

Total income reported by Salt Spring residents (average \$39,551, median \$26,256) is lower than in the CRD (average \$41,840, median \$31,370), but comparable to the Provincial average. Females earn more than their provincial counterparts, and males earn less than theirs (see page 15).

Family income ranges from 7-20% less than provincial average (SSI \$56,000, BC \$62,300) and lone-parent families incomes are 4% less (SSI \$33,900, BC \$35,400). There is great disparity in lone-parent family incomes; female-led families' incomes trail their male counterparts by 20% and couple families' incomes by 41% (see page 16).

Median household income of \$45,693 is 13.3% lower than BC (\$52,700) and incomes in couple households with children (\$57,800) lag over 27% behind provincial averages (\$79,500) (see page 16).

Significant changes in income distribution have occurred over the last 5 years, with declines in virtually every income category below \$70,000 and large increases in the higher income brackets. The most notable is a 130% increase in those earning above \$100,000 (see page 17).

One other notable difference in the change in income distribution is a 10% *increase* in the number of residents reporting incomes *below* \$10,000 (see page 17).

Single person households represented over 31% of the number of households in 2006 (page 14), but the majority (65%) earn less that \$35,000 per year (see page 18).

SUMMARY OF KEY FINDINGS

Housing Affordability

A match of housing stock to Salt Spring's current family composition and income profile would yield a median average purchase price of \$196,500 (see page 20).

Couple families could afford between \$259,000 (those with children) and \$286,000 (without children). These families represent 18% and 36% of the population respectively (see page 20).

One person households, which represent over 31% (page 14) of the households, could afford to purchase a home of \$90,600 (see page 20).

Single-parent families could afford houses ranging from \$131,200 (female-led) to \$194,500 (male-led) (see page 20).

Couple families with and without children could affordably rent homes in the range of \$1,340-\$1,470 per month. One person households can afford rents of \$535 (see page 20).

Single parents can afford rents of \$749 (\$730 for female-led and \$1,033 for male-led) (see page 20).

Housing Stock

Salt Spring had 4,320 households in 2006, consisting of 3,530 owned dwellings (82%) and 790 rental dwellings (18%). The Provincial average is 70% owned and 30% rental (see page 21).

The overall number of dwellings has increased 3% over the last 5 years. Within this overall increase, however, there was a *decrease* of 6% of number of rental units, and an increase of over 5% in homeowner units (see page 21).

The housing supply consists primarily of single-family detached dwellings (3,730 or 86%), far in excess of the 49% average across BC (see page 21).

The stock of private dwellings is in somewhat poorer condition than the average across BC, with over 29% requiring minor repairs and 10% requiring major repairs (BC 24% and 7%) (see page 22).

The housing stock is somewhat newer than that in the province, with the majority of built since the 1970 (see page 22).

SUMMARY OF KEY FINDINGS

Homeowner Housing

Average sales price for a single family home in 2007 was \$616,900, up by over \$331,400 (116%) since the 1999 average of \$285,500. Median sales price for a single family home in 2007 was \$548,510, up by over \$286,200 (109%) since the 1999 average of \$262,200 (see page 23).

As of May 2008, there were 146 single family home listings, with an average price of \$768,000 (median \$629,000). There was only one home listed under \$300,000, with another 14 below \$400,000. There are 25 listed over \$1,000,000 (see page 24).

Average 207 lot sales value was \$291,600, reflecting an increase of 294% since the \$73,900 average in 1999. Median lot sales value was \$283,000, reflecting an increase of 285% since the \$72,200 average in 1999. These prices exclude large acreages and water-front properties (see page 25).

May-2008 land listings (*including* acreages and waterfront lots) average \$435,500 (median \$379,000) (see page 26).

The 2004 housing survey results indicate 75% of owners could not afford to buy their residence at current market value (see page 26).

Rental Housing

The census reports 790 rental units on Salt Spring, mostly in single family dwellings. There is a sizeable number of rental cottages and secondary suites; the extent to which there are included in the count is unknown (see page 27).

The 2004 housing survey results indicate that, although there is a desire to do so, virtually no renters could afford to enter the housing market on Salt Spring (see page 26).

Market rental apartment buildings are very few. Excluding serviced seniors' housing, there are approximately 18 market rental apartment units (see page 27).

There are approximately 212 units of non-market rental housing on Salt Spring Island, most of which (75%) are targeted to seniors. The majority of these seniors' units (74%) provide some level of supportive or care services (see page 27).

All seniors' residences are located in the Ganges area, suggesting the needs of south-end seniors' wishing to remain in their community may not be well served (see page 27).

Market rental listings for May-2008 averaged \$1,140 per unit. This ranged from an average price of \$840 (1-bed), \$1,300 (2-bed), \$1,700 (3-bed), to \$1,780 (4-bed). (see page 28).

Market rental listings for houses averaged \$1,611, suites \$829, apartments \$906 and cottages (\$799) (see page 28).

Market rental listing rate increases between 2003-2007 averaged 27% (\$250). Four-bedroom rentals remained unchanged at \$1,700, with the highest increase in 2-bed units (\$325 or 35%). Overall increases (27%) have not increased as fast as home purchase prices (50%) or land prices (over 100%) (see page 28).

SUMMARY OF KEY FINDINGS

Suites and Cottages

The 2004 survey administrator reports that 16% of homeowner respondents had a rental suite, cottage or both on their property, and that extrapolated to the overall housing supply, this could indicate a potential rental supply somewhere in the range of 650 dwellings.

A brief review of the survey data provided indications that many homeowners with mortgages may make important use of rental revenue as mortgage helpers.

Rental unit data for 2008 indicates average rates of \$829 for suites, ranging from \$804 (one-bed) to \$1,000 (2-bed) (see page 28).

Cottages averaged \$799, and ranged from \$781 (1-bed) to \$950 for a 2-bed (see page 28).

Suites increased by \$136 (19%) from 2003-2007, compared to the overall rental market increase of \$27%. Cottages exhibited the lowest rental rate increases from 2003-2007 (4%) of any type of rental accommodation (see page 28).

Housing Need on Salt Spring

Stats Can reports that 44% of Salt Spring Renters are in 'core housing need' (paying in excess of 30% of income on shelter) (see page 32).

The 2004 Survey indicates a similar number of households in core need, and also indicates 12% of respondents were at risk of homelessness i.e. paying > 50% of their income on shelter (see page 29).

There have been reports of a very significant increase in the number of homeless persons on Salt Spring; the 'official' homeless counts range from 32-62 homeless. Organizations serving those populations believe this greatly understates the numbers, which they estimate to be upwards of 150. (see page 33).

Extrapolating median income of various family household compositions, the ideal owned home would have an average value of \$234,590 and median \$259,600 (p. 24). Current listings average \$768,000 and median \$629,000 (see page 35), far exceeding the calculated 'ideal' values.

Using median income of various family household compositions as a guide, currently available rental rates are not affordable to many households, most notably single persons and female-led lone parent families (see page 36).

DEMOGRAPHICS

Demographics and Age 2006

According to Stats Canada, the 2006 Census results indicate a Salt Spring Island population of 9,640, an overall increase of 360 (3.9%) over the 2001 Census. The table below identifies population sizes in various age ranges, as compared to the CRD and the Province of British Columbia.

	Salt Spring Island		Capital Region		British Columbia	
	Total	% Total	Total	% Total	Total	% Total
	9,640		345,165		4,113,485	
Age 0-4	300	3.2%	14,385	4.4%	201,880	5.2%
Age 5-14	955	10.3%	33,830	10.4%	477,725	12.2%
Age 15-19	565	6.1%	20,630	6.3%	273,560	7.0%
Age 20-24	340	3.7%	23,390	7.2%	265,905	6.8%
Age 25-44	1,680	18.1%	87,790	27.0%	1,125,330	28.8%
Age 45-54	1,725	18.6%	55,935	17.2%	664,255	17.0%
Age 55-64	1,925	20.7%	46,725	14.3%	505,015	12.9%
Age 65-74	1,005	10.8%	27,840	8.5%	313,395	8.0%
Age 75-84	1,080	11.6%	23,985	7.4%	210,360	5.4%
Age 85 and over	330	3.6%	9,950	3.1%	76,045	1.9%
Median age	51.3		43.6		40.8	

Categorizing the population according to age can be helpful as an indicator of housing need as, for example, families have different needs than seniors. Changes identified over recent years can be helpful in corroborating the perception that families are leaving Salt Spring because of housing affordability problems.

One can quickly see that the Salt Spring population is much older than both the CRD and the provincial averages, as reflected by a substantially higher median age. As far as implications for housing affordability, this older population would tend to skew average income figures higher, as many wealthy Canadians have chosen Salt Spring Island for their retirement. This higher income can be expected to exert an upward pressure on housing values.

There are far fewer young families, with much lower than average percentages in both the 20-24 and 25-44 age groups (SSI 3.7% +18.1% = 21.8%), compared to the CRD 34.2%, and BC 35.6%.

It is widely believed that very high housing prices are, at least in part, responsible for this trend. It is reported that many young families are leaving Salt Spring, which is supported by dropping school enrollment numbers and causing concern in the community about possible school closures. This issue should be addressed further with the local School District in Phase II of this needs assessment to determine if the enrollment decline is consistent with broader regional trends, or if it is more severe (or somehow different) locally.

Many former residents of the island have reportedly moved to nearby Vancouver Island communities such as Duncan or Crofton, and commute back to Salt Spring Island to work. This pattern has intensified particularly in the last few years, creating long commuter backlogs on the ferries, and has resulted in added ferry runs to shuttle Salt Spring employees to and from Crofton in recent years.

DEMOGRAPHICS

Demographics and Age 2001-2006

There were some notable changes in the age profile of the population that impact housing needs and choices, and support some of the perceptions that the Islands population is changing.

A comparison of the 2001-2006 Census results confirms that there are fewer families with children on Salt Spring, and that there is a large increase in retirement aged residents. Quite notably, the 55-64 year (early retirees) and the two 75+ age groups have experience the greatest increases (49.8%, 50%, and 40.4% respectively), far in excess of growth rates in either the CRD or the Province.

CHANGE	Salt Spring Island		Capital Region		British Columbia	
	Total	% Total	Total	% Total	Total	% Total
2001-2006	360	3.9%	19,415	6.0%	205,745	5.3%
Age 0-4	- 50	-14.3%	195	1.4%	- 3,770	-1.8%
Age 5-14	- 120	-11.2%	- 1,435	-4.1%	- 22,690	-4.5%
Age 15-19	- 10	-1.7%	385	1.9%	3,285	1.2%
Age 20-24	50	17.2%	1,895	8.8%	21,840	8.9%
Age 25-44	- 250	-13.0%	- 2,820	-3.1%	- 49,445	-4.2%
Age 45-54	- 65	-3.6%	3,850	7.4%	64,550	10.8%
Age 55-64	640	49.8%	13,585	41.0%	125,265	33.0%
Age 65-74	- 20	-2.0%	1,020	3.8%	26,685	9.3%
Age 75-84	360	50.0%	520	2.2%	24,015	12.9%
Age 85 +	95	40.4%	1,510	17.9%	16,015	26.7%
Change						
Median age	3.7	7.8%	2.6	6.3%	3.0	7.9%

Families

Salt Spring is experiencing a much greater decrease in populations of pre-school (ages 0-4) and school age children (5-14) than either the CRD or BC. Salt Spring's overall decrease in this age group is 11.9%, compared to 2.5% for the CRD and 3.7% for the Province of BC.

	<u>2001</u>	<u>2006</u>	<u>Change</u>	<u>Change %</u>
Salt Spring				
Age 0-4	350	300	-50	-14.3%
Age 5-14	<u>1,075</u>	<u>955</u>	<u>-120</u>	<u>-11.2%</u>
	1,425	1,255	-170	-11.9%
CRD				
Age 0-4	14,190	14,385	195	1.4%
Age 5-14	<u>35,265</u>	<u>33,830</u>	<u>-1,435</u>	<u>-4.1%</u>
	49,455	48,215	-1,240	-2.5%
BC				
Age 0-4	205,650	201,880	-3,770	-1.8%
Age 5-14	<u>500,415</u>	<u>477,725</u>	<u>-22,690</u>	<u>-4.5%</u>
	706,065	679,605	-26,460	-3.7%

This decrease in young family aged groups is also reflected in the number of the parents of these children (ages 25-44), which declined 13%, compared to 3.1% in the CRD and 4.2% in BC.

DEMOGRAPHICS

Seniors and Retirees

A further breakdown of the changes in the 55+ population may be helpful in understanding the implications that an influx of retirees and/or an aging population may have on housing. Many of these retirees (particularly the younger ones) are thought to experience higher incomes, and if so, partially explaining some of the increasing numbers of sales of high value homes.

Seniors & Retirees	<u>2001</u>	<u>2006</u>	<u>Change</u>	<u>%</u>
<u>Salt Spring</u>				
Age 55-64	1,285	1,925	640	49.8%
Age 65-74	1,025	1,005	-20	-2.0%
Age 75-84	720	1,080	360	50.0%
Age 85 +	<u>235</u>	<u>330</u>	<u>95</u>	<u>40.4%</u>
	3,265	4,340	1,075	32.9%
 <u>CRD</u>				
Age 55-64	33,140	46,725	13,585	41.0%
Age 65-74	26,820	27,840	1,020	3.8%
Age 75-84	23,465	23,985	520	2.2%
Age 85 +	<u>8,440</u>	<u>9,950</u>	<u>1,510</u>	<u>17.9%</u>
	91,865	108,500	16,635	18.1%
 <u>BC</u>				
Age 55-64	379,750	505,015	125,265	33.0%
Age 65-74	286,710	313,395	26,685	9.3%
Age 75-84	186,345	210,360	24,015	12.9%
Age 85 +	<u>60,030</u>	<u>76,045</u>	<u>16,015</u>	<u>26.7%</u>
	912,835	1,104,815	191,980	21.0%

DEMOGRAPHICS

Census Family Composition 2006

Stats Canada defines a 'census family' as those households containing a married or common law couple (with or without children), or a single-parent with at least one child living in the home. Couples may be of opposite or same sex and 'children' may refer to 'grandchildren' if there are no parents in the home.

In 2006, there were 2,870 such defined families on Salt Spring Island, an increase of 4.7% over results from the 2001 Census. CRD family composition data had not yet been released as of the date of this writing, but limited Province-wide data is presented for comparison.

An estimate of the population living in census families was made, using the Stats Can average number of persons per family type. This produces an estimated 7,539 residents living in family households, with (presumably) the balance living as singles and/or in institutional settings. A number of this latter category are also presumed to be homeless or in temporary accommodation.

	Salt Spring Island				British Columbia		
	Total Families	% Total	Avg # persons	* Est.# persons	Total Families	% Total	Avg # persons
Census Families							
Married-couple families	1,970	68.6%	2.7	5,319	844,430	72.7%	3.0
Common law-couple families	500	17.4%	2.6	1,300	141,825	12.2%	2.6
Lone Parent Families	<u>400</u>	<u>13.9%</u>	<u>2.3</u>	<u>920</u>	<u>175,160</u>	<u>15.1%</u>	<u>2.5</u>
Total families	2,870	100.0%	2.6	7,539	1,161,415	100.0%	2.9
Singles (<i>presumed</i>)				<u>2,101</u>			
Total Population				9,640			
<u>Lone Parent Families (above)</u>							
Female-led	285	71.3%	2.3	656	139,770	79.8%	2.5
Male-led	<u>110</u>	27.5%	2.3	<u>253</u>	<u>35,395</u>	20.2%	2.4
Total	400			909	175,160		

Some interesting differences from Provincial averages emerge, particularly in lone parent families. First, the percentage of lone-parent families on Salt Spring (13.9%) is lower than the Provincial average (15.1%). While this difference is relatively small, it does not fit with the perception that Salt Spring houses a large number of lone-parent (usually female-led) families. The breakdown of lone-parent families follows this unexpected comparison, with the proportion of male-led lone-parent families on Salt Spring exceeding the Provincial average.

Another difference between Salt Spring and BC is the lower average number of persons per family (SSI average 2.6 persons/family vs. BC average 2.9). This has implications for the size of housing needed for families, as well as the number of dwellings required relative to the population size.

DEMOGRAPHICS

Changes in Family Composition 2001-2006

A comparison of 2001 to 2006 family composition did not reveal any large difference over the previous 5 years on Salt Spring, with the exception again of a feature of lone-parent families. While the overall % of long-parent families was down only 0.4%, there was a noticeable trend away from female-led families to male-led families that deviated significantly from the Provincial trend.

CHANGE 2001-2006	Salt Spring Island				British Columbia		Avg #
	Total Change	% Change	Avg # persons change	Estimated # persons	Total Change	% Change	persons change
					75,390		
Married-couple	45	1.6%	-0.1	-71	46,940	4.3%	-0.1
Common law-couples	90	0.0%	0.1	275	21,700	2.0%	0.0
Lone Parent	<u>-10</u>	-0.4%	-0.1	<u>-64</u>	6,745	0.6%	0.0
Total families	130			140	75,385		
Singles (<i>presumed</i>)	220			<u>220</u>			
Total Population				360			
Female-led Lone-parent	-55	-13.4%			3,315	2.0%	-0.1
Male-led Lone-parent	35	8.5%			3,430	2.0%	0.0

As the income data presented later will demonstrate, female single parents have significantly lower incomes than not only the overall population, but than male single parents. While exploration of any reasons behind this trend is beyond the scope of this analysis, such a trend would be consistent with the perception that single mothers are in particular housing crisis, and (anecdotally) are increasingly at risk of homelessness.

This does have a tremendous impact on housing affordability, which could partially explain the decline in female-led households as their children may migrate towards residency with the higher income father and/or single mothers leaving Salt Spring to seek more affordable housing elsewhere.

DEMOGRAPHICS

Household Composition 2006

Stats Canada defines a 'private household' as a person or group of persons who occupy the same dwelling as their primary residence. This household may be a 'census family', a group of unrelated persons living together, or one person living alone. The composition (resident profile) and income of households is strongly related to housing need and affordability.

Salt Spring Island has 4,320 private households, an increase of 125 from 2001 (3% increase).

2006	Salt Spring Island		British Columbia	
	Total	% Total	Total	% Total
Couple families with children	795	18.4%	432,420	26.3%
Couple families with no children	1,565	36.2%	486,040	29.6%
One person households	1,360	31.5%	460,580	28.0%
Other households	<u>600</u>	<u>13.9%</u>	<u>264,105</u>	<u>16.1%</u>
Total Households	4,320	100.0%	1,643,145	100.0%
Average household size	2.2		2.5	

One quickly sees the difference in household composition on Salt Spring, with a much lower than Provincial average proportion of families with children (SSI 18.4%, BC 26.3%). Related, is the higher than average number of families with no children (36.2%) compared with BC (29.6%).

Changes in Household Composition 2001-2006

Over the last five years, there has been a decline in the number of families with children (*decrease* of 8.1%), which differs significantly from the Provincial trend (*increase* of 2.1%). This may support the widely held perception that housing affordability problems are affecting families' ability to remain on Salt Spring Island. There is some evidence to support this perception by comparing the incomes of families with children on Salt Spring to those in BC (SSI 27.3% lower-see p.16).

Also countering the provincial trend is Salt Spring's small increase in one-person households, with a larger than average increase in 'other households' (lone-parent households and families or other unrelated persons sharing households). Because of the overall decrease in lone-parent census families, one could surmise that more Islanders are sharing residences due to either a shortage of supply of adequate housing or due to affordability issues. The sharing of residences does have implications for housing demand (e.g. design features such as larger size, separate entrances, more bathrooms, etc.), and should be explored further in the household survey planned for Phase II of this needs assessment.

CHANGE 2001-2006	Salt Spring Island		British Columbia	
	# change	% change	# change	% change
Couple families with children	-70	-8.1%	8,965	2.1%
Couple families with no children	120	8.3%	48,125	11.0%
One person households	30	2.3%	42,445	10.2%
Other households	<u>45</u>	<u>8.1%</u>	<u>9,275</u>	<u>3.6%</u>
Total Households	125	3.0%	108,810	7.1%

DEMOGRAPHICS

Demographics and Total Income

Total Income is based on 2006 Canada Revenue filings from all tax filers, and includes labour force, pension, interest and investment and non-taxable income. Salt Spring's reported average income is less than the CRD average (5.5% less) and its median income is even lower (16.3% less).

Overall incomes do not differ substantially from those in the Province, but gender differences are apparent.

Females continue to earn very significantly less than males in their respective geographical locations, although Salt Spring females do report more income than the average for the overall Province. This gender disparity in income may support the perception that female-led households have particular difficulty obtaining appropriate affordable housing.

Total Income	Salt Spring		Capital Region		BC	
	Total	% Total	Total	% Total	Total	% Total
Total Population	9,640		345,164		3,907,740	
Income > \$15,000	7,320	76%	262,230	76%	3,058,250	78%
Average earnings	39,551		41,840		39,362	
Average earnings-males	46,381		51,082		48,945	
Average earnings-females	33,233		34,834		30,303	
<u>SSI comparison-average:</u>						
Average earnings			-2,289	-5.5%	189	0.5%
Average earnings-males			-4,701	-9.2%	-2,564	-5.2%
Average earnings-females			-1,601	-4.6%	2,929	9.7%
Median earnings	26,256		31,370		26,764	
Median earnings-males	31,347		38,437		34,587	
Median earnings-females	22,610		26,168		21,030	
Females as % males	72.1%		68.1%		60.8%	
<u>SSI comparison-median:</u>						
Median earnings			-5,114	-16.3%	-508	-1.9%
Median earnings-males			-7,090	-18.4%	-3,240	-9.4%
Median earnings-females			-3,558	-13.6%	1,580	7.5%

As the data above indicates, incomes on Salt Spring Island are somewhat comparable with Provincial averages, but are lower than those in the CRD. Phase II of this Needs Assessment should make a comparison between CRD and Provincial housing costs relative to income.

Much of the discussion about housing affordability centres on the cost of housing, either purchase or rental costs. However, affordability is a function of both housing costs and income, and an effective long-term solution should consider both these important features. Ideally any housing affordability strategy would be linked to economic development efforts geared towards improved employment opportunities that could assist residents in the income side of this equation.

DEMOGRAPHICS

Median Family Income

Overall median family income is significantly lower (average 10.2% less) on Salts Spring than the Provincial average; common law couple families have the greatest disparity, with income 20% less than BC Average.

Median Family Income 2006	SSI	BC	\$ diff	% diff
Income – all families	56,000	62,346	-6,346	-10.2%
Income - couple married families	64,310	69,207	-4,897	-7.1%
Income - common law couple families	49,761	62,202	-12,441	-20.0%
Income - lone-parent families	33,977	35,437	-1,460	-4.1%
Female lone-parent families	33,199	33,592	-393	-1.2%
Male lone-parent families	41,502	45,332	-3,830	-8.4%

While incomes of lone-parent families are not as far behind the Provincial average of all families (earning only 4.1% less), it is evident that their level of income would present challenges for them to secure affordable housing. This is particularly true for female-led lone parent families, whose incomes trail 20% behind their male counterparts, and 41% behind all families. Again, this supports the often-reported affordability difficulties and the increasing risk of homelessness.

	<u>Income</u>	<u>\$ diff</u>	<u>% diff</u>
Female led one-parent families	33,199		
Male led one-parent families	41,502	-8,303	-20%
All families	56,000	-22,801	-41%

Median Household Income

Household income is the best income indicator for evaluating housing affordability, being particularly relevant because it relates to all persons residing in a single dwelling. Salt Spring household income lags behind provincial averages in all categories (overall 13.3% less than BC).

There is a dramatic difference in income for couple families with children, where Salt Spring median incomes are \$21,679 (27.3%) less than provincial averages. This may help explain the difficulty that families with children are experiencing in maintaining affordable housing, and provide some explanation behind the perception that the Island is losing families due to the housing situation.

Median Household Income 2006	SSI	BC	\$ diff	% diff
Couple families with children	57,830	79,509	-21,679	-27.3%
Couple families with no children	62,935	63,969	-1,034	-1.6%
One person households	25,387	27,773	-2,386	-8.6%
Other households	43,213	47,266	-4,053	-8.6%
All Households	45,693	52,709	-7,016	-13.3%

DEMOGRAPHICS

Household Income Distribution 2001 - 2006

A review of the distribution of household income on Salt Spring can help identify and quantify those populations earning less than the minimum required to secure adequate housing. It can also help approximate the 'ideal' housing supply that would be affordable to the current population.

A comparison of results from the 2001 Census reveals a number of changes that would impact housing affordability and can influence trends in housing demand.

CHANGE		SSI 2001		SSI 2006		Change 2001-06	
< than	10,000	250	7%	275	8%	25	10%
between	10,000 19,999	630	18%	495	15%	-135	-21%
between	19,999 29,999	610	18%	545	16%	-65	-11%
between	29,999 39,999	560	16%	595	17%	35	6%
between	39,999 49,999	530	16%	410	12%	-120	-23%
between	49,999 59,999	400	12%	390	11%	-10	-3%
between	59,999 69,999	385	11%	300	9%	-85	-22%
between	69,999 79,999	220	6%	230	7%	10	5%
between	79,999 89,999	180	5%	230	7%	50	28%
between	89,999 99,999	135	4%	155	5%	20	15%
over	100,000	<u>300</u>	<u>9%</u>	<u>690</u>	<u>20%</u>	<u>390</u>	<u>130%</u>
TOTAL reporting income		4,200	100%	4,315	100%	115	100%
Median household income		40,852		45,693		4,841	12%
Average household income		48,852		61,864		13,012	27%

The reader will notice some significant changes in income distribution over the last 5 years, most particularly the sharp increase in the number and percentage of the population in the very high income categories. The highest increase (130%) is among those earning an excess of \$100,000, which is likely strongly related to the increasing number of 'estate' residences of very high value on Salt Spring.

There is a large increase in the number of those earning \$80,000 or greater, who would also be expected to produce upward pressure on property values as their incomes permit a much greater expenditure on housing.

There has been a general decline in numbers of households in most income categories of less than \$70,000, however it is interesting and relevant for evaluation of housing need to notice the 10% *increase* in households in the lowest income category (<\$10,000).

This may help to explain and corroborate the reports of increasing incidence of homelessness on Salt Spring, and greater numbers of individuals and families living in very sub-standard and/or transient housing situations. It may also be an indicator that low income individuals and families are leaving Salt Spring Island.

DEMOGRAPHICS

Taxable Income Distribution

Taxable income is less useful in evaluating housing affordability in some ways, as it does not necessarily equate to households. However, it can give some insights into the needs of single person households, which do represent a significant portion of the population (1,360 persons or 31.5%), particularly those earning less than the minimum required to secure adequate housing.

SSI		<u>Male</u>		<u>%</u>		<u>female</u>		<u>%</u>		<u>Total</u>		<u>%</u>	
No taxable income reported		1,125				1,080				2,205			
< than	15,000	850	25%	1,360	34%	2,210	30%						
between	15,000 24,999	560	16%	870	22%	1,430	20%						
between	25,000 34,999	470	14%	600	15%	1,070	15%						
between	35,000 49,999	550	16%	560	14%	1,110	15%						
between	50,000 99,999	750	22%	510	13%	1,260	17%						
over	100,000	<u>230</u>	<u>7%</u>	<u>130</u>	<u>3%</u>	<u>360</u>	<u>5%</u>						
TOTAL Tax filers		3,410		100%		4,030		100%		7,320		100%	
Total Population		4,535				5,110				9,645			

The distribution of taxable income of Salt Spring's residents indicates that a large portion of this population (4,710 or 65% of those reporting income) is earning less than \$35,000 per year. Approximately 80% (5,820) earn less than \$50,000, which will be shown in the following pages is insufficient to afford even the least-expensive entry level home available on Salt Spring.

Not surprisingly, the incidence of low-income is concentrated in female income earners, supporting findings of the 2004 housing survey, which reported that single women (particularly those over 55 years) as being in very great need of affordable housing.

While it is beyond the scope of this report to analyse the 2004 survey data to any great extent, it was clear from a brief review of the data that female-led households were in greater housing need than the overall sample, and most notably formed the very large majority of households considered at risk of homelessness (i.e. paying 50% or more of income on rent).

What is Housing Affordability?

Housing affordability has been a subject of discussion and debate on Salt Spring Island for many years. While there does seem to be consensus that affordability is an increasingly critical problem for many Islanders, the extent and nature of the problem – let alone the solutions- is not a simple matter.

Measuring affordability involves comparing total shelter costs to a household's ability to meet them, given their level of income. Shelter costs are considered to include basic utilities, and (for homeowners) taxes and insurance. For affordability calculations, the 'housing' is generally characterized as 'acceptable' if it is in good condition and adequate size for the family size and composition.

While this is a somewhat subjective measure, Canada Mortgage and Housing Corporation (CMHC) defines acceptable housing as having three key features:

- Adequate condition (not needing major repairs)
- Suitable size (given the size and composition of the household members)
- Affordable (shelter costs less than 30% of before-tax household income)

Three other measures of housing affordability that will be used in this analysis:

- Core Need – those households that are unable to secure 'acceptable' housing (adequate, suitable and affordable) – i.e. those paying > 30% of their income on shelter costs.
- At Risk of Homelessness – those paying > 50% of their income on shelter costs.
- Homeless – a continuum ranging from 'relative' (insecure, unsafe or inadequate) to 'absolute' homelessness (also known as 'living rough').

Demographics and Housing Affordability

For the analysis of the population and income, three measures of population were used that produced different counts and incomes:

- Census family – excludes singles
- Households – includes all persons living in a given dwelling
- Tax Filers – individuals reporting income of which more than one may be in a family or household.

For calculating housing 'affordability' the income measure viewed to be most relevant is 'household'. A household's income is used by CMHC, as the best indicator of how much a given dwelling's shelter costs should be to be considered 'affordable'. Accordingly, it is 'household' counts and incomes that will be used to produce a rough estimate of rental rates and home purchase price levels affordable to the population of Salt Spring Island.

This allows for a simple 'median' price or rental rate calculation for the various family sizes. The distribution of these incomes can also be helpful in establishing housing targets; consideration should be given to exploring this issue further in Phase II of the Housing Needs Assessment as a tool to assist in the development of a housing strategy that balances the goals of community viability and diversity with affordability when planning for the balance of the housing build-out on Salt Spring.

HOUSING AFFORDABILITY

Households and Affordability

To estimate the quantity and affordability of housing stock that would (theoretically) match the population's household and income profile, a summary of the household characteristics and income detailed previously is reproduced below.

Using rough estimates about utility, tax and insurance costs, an estimate of rental rates and home purchase price levels affordable to the population of Salt Spring Island was constructed. As described previously, affordable 'shelter' costs are considered to include basic utilities, and (for homeowners), taxes and insurance.

An affordability benchmark of 30% of income was used for rental housing, and standard mortgage qualifications (6% interest, 25 year amortization, 75% loan-to-value ratio) was used for homeownership. Built into the monthly homeowner shelter cost is \$200 as an estimate for taxes, insurance and utilities. While this number may be debated, it is a starting point for discussion and evaluation.

	<u>Total</u>	<u>Median Income</u>	<u>Monthly Shelter (30%)</u>	<u>Affordable Purchase</u>	<u>Monthly Utilities</u>	<u>Affordable Rent</u>
Couple families with children	795	\$57,830	\$1,446	\$259,600	-\$100	\$1,346
Couple families no children	1,565	\$62,935	\$1,573	\$286,200	-\$100	\$1,473
One person households	1,360	\$25,387	\$635	\$90,600	-\$100	\$535
Other households *	<u>600</u>	<u>\$43,213</u>	<u>\$1,080</u>	<u>\$183,500</u>	<u>-\$100</u>	<u>\$980</u>
Total Households	4,320	\$45,693	\$1,142	\$196,400	-\$100	\$1,042
Average household size	2.2					
<u>*Other includes, amongst others:</u>						
Female-led lone-parent families	285	\$33,199	\$830	\$131,200	-\$100	\$730
Male-led lone-parent families	<u>110</u>	<u>\$45,332</u>	<u>\$1,133</u>	<u>\$194,500</u>	<u>-\$100</u>	<u>\$1,033</u>
Total lone-parent families	395	\$33,977	\$849	\$135,400	-\$100	\$749
Average household size	2.3					

While it is recognized that this is a crude estimate of affordability, it does show a substantial difference from what is currently available on the Salt Spring Island rental and ownership markets, particularly for residents in the lower income ranges (see housing supply details that follow). Most notable are the affordable purchase price and rents of one-person households (\$90,600 and \$535); housing at this price is simply not available. Female-led lone parent families would likewise have great difficulty in securing affordable housing (\$131,200 and \$730).

It is further recognized that there may be various other mechanisms to assist a family with their shelter costs. Such techniques may include private loans or gifts for down payments, high-ratio financing, rent-to-own scenarios, longer amortization periods for mortgages, or using an affordability ratio greater than 30%. These techniques, while appropriate and available in some circumstances, have not been considered in this analysis.

HOUSING SUPPLY

Housing Tenure and Supply

Salt Spring Island, not unlike many smaller rural communities, has more homeownership than is typical in British Columbia. Stats Canada reports that Salt Spring Island has a significantly higher proportion of homeowners than the Province overall (SSI 82%, BC 70%). This is a reflection of the relatively small number of rental residences available on the market.

2006	Salt Spring Island		British Columbia	
	<u>Total</u>	<u>% Total</u>	<u>Total</u>	<u>% Total</u>
Total number of dwellings (households)	4,320		1,643,150	
Number of owned dwellings	3,530	82%	1,145,276	70%
Number of rented dwellings	790	18%	497,874	30%

Salt Spring is reported to have 4,320 dwellings in 2006, an increase of 3% since the 2001 Census. This increase, however, is net of the 50 unit (6%) decrease in rental dwellings, indicating homeowner dwelling have increased by 175 (5.2%). This further supports the perception that rental housing is increasingly difficult to find on Salt Spring.

While the trend away from rental housing is not unlike the Province-wide trend, the pace of this conversion on Salt Spring (6%) is more than double that of the provincial (2.8%) as shown below.

Change 2001-2006	Salt Spring Island		British Columbia	
	<u>Total</u>	<u>% Total</u>	<u>Total</u>	<u>% Total</u>
	# change	% change	# change	% change
Total number of dwellings (households)	125	3.0%	108,815	7.1%
Number of owned dwellings	175	5.2%	127,786	12.6%
Number of rented dwellings	-50	-6.0%	-14,491	-2.8%

Type of Housing Supply

Salt Spring Island's housing consists mostly of detached single family dwellings, in far greater proportion than the Provincial average. Accordingly, there are far fewer multi-family dwellings of all types.

Type Occupied Private Dwellings	Salt Spring Island		BC
	<u>Total</u>	<u>% Total</u>	<u>% Total</u>
Single-detached	3,730	86.3%	49.0%
Semi-detached (duplex)	165	3.8%	3.1%
Row House	110	2.5%	6.8%
Duplex apartment	155	3.6%	10.2%
Apartments (high-rise)	0	0.0%	7.2%
Apartments (low-rise)	35	0.8%	20.9%
Other attached	10	0.2%	0.2%
Moveable	<u>115</u>	<u>2.7%</u>	<u>2.6%</u>
Total Dwellings	4,320	100.0%	100.0%
Average number of rooms	6.3		6.4
Average number of bedrooms	2.5		2.7

HOUSING SUPPLY

Condition of Housing Stock

Stats Canada reports that the condition of the housing stock, while following similar patterns as the Province of BC, is in somewhat poorer condition. As will be explained further on, households are considered to be in 'core need' for housing if, among other factors, their dwelling requires major repairs.

This indicates that 10.1% of the housing stock is in need of major repairs, compared to a Provincial average of 7.4%.

Condition of Occupied Private Dwellings	Salt Spring Island		BC
	<u>Total</u>	<u>% Total</u>	<u>% Total</u>
Requires regular maintenance only	2,595	60.1%	67.7%
Requires minor repairs	1,290	29.9%	24.9%
Requires major repairs	<u>435</u>	<u>10.1%</u>	<u>7.4%</u>
	4,320	100.0%	100.0%

Age of Housing Stock

Stats Canada reports on the age of the housing stock, as presented below. This indicates that the majority of the dwellings on Salt Spring were built since the 1970s.

Age of Occupied Private Dwellings	Salt Spring Island		BC
	<u>Total</u>	<u>% Total</u>	<u>% Total</u>
over 60 years old (built before 1946)	260	6.0%	7.9%
46-59 years old (1947-1960)	305	7.1%	10.6%
36-45 years old (1961-1970)	405	9.4%	12.8%
26-35 years old (1971-1980)	1,105	25.6%	21.5%
21-25 years old (1981-1985)	520	12.0%	9.2%
16-20 years old (1986-1990)	495	11.5%	9.1%
11-15 years old (1991-1995)	560	13.0%	11.8%
6-10 years old (1996-2000)	340	7.9%	8.9%
New (built since 2001)	<u>325</u>	<u>7.5%</u>	<u>8.3%</u>
	4,055	93.9%	92.2%
Unknown	<u>265</u>	<u>6.1%</u>	<u>7.8%</u>
Total	4,320	100.0%	100.0%

HOUSING SUPPLY

Available Homeownership Housing in the Community

Housing on Salt Spring Island is generally very expensive, and has experienced particularly large increases in recent years.

As presented in the table below, the average sales price for a single-family dwelling on Salt Spring in 2007 was \$616,954, which is slightly higher than the median price of \$548,510. This difference is due to a relatively small number of very high sales prices, which skews the average upwards.

Local Realtor records and MLS data has been summarized to demonstrate the current values, as well as to quantify the sharp increases in prices since 1999.

SSI Residential Property Sales History - Single Family Homes

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Number sold	157	161	192	172	197	184	185	142	190
AVG. price	285,500	356,109	332,319	364,816	440,311	565,876	560,887	609,873	616,954
Avg incr \$		70,609	-23,790	32,498	75,495	125,565	-4,989	48,986	7,081
Avg incr %		25%	-7%	10%	21%	29%	-1%	9%	1%
Cumm \$		70,609	46,819	79,316	154,811	280,376	275,387	324,373	331,454
Cumm%			16%	28%	54%	98%	96%	114%	116%
MEDIAN price	262,261	277,975	265,651	313,157	361,807	426,717	469,022	517,873	548,510
Median incr \$		15,714	-12,324	47,506	48,650	64,910	42,304	48,852	30,637
Median incr %		6%	-4%	18%	16%	18%	10%	10%	6%
Cumm \$		15,714	3,390	50,896	99,546	164,456	206,760	255,612	286,249
Cumm%		6%	1%	19%	38%	63%	79%	97%	109%

Assuming the 2007 median price (\$548,510) is reflective of the housing available on the market today, a family or household would need to earn \$113,282 to be able to 'affordably' acquire this residence. This is clearly out of reach for most families on Salt Spring, whose median household income is \$45,693.

Another key feature of the housing supply on Salt Spring is rapid escalation in prices over recent years. Whether using average or median figures, prices have more than doubled during the time period examined. It was beyond the scope of this analysis to attempt to explain the reasons for such rapid price increases, but they are presumed to be a combination of market-driven land cost increases, general construction cost increases and/or the development of larger, more up-scale residences.

Anecdotally, the housing market is reported to be starting to moderate on Salt Spring. However, May 2008 to-date sales as reported by local Realtors have averaged \$690,190, with a median value of \$539,000. This will be monitored and reported on again in Phase II of the Needs Assessment.

HOUSING SUPPLY

Single Family Homes Available

A good measure of available housing is current MLS listings.

Following is a summary of all single-family properties listed on Salt Spring in May-2008. While this does include a number of 'estate' type properties that most families would not be in financial position to consider, it does give a snapshot of what is currently available on the market on Salt Spring.

Price		# listed	Average \$
<u>Range</u>		<u>May-08</u>	<u>May-08</u>
0	149,000	0	n/a
150,000	199,000	0	n/a
200,000	299,000	1	289,000
300,000	399,000	14	372,443
400,000	499,000	25	454,256
500,000	749,000	51	606,820
750,000	999,000	30	869,650
1,000,000	1,499,000	16	1,232,875
1,500,000	1,999,000	5	1,743,600
2,000,000	2,999,000	4	2,448,500
3,000,000	3,999,000	0	n/a
Total # listings		146	
Average price			\$768,047
Median price			\$629,000

This data does support the perception that there is very little available for the average family, let alone a single person, on the market on Salt Spring.

HOUSING SUPPLY

Land Values

Increasing construction costs and market demand both play a large role in the quickly escalating housing prices. Land values are a key contributor. Following is a summary of land sales since 1999 provided by a local Realtor.

One can quickly see that the very rapid escalation in land prices has significantly outpaced the increase in house prices. These rapidly escalating land prices have been the source of much discussion in the community about mechanism to 'break with the market', such as housing agreements, covenants and Land Trusts.

Residential LOT Sales History < 2 acres (non-waterfront)

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<u>Lots</u>									
Number sold	30	11	27	33	32	11	10	10	23
AVG price	73,945	89,508	85,022	99,923	142,299	182,136	241,300	238,650	291,652
Avg incr \$		15,563	-4,486	14,901	42,376	39,837	59,164	-2,650	53,002
Avg incr %		21%	-5%	18%	42%	28%	32%	-1%	22%
Cumm \$		15,563	11,077	25,978	68,354	108,191	167,355	164,705	217,707
Cumm %		21%	15%	35%	92%	146%	226%	223%	294%
Median Price	72,250	87,500	75,000	102,000	134,000	161,000	244,000	244,500	283,000
Median incr \$		15,250	-12,500	27,000	32,000	27,000	83,000	500	38,500
Median incr %		21%	-14%	36%	31%	20%	52%	0%	16%
Cumm \$		15,250	2,750	29,750	61,750	88,750	171,750	172,250	210,750
Cumm %		21%	4%	40%	84%	120%	232%	233%	285%

A review of the current land listings confirms that lots currently on the market (albeit including waterfront lots) are out of the reach of most families.

May-2008 Listings

Total number listings (excl. RV sites)	87
Average listing	\$435,539
Median	\$379,000

Housing Survey 2004

In 2004 a housing survey was undertaken to identify the areas of greatest housing need. There were approximately 875 respondents to the survey, of which close to 75% (or 627) were homeowners. While no formal report of the results was issued, the data and some key findings have been made available to the writer and very brief review of the data was undertaken for this report.

Homeowner Affordability from Survey

The survey gathered employment and residency information from homeowners, but it did not gather income information, nor information on the affordability of their existing housing. Rather, and perhaps more relevant in some regards, homeowners were asked if they could afford to purchase the home they were currently living in.

Not surprisingly, given the income profile of Islanders presented earlier, 75% of respondents reported that they would not be able to purchase *their current home* at its current market value.

# responding about affordability	604	
# that could afford to buy	153	25%
# that could not afford to buy	451	75%

Attainability of Homeownership for Renters from Survey

The survey obtained fairly detailed information regarding income, debts, and down-payment available, and concluded that less than 10% of renters would qualify for a mortgage of over \$150,000, and only half of those could afford payments on a mortgage of \$180,000. Of those who could afford these mortgages, only about half had sufficient funds to make the down-payment. Given that there is no housing available under \$200,000, it is likely that very few renters will be able to enter the homeownership market in the foreseeable future.

Market Rental Housing in the Community

As indicated previously, Stats Can reports a total of 790 rental units on Salt Spring Island, approximately 18% of all dwellings.

No regular rental surveys are conducted on Salt Spring Island, however real estate agents and property managers consistently report very tight market conditions, escalating rents, and very low turnover. Because concrete data is not available, the writer has relied on discussions with many community members interested and knowledgeable about housing conditions, as well as participation in various affordable housing development initiatives on the Island.

The market rental apartment housing stock on Salt Spring is very limited, with older two rental apartment buildings containing a total of 18 units. Most of the available rental housing is in the form of single-family residences, cottages, and secondary suites. No official count of this type of accommodation is available, and it is widely reported that much is illegal and/or in poor condition. Reports of people living in structures many would consider uninhabitable are not uncommon.

Non-Market and Seniors' Rental Housing

Stats Canada reports a total of 35 units of apartments and 110 units of 'row houses' on Salt Spring. This would represent apartment-style buildings, regardless of tenure (i.e. apartments and owner-occupied or rented condominiums), and does not make any distinction between market housing and any non-market (subsidized or affordable) housing, or seniors' housing with supportive services that may or may not be included in this count.

Following is a list of the non-market housing on Salt Spring:

<u>Housing Project</u>	<u>Location</u>	<u># units</u>	<u>Type</u>	<u>Services</u>
Murakami Gardens	Rainbow Road	27	NP self-contained	None
Meadowbrook	Atkins Road	38	Seniors' NP rental	Supportive
Greenwoods	Blain Road	50	Seniors' NP rental	LT Care
Braehaven	Blain Road	30	Seniors' NP rental	Assisted
Pioneer Village	Lower Ganges Rd.	22	Seniors' NP rental	None
Croftonbrook	Corbett Road	20	Seniors' NP rental	None
Land Bank Society	Dean Road	11	NP rooming house	None
Grandma's House	Fulford-Ganges Rd.	4	NP rooming house	None
Bittancourt Manor	Bittancourt Road	4	NP rooming house	None
Norton Road	Norton Road	0	To-be-developed	None
BC Housing	Lautman Road	6	NP rooming house	None
		212		

The majority (160 of the 212 units or 75%) of Salt Spring's non-market housing is targeted to seniors. The majority of these seniors' units (118 of the 160 or 74%) provide some level of supportive services or care.

It should be noted that all these seniors' residences are located in the Ganges area. This supports the long-held position of south-end residents that affordable seniors' housing is needed in the south-end to allow those seniors to remain and age-in-place in their community. This position was well supported by the SSI Abbeyfield Housing Society in their research, with revealed that over 95% of south-end seniors considering supportive housing would prefer to remain in the Fulford area.

HOUSING SUPPLY

Market Rental Rates

A review of the private rental accommodation as provided by a local property management firm has been performed, with comparisons from 2003-2007. This data has been sorted and summarized according to number of bedrooms and building type for ease of comparison over time and between building types and sizes. Year-do-date (May 2008) listings have been summarized as follows:

	<u>Houses</u>	<u>Suites</u>	<u>Apt.</u>	<u>Cottages</u>	<u>Average</u>
1-bed	\$976	\$804	\$750	\$781	\$846
2-bed	\$1,353	\$1,000	\$1,020	\$950	\$1,301
3-bed	\$1,706	n/a	\$1,650	n/a	\$1,702
4-bed	\$1,787	n/a	n/a	n/a	\$1,787
Average	\$1,611	\$829	\$906	\$799	\$1,146

Market Rental Rate History

A summary of these rental listings from 2003-2007 was made to identify increases over time. While possibly not gathered with the same rigour as MLS (sales) or Census data, it is the best information available and is assumed to carry the same type of anomalies (if any) from year-to-year. As such, it is considered reliable for the intended purpose.

2003	<u>Houses</u>	<u>Suites</u>	<u>Apt.</u>	<u>Cottages</u>	<u>Average</u>		
1-bed	\$837	\$652	\$552	\$719	\$703		
2-bed	\$955	\$815	\$734	\$1,025	\$933		
3-bed	\$1,239	n/a	\$975	n/a	\$1,219		
4-bed	<u>\$1,691</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>\$1,691</u>		
Average	\$1,056	\$705	\$589	\$770	\$925		
2007	<u>Houses</u>	<u>Suites</u>	<u>Apt.</u>	<u>Cottages</u>	<u>Average</u>	<u>\$ incr</u>	<u>% incr</u>
1-bed	\$1,001	\$731	\$744	\$752	\$801	\$98	14%
2-bed	\$1,417	\$994	\$1,028	\$911	\$1,259	\$325	35%
3-bed	\$1,558	\$1,056	\$1,025	n/a	\$1,551	\$332	27%
4-bed	<u>\$1,707</u>	<u>\$1,650</u>	<u>n/a</u>	<u>n/a</u>	<u>\$1,707</u>	<u>\$16</u>	<u>1%</u>
Average	\$1,432	\$841	\$784	\$803	\$1,177	\$253	27%
\$ Increase	\$375	\$136	\$195	\$33	\$253		
% Increase	36%	19%	33%	4%	27%		

It is interesting to note that rental rates have not increased as quickly as sales prices; home prices have increased 40% (average) to 52% (median) and land prices have increased 105% (average) to 111% (median) during the period between 2003-2007. Rental rates increased an average of 27% in the same period.

Another interesting point is the variation in increases according to property type, as well as number of bedrooms. Cottages have remained relatively unchanged (4% increase), while single family homes have increased more significantly (36%).

There is great variation in rates of increase by size (as presumed by number of bedrooms), with 2-bedroom and 3-bedroom homes increasing at a far greater pace (35% and 27% respectively) than 1-bedroom units (14% increase). Four-bedroom units, while very expensive (or perhaps *because* they are very expensive), remain almost unchanged.

Rental Housing from 2004 Survey

In 2004, a housing survey was undertaken to identify the areas of greatest housing need. While no formal report of the results was issued, these data and some key findings have been made available. A brief analysis of the renters' data was undertaken for this report. While a rigorous analysis of the survey data was not undertaken, many of the findings were found consistent with other findings in this report, as well as anecdotal evidence obtained in the community.

Rental Affordability from Survey

Rental affordability was evaluated by comparing rental costs to income. Responses that were incomplete with regard to income (41 of the 219, or 19%) were excluded. Of the remaining 178 surveys, approximately 38% (68) are in core housing need, as identified by paying in excess of 30% of their income. Approximately 12% (21 of 178) were paying over 50% of their income, and accordingly considered at risk of homelessness. While the housing situations of survey respondents may not necessarily accurately reflect those of the general population, it is a good indicator that a significant portion of the population is struggling with housing affordability.

In response to a perceived greater need amongst female-led households, these survey responses were subject to further and separate analysis with respect to affordability. Results indicated that this group included 86 households (39% of the 219 surveys), over 40% of which had children in the home. Female-led households were found to have greater affordability problems, most notably at far greater risk of homelessness than the overall renter population as follows:

Affordability benchmark	<u>Total</u>		<u>Female-led</u>	
Affordable < 30%	110	62%	48	56%
Core need 30%-50%	47	26%	22	26%
Risk homelessness >50%	<u>21</u>	<u>12%</u>	<u>16</u>	<u>19%</u>
	178	100%	86	100%

The survey data does not indicate whether or not rental rates include utilities. Since many rental homes on Salt Spring Island do not include utilities, the above estimate of 38% likely understates the number of residents in core need and/or at risk of homelessness; with an adjustment for utilities, the survey data would likely be closer to the most recently published Stats Can estimate that 44% of the population exceeding 30% of income for housing costs.

Rental Suitability from Survey

The survey also attempted to assess the suitability of renters' current housing situations, by obtaining data on family size/composition, and comparing it to the size of the current accommodation. Depending on how liberally National Occupancy Standards were applied in the assessment (e.g. a couple in a bachelor suite may or may not considered to be under-housed), approximately 17-20% of respondents were deemed to be under-housed.

Approximately half of those under-housed also assessed their housing as inadequate in condition. Approximately 40% of those under-housed were also in core need with respect to income, including 18% who were at risk of homelessness (paying greater than 50% of their income).

Rental Adequacy from Survey

Respondents were also asked to rate whether or not their housing was adequate, which generally refers to standard aspects of physical condition. While this can be somewhat subjective, it was nevertheless reported by over 30% of renters that their current housing was not adequate. This is quite consistent with anecdotal evidence that suggests the rental housing stock includes a significant number of residences in very poor condition.

Suites and Cottages

A key policy decision for the OCP review is whether or not to legalize suites and cottages, and if so, under what conditions. Exploration of the subject and discussion in the community have revealed that it is a fairly complex and controversial issue, with no simple solution.

The goal of legalization of suites and cottages would be to provide affordable housing for Salt Spring's residents. It is widely known that there are many such units currently rented both seasonally and full-time. It is also commonly reported that much of this accommodation is poor condition, sometimes not meeting minimum health and safety standards.

While there does seem to be consensus that these units should be legalized, much of the debate in the community has centered around what mechanisms are appropriate to ensure the goal of securing affordability is achieved. The concern is that legalization could bring hundreds of densities to the Island, and in the end, only further increase the supply of *unaffordable* housing.

One of the mechanisms under consideration is the use of housing agreements to ensure affordability with some rent restrictions, and to allow some restrictions on occupancy. The concerns related to housing agreements are the potential homeowner resistance to such an agreement (and possibly a covenant on title), as well as the cost and practicalities of administering such agreements.

Efforts were made as part of the research for Phase I of this study to develop a brief survey to gauge attitudes of homeowners towards housing agreements, and their likelihood to participate under such a scenario to provide affordable housing. This quickly proved to be impractical in the short timeframe of the assignment, as these complexities emerged in discussions in informal 'trial run' surveys and as professional researcher advice was sought.

However, some information about suites and cottages did emerge during the course of the research, which may be useful in policy decision related to suites and cottages. What did become apparent is the importance of the role of these types of accommodation in contributing to affordability.

Suites and cottages do provide a substantial supply (albeit unknown quantity) of the most affordable rental housing on Salt Spring. Their rental rates have increased over the period of review (2003-2007) at a much slower pace than the overall rental stock of mostly single-family homes.

While one could assume that these units are smaller in size and therefore more affordable, once could further assume that their illegal status has contributed strongly to their pricing. Any legalization without restrictions designed to ensure affordability must be designed with caution to avoid losing the price advantage traditionally provided by these housing forms.

Finalization of the analysis and of the data and report from the 2004 Survey should be considered, as it has the potential to provide significant insight into the housing situation on Salt Spring, including data on suites and cottages.

What are ‘Gaps’ in a Housing Supply?

‘Gaps’ in housing supply identify where there is a mis-match between the needs of the population and the existing housing stock. These gaps primarily relate to affordability (the focus of Phase I), but can also related to size, location, design, tenure, availability of supportive services, etc. Attempts to define and quantify these gaps are intended to identify the populations that are in the greatest housing need, and what types of housing and pricing would best meet this need.

It should be noted that this Phase I of the Needs Assessment is not a fully comprehensive analysis of the ‘gap’ in housing supply, but rather an identification of the most critical and obvious needs related to affordability. Further research on either a global basis (i.e. Phase II) or on a project-by-project basis can provide information on gaps related to other features of need and demand.

The purpose of Phase I was to assist the Islands Trust Affordable Housing Strategy, and give policy guidance for the OCP review. In terms of land use decisions, it can assist the Trust in targeting and/or giving priority to those land use applications that best meet those needs.

Perception of Housing Need on Salt Spring

Housing affordability is a topic frequently discussed amongst island residents, as it becomes a more widespread and recognized concern in the community. Certain themes and circumstances are reported over and over, the most common of which are touched upon below.

It is widely reported that availability of affordable housing is a critical issue on Salt Spring Island, as property values soar and rental accommodation is increasingly placed in the secondary home and vacation rental market. Increasingly, this results in insecure rental tenure and it has become very common for leases to be based on month-to-month rentals to accommodate the requirement to vacate during the summer season.

Significant anecdotal evidence has been gathered that suggests affordability problems are forcing many working islanders to leave Salt Spring Island, share accommodation, or live in sub-standard housing. This is proving to be very disruptive for families, contributing to the growing housing crisis on Salt Spring Island. Very high purchase prices make it very difficult or unlikely that renters will ever be able to enter the homeowner market, forcing young families to decide between remaining in their community or achieving the dream of home ownership.

Lower income residents are particularly challenged by affordability, and many are reportedly living in sub-standard (or even unsafe) conditions, or are overcrowded given the size and composition of their household. Single parents (particularly female-led households) are increasingly finding themselves in inadequate housing and vulnerable to losing the housing they do have.

Homelessness is on the rise on Salt Spring Island, with an increasing trend of families with children finding themselves either homeless or at great risk of homelessness. Winter months are particularly difficult for many, and Salt Spring does not have sufficient and appropriate shelter facilities for those that need them once the cold and rain returns.

Employers increasingly report the difficulty in attracting and retaining staff due to the shortage of affordable housing. While most sectors are experiencing this problem, essential service workers, retail and restaurant workers and farm workers are often cited as particularly hard hit.

While seniors are reportedly well served in the Ganges area, ‘Southenders’, particularly those of limited means, have long reported concerns about their ability to remain in their community as they age and their support needs increase.

What is Core Housing Need?

CMHC developed the 'core housing need' model in response to the pre-1990's Federal Government objective, as stated in CMHC's 1991 strategic plan:

"To give Canadians access to a minimum level of housing services is a key federal government housing objective".

The goal was to establish norms for **acceptable housing** in Canadian society, and develop indicators to compare to actual housing conditions. These indicators are:

- **Adequacy** - structural integrity and condition of major heating/ventilation, plumbing and electrical systems. The adequacy of a dwelling is simply reported on the basis of need for repair – regular maintenance, minor repairs or major repairs.
- **Suitability** – measure to assess overcrowding (under-housing), based on household size and composition. Suitability is measured against the 'National Occupancy Standard', which takes into consideration number of bedrooms per person, and separating parents from children, single adults, and children of the opposite gender over five years of age.
- **Affordability** – an expenditure of 30% or less of gross income on shelter costs is deemed to be affordable. Shelter costs for homeowners include mortgage payments, property taxes, utilities and any strata fees. Shelter costs for renters include rent and utilities.

A household is considered to be in core housing need if its housing does not meet all of the adequacy, suitability and affordability standards. However one is not considered in core housing need if the dwelling fails to meet these standards and the household has sufficient income to obtain acceptable housing if they chose to do so.

Core Housing Need on Salt Spring

BC Stats reports the number of rental units (tenant household) on Salt Spring, as well as the number of renters considered to be in housing that is not affordable (i.e. paying > 30% of income on shelter).

BC Stats estimates that 44% of Salt Spring renters are in this rental situation:

	<u>Total</u>	<u>% Total</u>
Number of tenant households	855	
Tenant households paying >30%	375	44%

What is Homelessness?

Homelessness is generally viewed as a continuum, from those 'at risk homelessness', through 'relative' homelessness, to 'absolute homelessness'. Homelessness may be due to economic factors (either chronic, occasional or temporary), or situational factors such as family breakdown, domestic violence or as is often reported on Salt Spring, the seasonal eviction of tenants as non-resident owners return for vacation periods.

While there are a number of varying descriptions and degrees of homelessness, the follow has reached some level of consensus in Canada:

- At Risk of Homelessness - households are considered at risk of homelessness if their total shelter costs exceed 50% of their income.
- Relative Homelessness – varying degrees:
 - 3rd degree – inadequate housing, incipient (partial) homelessness – housed but without conditions of home (e.g. safety, security, adequacy).
 - 2nd degree – constrained to live permanently in SRO hotels or boarding houses.
 - 1st degree – moving between various forms of temporary shelter – hostels, friends' homes, boarding houses.
- Absolute Homelessness – known as 'living rough'

Homelessness on Salt Spring

The 2004 survey reports that 38% of respondents were in core housing need, with a further 10-15% of them paying over 50% of their income for housing (at risk of homelessness). Results indicated that female-led households have greater difficulty with housing affordability, and form the bulk of the 'at risk of homelessness' category.

There have been reports of a very significant increase in the number of homeless persons on Salt Spring; the 'official' homeless counts range from 32-62 homeless. However, organizations serving those populations believe this greatly understates the numbers, which they estimate to be upwards of 150. The 2008 homeless count indicated that 73% of the respondents are originally from the area, contradicting a perception that there has been a large in-migration from other parts of Canada.

A particularly disturbing report was provided by the Copper Kettle. The Copper Kettle Community Partnership is a Salt Spring Island grass-roots initiative formed in 2002 dedicated to ending poverty, hunger, homelessness and isolation in the community. They are often the organization that provides assistance and advocacy for members of the community that otherwise slip through the cracks.

One of the tools used by volunteers from the Copper Kettle is the maintenance of a daily log that records requests made to their organization. Often this assistance is related to housing, as requests for help finding housing are frequent. The key housing need data that is collected by the Copper Kettle includes:

- number of housing requests
- number of 'survival kits' issued (tents, tarps, and sleeping bags)
- number of evictions reported
- number of housing success stories (either temporary or permanent)

GAPS IN HOUSING SUPPLY

Homelessness on Salt Spring

A record of the housing information from the Copper Kettle from 2007 and year-to-date 2008 is presented below, clearly demonstrate a critical need from those who are homeless or at risk of homelessness.

As the reader can see, requests for housing in 2008 are sharply higher than in 2007; this may be related to the dramatic increase in numbers of reported evictions, which occur increasingly at the beginning of the vacation season when non-resident owners return to Salt Spring for their holidays.

The issuance of 'survival kits' as a mechanism to deal with unstable housing is widely used; this is clearly an inappropriate solution. The Copper Kettle also reports increasing numbers of 'survival kits' being issued to women and children leaving the Transition House, as they are unable to secure safe and affordable housing on Salt Spring.

	2007				2008			
	Housing requests	Survival kits, tent, tarp, sleeping bag	Evictions	Success (temp or perm)	Housing requests	Survival kits, tent, tarp, sleeping bag	Evictions	Success (temp or perm)
Jan	2	7	2	0	5	7	2	0
Feb	1	6	1	3	3	4	2	0
Mar	1	10	1	1	6	7	0	0
Apr	0	14	0	0	5	6	4	1
May	4	4	2	8	7	10	35	2
Jun	5	14	1	1	1	11	2	1
Jul	4	3	3	1	5	8	2	2
Aug	5	15	2	2	3	17	1	6
Sep	3	4	2	1				
Oct	4	7	1	1				
Nov	4	9	1	1				
Dec	8	6	2	1				
TOTAL	41	99	18	20	35	70	48	12

Jan-Aug 2007 (#)	22	73	12	16
Increase 2007-2008 (#)	13	-3	36	-4
Increase 2007-2008 (%)	59%	-4%	300%	-25%

* May-2007 Corey's (private) initiative

While a large number of the homeless population are harder to suitably house as they need additional supports, it is reported that an increasing number of persons and families with children are becoming homeless due to simple economic factors. **While challenging to quantify, and often based on anecdotal evidence, this is the most critical and urgent need identified during the research undertaken for this report.**

GAPS IN HOUSING SUPPLY

Housing Affordability for Current Residents of Salt Spring

A summary of the previously presented household information relevant to housing affordability and need in the community is reproduced below (see *Households and Affordability* p. 20).

It summarizes the % of each household type in the population, and their median income as per the 2006 Census. A calculation of *affordable* monthly shelter (rental or homeowner) was produced, using a target of 30% of income. The affordable home purchase price was calculated, using standard mortgage qualification criteria.

This can be used to approximate an 'ideal' available supply (i.e. homes for sale or rent) that reflect what would be affordable to Salt Spring's existing population (see *Households and Affordability* p. 19 for details on how affordability was calculated). It does not attempt to provide any definitive targets, but rather a rough idea of an ideal supply produced with a number of assumptions, some arguably quite subjective.

For example, the first line in the table indicates that in an ideal and balanced market, 18.4% of all homes listed for sale would be suitable for couples with children and available for purchase at a price of \$259,600 (or for rent at \$1,446).

Clearly this analysis is quite rudimentary; for example, using median incomes does not fully represent higher or lower income earners. However, it is presented to give a general overview of the cost of housing that would be affordable to the current population of Salt Spring, based on the household type and income profile presented in the 2006 Census.

This information can then be used for comparison to the existing supply of homes available (MLS or rental listings) to determine if there are any large 'gaps' in the existing housing supply on Salt Spring Island. For ease of that comparison, the 'ideal' number of homes in each price range ("N" below) reflects the same number (146) of listings currently on MLS.

For example, the first line in the table indicates that ideally there should be 27 family homes (146 listings x 18.4% = 27) listed for \$259,600 or less if the market reflected the affordability of the population.

2006 Households	<u>Total</u>	<u>% Total</u>	<u>Median Income</u>	<u>Rent</u>	<u>Purchase</u>	<u>Total</u>	<u>N =</u>
Couple families with children	795	18.4%	\$57,830	\$1,446	\$259,600	795	27
Couples with no children	1,565	36.2%	\$62,935	\$1,573	\$286,200	1,565	53
One person households	1,360	31.5%	\$25,387	\$635	\$90,600	1,360	46
Other households *	<u>600</u>	<u>13.9%</u>	<u>\$43,213</u>	<u>\$1,080</u>	<u>\$183,500</u>	<u>205</u>	<u>7</u>
Total Households	4,320	100.0%	\$45,693	\$1,142	\$196,400	3,925	133
 Average household size	 2.2						
 * <u>Other includes, amongst others:</u>							
Female-led lone-parent	285		\$33,199	\$830	\$131,200	285	10
Male-led lone-parent	<u>110</u>		<u>\$45,332</u>	<u>\$1,133</u>	<u>\$194,500</u>	<u>110</u>	<u>4</u>
Total lone-parent families	395		\$33,977	\$849	\$135,400	395	13
					Total =	4,320	146

GAPS IN HOUSING SUPPLY

Affordability of Homeowner Supply

The May-2008 MLS listings as presented previously (see *Single Family Home Listings* p. 23) indicate that there were 146 single-family homes listed for sale, with an average price of \$768,047 (median \$629,000). This data is compared below to the 'ideal' supply of housing developed on the previous page.

This would indicate, for example, that there is a 'need' for 56 homes priced at \$149,000 or under if the inventory of listed homes was to meet the affordability needs of the population. This estimate was derived using the number (and %) of households in the population whose incomes would permit them to afford a purchase price developed in the table on the previous page, as follows:

<u>Example</u>	<u>\$149,000 or less</u>	<u>Median</u>		
		<u>Income</u>	<u>Purchase</u>	<u>N =</u>
	One person households	\$25,387	\$90,600	46
	Female-led lone-parent families	\$33,199	\$131,200	<u>10</u>
	Total			56

This same calculation for all households was performed and summarized below.

Homeowner		<u>SUPPLY</u>		<u>NEED</u>	<u>GAP</u>
<u>Price Range</u>		<u># listed</u>	<u>Average \$</u>		
		<u>May-08</u>	<u>May-08</u>	<u>#</u>	<u>#</u>
0	149,000	0	n/a	56	56
150,000	199,000	0	n/a	11	11
200,000	299,000	1	289,000	80	79
300,000	399,000	14	372,443	0	0
400,000	499,000	25	454,256	0	0
500,000	749,000	51	606,820	0	0
750,000	999,000	30	869,650	0	0
1,000,000	1,499,000	16	1,232,875	0	0
1,500,000	1,999,000	5	1,743,600	0	0
2,000,000	and up	4	2,448,500	0	0
Total # listings		146	(diff due to rounding)	147	
Average price			\$768,047	\$234,590	-\$533,457
Median price			\$629,000	\$259,600	-\$369,400

It should be noted that this analysis is based on 'median income', which by definition does provide limitations, including an accurate distribution of income (and needed property values). Obviously there will be many higher income earners for the \$400,000 - \$2,000,000+ properties. Nevertheless this exercise does show that the supply of homes offered for sale is a very poor match for Salt Spring's typical resident profile.

The 'need' numbers presented assume all residents have the goal of home ownership. Clearly, some residents would choose rental accommodation for various reasons, but equally clearly, very few of the Islands residents would be able to enter the housing market if they were to choose to.

GAPS IN HOUSING SUPPLY

Affordability of Rental Supply of Housing

A summary of the May-2008 rental agent listings presented previously is compared below to the 'ideal' supply of rental housing, based on income and a presumed number of bedrooms required.

It was beyond the scope of this analysis to examine the details of either family composition (e.g. number or ages of children), or the size or suitability sales or rental listings to any given household size or type. For comparison to the rental supply listings which are available by number of bedrooms, a rough estimate of bedrooms suitable to each household category was used.

No efforts were made to evaluate suitability to homeowner or rental, but rather the entire Island profile is again presented, in comparison to a profile of the available (reported) rental stock. The numbers of available unit types is not available (only the profile).

2006 Households	<u>Total</u>	<u>% Total</u>	<u># beds</u>	<u>Affordable</u>	<u>Avg. avail.</u>	<u>Avail. up to</u>
Couple families with children	795	18.4%	2-4	\$1,446	\$1,301	\$1,787
Couples with no children	1,565	36.2%	2	\$1,573	\$950	\$1,353
One person households	1,360	31.5%	1	\$635	\$750	\$976
Other households *	<u>600</u>	<u>13.9%</u>	2	\$1,573	\$950	\$1,353
Total Households	4,320	100.0%				
 * <u>Other households include:</u>						
Female-led lone-parent	285		2-3	\$830	\$950	\$1,706
Male-led lone-parent	<u>110</u>		2-3	\$1,133	\$950	\$1,706
Total lone-parent families	395					

Again, while far from definitive, this does give some indication that some household types could be reasonably well served, while adding evidence to support the perception that many residents are struggling to find suitable and affordable rental accommodation. Those who appear to be most under-served are one-person households and female-led lone-parent families.

Specific Populations

During the course of the research for Phase I of the Needs Assessment, as well as in numerous other housing-related discussions and initiatives, specific populations have been identified who may be experiencing particular housing affordability challenges.

While it is beyond the scope of this report to research these issues any further, they are identified for possible particular attention in the OCP and/or Land Use Bylaw review, as well as to highlight them for consideration in Phase II of the Housing Needs Assessment.

The following have been specifically identified through discussions with various members of the community:

- the homeless and those at risk of homelessness
- the mentally ill
- essential service workers
- service and retail workers
- farm workers
- single-parent families, particularly female-led
- south-end seniors requiring supports
- families of school age children

Discussions have been informal and conducted with members of various organizations serving these populations, and no further research has been conducted to assess and evaluate any unique housing need that exists. While some of the housing issues that may be applicable to the populations have been covered in this report, there does need to be a further examination of the specifics of the housing needs in these areas.

Some of the groups identified are more difficult to appropriately house due to severe economic challenges and/or various service or care needs, and it would be expected that some form of government support is needed to enable their development. This will require a fairly formal evaluation of need. For example, BC Housing has recently advised that a strong needs assessment for the homeless population will be required to support requests for funding a 'Wagon Wheel' type housing project.

Some housing may have specific infrastructure or location requirements (e.g. location of farm worker housing on farms).

The development of the terms of reference for Phase II of the Housing Needs Assessment should consider including, where appropriate, evaluations of these needs. It should also make efforts to collaborate with the organizations that are currently exploring these issues, related to a planned project (site specific assessments).

Those organizations that have secured funding to perform a housing needs assessment for their projects, and expressed an interest in collaborating on the next phase include:

- AHA – Copper Kettle, et al – 'Wagon Wheel' homelessness initiative
- School District 64 – Drake Road "Deep Green" community housing
- SSI Abbeyfield Society – Hilltop Road (Fulford Village) seniors serviced housing

The Area Farm Plan identifies the provision of farm worker housing as a key recommendation to support agriculture on Salt Spring Island. An Agricultural Alliance will be formed in the fall 2008 to coordinate the implementation of all recommendations; this organization should be included and consulted once established.