

Memorandum

Closed Meeting

Date: October 22, 2021
Submitted by: Community Development Department – Policy Planning Division
Subject: Inclusionary Zoning Policy and Family-Friendly Units Policy – Initial Findings

Rationale for Closed Discussion

This report is confidential as it relates to the negotiations and related discussions respecting the proposed provision of a municipal service that are at their preliminary stages and that, in the view of the council, could reasonably be expected to harm the interests of the municipality if they were held in public, and falls under section 90(1)(k) of the *Community Charter*.

At the Regular Council meeting on July 14, 2020 Council considered a report (**Attachment 1**) from the Affordable Housing Task Force dated June 16, 2020, and passed the following resolutions:

RC20/285

THAT staff be directed to carry out the eight recommendations of the Affordable Housing Task Force as presented and recommended in the report dated June 16, 2020, from the Affordable Housing Task Force regarding Final Report from the Port Moody Affordable Housing Task Force;

AND THAT staff report back on timeline implications, and how the recommendations will be implemented.

In the June 16, 2020 report, the Task Force provide the following additional direction on Inclusionary Zoning:

While crafting an inclusionary zoning policy for Port Moody, investigate the adoption of the three-tiered approach, similar to New Westminster, which looks at percentage of housing such as 12.5% affordable, 20% below CMHC, and 6% at shelter rates. For projects that are in compliance within Official Community Plan (OCP) guidelines, develop a suite of incentives and development options. For projects seeking OCP amendment and/or exceeding established density thresholds, or in TOD areas, these should have policy provision of a minimum of 20% of total units or floor area as built affordable units; number of units and rental rates subject to discussions with Council and senior governments, and consideration of other amenities, such as projects in the TOD that include a significant component of employment space. Units may be owned by developer with occupancy management by a non-profit or BC Housing in perpetuity, or sold to a non-profit or BC Housing at below-market value. The Affordable housing task force suggests that inclusionary zoning should apply to all developments over 80 units, with townhouse developments requiring additional contributions to the Affordable Housing Reserve Fund, as per revised policy. This is the preferred type of policy recommended by the Affordable Housing Policy; however, due to differences between municipalities regarding density and/or height restrictions, these recommendations would need be fulfilled in a Port Moody specific context.

Considered at the November 9, 2021 Council meeting

10

The Task Force also provided the following recommendation:

The Affordable Housing Task Force recommends that staff be directed to develop policy related to multi-family developments with minimum thresholds for inclusion of family-friendly units, those being of two, three and more bedrooms, as informed by our housing needs assessment and statistics included in this report.

In December 2020, staff procured Coriolis Consulting to:

- Undertake the financial analysis of six different case study sites in Port Moody to test the feasibility to include a below-market housing component as part of any rezoning or OCP amendment with a residential component; and,
- analyze whether new residential projects in Port Moody can support a unit mix of:
 - a minimum of 30% two- and three-bedroom units, with at least 10% of the total project units being three-bedrooms or more in market-strata apartment projects; and,
 - a minimum of 25% two- and three-bedroom units, with at least 5% of the total project units being three-bedrooms or more for market-rental apartment projects.

The direction from the Task Force was provided to Coriolis as background and for evaluation of feasibility.

At the November 9, 2021 Closed Council Meeting, Blair Erb, Principal of Coriolis Consulting, will present the initial findings of the work directed, and answer any questions Council may have.

The recommended resolution is:

THAT the memo dated October 22, 2021 from the Community Development Department – Policy Planning Division regarding Inclusionary Zoning Policy and Family-Friendly Units Policy – Initial Findings be received for information.

Attachment(s)

1. Final Report from the Port Moody Affordable Housing Task Force.

Considered at the November 9, 2021 Council meeting

11

Report Approval Details

Document Title:	Inclusionary Zoning Policy and Family-Friendly Units Policy – Initial Findings.docx
Attachments:	- Attachment 1 - Final Report from the Port Moody Affordable Housing Task Force.pdf
Final Approval Date:	Nov 1, 2021

This report and all of its attachments were approved and signed as outlined below:

Mary De Paoli, Manager of Policy Planning - Oct 26, 2021 - 9:59 AM

Kate Zanon, General Manager of Community Development - Oct 26, 2021 - 10:43 AM

Dorothy Shermer, Corporate Officer - Oct 27, 2021 - 11:15 AM

Rosemary Lodge, Manager of Communications and Engagement - Oct 28, 2021 - 10:14 AM

Paul Rockwood, General Manager of Finance and Technology - Oct 28, 2021 - 10:33 AM

Tim Savoie, City Manager - Nov 1, 2021 - 10:49 AM

Considered at July 14, 2020 Regular Council Meeting

232



Report to Council From the Affordable Housing Task Force

Date: June 16, 2020
Subject: Final Report from the Port Moody Affordable Housing Task Force

Purpose

Port Moody Affordable Housing Task Force, which has been established for the purpose of developing priorities and policies to create and maintain affordable housing in Port Moody and to assist staff in the updating of the City's Affordable Housing Strategy (2009). The purpose of this report is to provide information and recommendations on a suite of policies to inform Port Moody's Affordable Housing Strategy. We seek Council endorsement to direct staff to undertake these recommendations.

Recommendation

THAT staff be directed to carry out the eight recommendations of the Affordable Housing Task Force as presented and recommended in the report dated June 16, 2020 from the Affordable Housing Task Force regarding Final Report from the Port Moody Affordable Housing Task Force.

Executive Summary

Despite the strengths of our community in promoting inclusivity, Port Moody recently was found to be one of the least affordable communities in Canada. In order for this to change, we will need to update our affordable housing strategy (2009) and implement new policies and actions.

For this reason, Port Moody struck an Affordable Housing Task Force which has tasked with researching best practices and making recommendations to increase and incentivize affordable housing in the community.

This report has 3 sections:

The first gives background on housing in Port Moody and the benefits of affordable housing to the health of our community.

The second outlines the policies that have been investigated. The Affordable Housing Task Force has also investigated current housing needs for Port Moody and these numbers are included to complement the work underway by staff on the development of a Housing Needs Assessment Report.

Considered at the November 9, 2021 Council meeting

13

Considered at July 14, 2020 Regular Council Meeting

233

The third gives recommendations based on research and best practices regarding on which to base a comprehensive Affordable Housing Strategy update for Port Moody. In addition to interim recommendations given earlier this year, including a presentation from the Cooperative Housing Federation of BC to investigate possible partnerships, updating our Laneway Housing Bylaw, creating a renovation bylaw and updating our Affordable Housing Reserve Fund Policy in this report recommendations are given on update Porting Moody's rental replacement policies, creating minimum standards of rental maintenance, informing an inclusionary zoning policy, updating parking relaxation policies, monitoring developments in the application of rental only zoning, research on fee waivers and property tax waivers, and developing a Family Friendly Housing policy.

Background

Everyone should have the right to safe, stable and affordable housing, and this has been highlighted as a priority on multiple occasions as a priority of Council. Sadly, recent reports from the Vancouver Foundation suggest more and more people are having to move away from their communities because of affordability issues (<https://www.vancouverfoundation.ca/sites/all/themes/connengage/files/VF-Connect-Engage-report.pdf>). This means that people lose touch with their friends and support systems, as well as their families. The impact and the stress of these situations has a negative impact on mental and physical health.

The decision to invest in housing stability in our community is truly evidence based. Many studies have found that the amount we as a society invest in housing the homeless and keeping people from homelessness saves our community money. In a 2005 study by Pomeroy which looked at costs in four Canadian cities, institutional responses (jails, hospitals, etc.) cost \$66,000-\$120,000 annually, emergency shelters cost \$13,000-\$42,000 annually whereas supportive and transitional housing cost \$13,000-\$18,000 and affordable housing without supports was a mere \$5,000-\$8,000. The State of Homelessness 2016 report showed that by addressing the needs of key populations disproportionately affected by experiences of homelessness, there are corresponding cost benefits. For example, the two-year pilot project called *The Canadian Model for Housing and Support for Veterans Experiencing Homelessness in 2012*, was designed to address the needs of the Canadian veterans experiencing homelessness. The program included a Housing First approach and staff/volunteer resources for each participant. The program revealed promising results of an estimated \$536,000 per year (in terms of cost savings) due to reductions in 911 calls and emergency-shelter drop-ins. In the past years, Port Moody has shown leadership by directing staff to work with BC Housing to find places in the city to potentially partner to build affordable housing.

Further, Port Moody has signaled that health of our community as a priority. A recent evidence review demonstrated that existing evidence on housing and health can be understood as supporting the existence of four pathways by which the former affects the latter). First, there are papers describing the health impacts of not having a stable home (the stability pathway). Second, there are papers describing the health impacts of conditions inside the home (the safety and quality pathway). A third, smaller set of papers describes the health impacts of the

Considered at the November 9, 2021 Council meeting

14

Considered at July 14, 2020 Regular Council Meeting

234

financial burdens resulting from high-cost housing (the affordability pathway). Lastly, a rapidly growing literature describes the health impacts of neighborhoods, including both the environmental and social characteristics of where people live (the neighborhood pathway).

Regarding stability, people who are not chronically homeless but face housing instability (in the form of moving frequently, falling behind on rent, or couch surfing) are more likely to experience poor health in comparison to their stably housed peers. Residential instability is associated with health problems among youth, including increased risks of teen pregnancy, early drug use, and depression. A review of twenty-five studies that examined the impact of foreclosure on mental health and health behaviors (including substance abuse) found that all of the studies reported that foreclosure was associated with worsened outcomes, including depression, anxiety, increased alcohol use, psychological distress, and suicide. Matthew Desmond's recent ethnography, *Evicted*, illustrates how the stress of unstable housing can result in disruptions to employment, social networks, education, and the receipt of social service benefits. The lack of stable housing can also decrease the effectiveness of health care by making proper storage of medications difficult or impossible.

In contrast, providing access to stable housing can improve health and reduce health care costs. Within a population of nearly 10,000 people in Oregon with unstable housing, the provision of affordable housing decreased Medicaid expenditures by 12 percent. At the same time, use of outpatient primary care increased by 20 percent and emergency department use declined by 18 percent for this group. The health impacts of other means of stabilizing housing, including rental and foreclosure assistance, have also been rigorously studied in relation to mental health outcomes.

Regarding safety and quality, a number of environmental factors within homes are correlated with poor health. In-home exposure to lead irreversibly damages the brains and nervous systems of children. Substandard housing conditions such as water leaks, poor ventilation, dirty carpets, and pest infestation have been associated with poor health outcomes, most notably those related to asthma. Additionally, exposure to high or low temperatures is correlated with adverse health events, including cardiovascular events—particularly among the elderly. Residential crowding has also been linked to both physical illness (for example, infectious disease) and psychological distress.

Regarding affordability, a lack of affordable housing options can affect families' ability to make other essential expenses and can create serious financial strains. Low-income families with difficulty paying their rent or mortgage or their utility bills are less likely to have a usual source of medical care and more likely to postpone needed treatment than those who enjoy more-affordable housing. Severely cost-burdened renters are 23 percent more likely than those with less severe burdens to face difficulty purchasing food. Homeowners who are behind in their mortgage payments are also more likely to lack a sufficient supply of food and to go without prescribed medications, compared to those who do not fall behind on payments. Conversely, New York City families with affordable rent payments were found to increase their discretionary income by 77 percent, freeing up funds to spend on health insurance, food, and education or to save for a future down payment on a home.

Considered at the November 9, 2021 Council meeting

15

Considered at July 14, 2020 Regular Council Meeting

235

Despite the strengths of our community in promoting inclusivity, Port Moody recently was found to be one of the least affordable communities in Canada

(<https://www.tricitynews.com/news/port-moody-sustains-city-of-the-arts-title-in-best-communities-ranking-1.23926321>). In order for this to change, we will need to update our affordable housing strategy and implement new policies and actions. Fortunately, we have excellent and compassionate staff; however, those staff have limited time to dedicate to these issues. This is where Council and the Affordable Housing Task Force can play a supporting role in establishing proprieties for our community, as exemplified from other municipalities, people with lived experience and or those who support them, and best practice guides from NGOs and governmental agencies, among other sources.

In 2017, Port Moody voted to establish an affordable housing task force; “A Council-led task force could undertake a review of existing policy recommendations from Metro Vancouver’s reports and other progressive policies already implemented in other municipalities (i.e.: New Westminster’s Family Friendly Housing Policy) and fast-track recommendations back to Council. Given anticipated development applications coming forward, having strong and progressive housing policy in place assists both staff and Council in their decision-making processes.” This was re-established in 2019, and in April 2020 the Task Force submitted an interim report to Council, and the following recommendations were adopted:

- 1) Extend an invitation to the Cooperative Housing Federation of BC in order to inform Council of how community land trusts may assist with Council priorities for redevelopment of public property,
- 2) Update Port Moody’s laneway housing bylaws as informed by recommendations from the task force in order to increase uptake of that program,
- 3) To establish a renovation bylaw in-line with the municipalities of Port Coquitlam, New Westminster, and Burnaby, and
- 4) To update the Affordable Housing Reserve Fund Terms of Reference, including to amend the Affordable Housing Reserve Fund Policy to allow distribution of funding out of the Reserve for rental relief initiatives for renters in need of financial assistance;

The additional recommendations in this report are based on best practices from literature and best practices from neighbouring municipalities; The AHTF is also working on providing housing needs and demographic numbers for the City in order to inform decision making in addition to the ongoing work by staff; preliminary statistics can be found in Pomo Housing Book (Attachment 1.).

Discussion

The policies and advocacy motions that are currently under development/ have been approved/ in- consideration in Port Moody are included in Table 1. Policy options available to councils to promote affordable housing can be found in attachment 2.

Considered at the November 9, 2021 Council meeting

16

Considered at July 14, 2020 Regular Council Meeting

236

Table 1

Affordable Housing Task Force Compilation of Potential Policies and Recommendations for Council Consideration

Policies for Discussion

Do we have?	Policy	Reference Municipalities	
Yes – comparing other cities	Affordable Housing Reserve Fund		<i>Recommendations made April 21st</i>
Yes	Adaptable Housing Policy		
Yes	Strata Conversion Policy		
Yes-comparing to best in Canada	Tenant Relocation Policy		Recommendations in current report
Yes-comparing other cities	Secondary Suite Bylaw		<i>Staff revised in February 2020</i>
Yes	Small Lot Subdivision Bylaw		
Yes	Density Bonusing/CAC Policies		<i>Redone in 2018</i>
In progress with Staff	Fast-Track Development Policy	Cities of New Westminster, North Vancouver and Port Coquitlam	
In progress for Staff – best practices from N. America and policies from New Westminster and Burnaby are provided for guidance	Inclusionary Housing Policy	Cities of Richmond, Burnaby, New Westminster, North Vancouver	Recommendations in current report
Presentation Feb 5	Land Trust Model Bylaw	City of Vancouver	<i>Recommendation made on April 21st</i>
In progress with Staff	Laneway Housing Bylaw	Cities of Vancouver, North Vancouver	<i>Recommendation made on April 21st</i>
No	TOD Guidelines	City of Coquitlam?	Recommendations in current report
No	Property Tax Exemption Program		Recommendations in current report
Yes	Parking Relaxation Policy	Cities of New Westminster, Maple	Recommendations in current report

Considered at the November 9, 2021 Council meeting

17

Considered at July 14, 2020 Regular Council Meeting

237

		Ridge, North Vancouver, Victoria	
No	Family Friendly Policy	Cities of New Westminster, North Vancouver	Recommendations in current report
No	Rental Only Zoning/Tenure Policy	City of Burnaby	Recommendations in current report
No	Pre-Zoning for Rental	Cities of Burnaby, Vancouver, North Vancouver	Recommendations in current report
In progress	Renoviction Policy	Cities of New Westminster, Port Coquitlam, Burnaby (all same)	<i>Recommended on April 21st</i>
No	Minimum Standards of Rental Maintenance	Cities of New Westminster, North Vancouver, Burnaby	Recommendations in current report
No	Fee Waiver Policy	Cities of New Westminster, North Vancouver, Coquitlam, Chilliwack	Recommendations in current report
No-researching	Demolition	Cities of New Westminster, North Vancouver, Burnaby and the District of North Vancouver	Recommendations in current report
Yes	Rental Replacement Policy	The Cities of Richmond, Burnaby and the District of North Vancouver	Recommendations in current report
NA	<i>OCP Policies supporting Affordable Housing</i>	<i>To be framed by above policies</i>	

Recommendations for Rental Buildings/ Tenant Protections (Based on Burnaby's "Best in Canada" Model)

	Burnaby (Best in Region Policies)	Current Port Moody	Recommendation
Policy Approaches by development Type			
Demolition	Tenants are provided: -Right of first refusal for a replacement unit (as provided by the existing Rental Replacement Policy, outlined in the 2019 April 25 Council	Right of first refusal for existing tenants to move back into the new building with a 20% discount off starting market rents.	-Chance policy to right of first refusal being at the same rent as before development.

Considered at the November 9, 2021 Council meeting

18

Considered at July 14, 2020 Regular Council Meeting

238

	<p>Report, "Rental Use Zoning Policy and Initial Implementation Framework.") (Tenants will then have the right of first refusal to move into the replacement building once construction is complete. They will continue paying the same rent as before) -Priority placement in unclaimed replacement units on other properties -Temporary accommodation, as outlined in Section II below Applies only to tenants who are resident at the time of initial Council action on a rezoning application (not subsequent tenancies) Applies to all buildings with six or more units</p>	<p>- For projects that propose new secured market rental housing or where one-for-one replacement of rental units are required under the Rental Protection Policy, the new secured market rental housing units or replacement rental units will be secured for a term of 60 years or life of the building, whichever is greater, through legal agreements, or any other legal mechanism deemed necessary by the General Manager of Planning and Development; - For projects that propose new social housing, or where rental units are replaced with social housing, tenants will be offered right of first refusal, provided they meet the eligibility requirements for the new social housing unit.</p>	<p>-Priority placement in unclaimed replacement units on other properties</p>
Renovation	<p>Tenants are provided: temporary accommodation, as outlined in, with right to return to the same unit at the same rent (subject to RTA increases) and under the same rental agreement Applies to all renovations that: are in buildings with six or more units to require tenants to vacate the unit(s)</p>	None	<p>Develop a renovation [Renoviction] policy such as City of Burnaby including bylaw enforced through the City of New Westminster approach) i.e.: new regulations require that before issuing an eviction notice (or evicting a tenant</p>

Considered at the November 9, 2021 Council meeting

19

Considered at July 14, 2020 Regular Council Meeting

239

	require a Building Permit Enforced through business licence process (City of New Westminster approach)		under an eviction notice issued before the new regulations), the property owner must provide tenants with: -alternative accommodation while renovation work is being carried out, and -a written offer to return to the renovated unit or another rental unit at the same rent as currently paid, subject to any rent increase permitted under the BC Residential Tenancy Act.
Policy Components for both Development Types			
Notice (minimum)	4months	2 months	Increase to 4 months
Temporary Accommodation	All renters treated the same. Provided at “swing sites” developed through public-private partnerships; or Provided in private market, with developer providing rental “top-ups” to cover rent beyond current rates “Top-up” shall be equal to the difference between existing rent and rent for temporary accommodations, up to an established cap (e.g., CMHC Average Market Rent + 20%) Unit must be suitable in size, number of bedrooms, and accessibility	Minimum: financial compensation provided based on length of tenancy: • 2 months’ rent for tenancies up to 4 years; • 3 months’ rent for tenancies between 5 to 9 years; • 4 months’ rent for tenancies over 10 years; and • 6 months’ rent for tenancies over 20 years; This can take the form of free rent, a lump sum payment or a combination of both;	Treat all renters equally Investigate options for “swing sites” or “top” ups to equal to the difference between existing rent and rent for temporary accommodations up to established cap.

Considered at the November 9, 2021 Council meeting

20

Considered at July 14, 2020 Regular Council Meeting

240

	Temporary accommodation benefits do not apply retroactively to tenants who have received monetary compensation under the current Tenant Assistance Policy		
Tenants with Disabilities	Special consideration is to be given to tenants with disabilities, including increased notice, moving assistance, and support in finding new accommodations	In cases involving vulnerable tenants (e.g. seniors, persons with disabilities, tenants with low income, mental health issues, etc.), applicants are encouraged to provide additional support such as partnering with health organizations and other non-profit services	Adopt language to strengthen considerations.
Moving Assistance	Developer to pay moving expenses for all tenants (to a maximum of \$750 for units with 2BD). Expenses shall also be paid for the move from temporary to permanent accommodations. Tenants can postpone moving in case of inclement weather (e.g., snow, ice) From Newspaper: moving expenses of \$900 to \$1,400—or moving services paid for by the developer.	Arrangement for an insured moving company, or, a flat rate payout for moving expenses as follows: • \$750 for bachelor and 1-bedroom households; and • \$1,000 for two- or more bedroom households.	Increase maximum expenses. Add language regarding expenses for moving to temporary accommodation, and postponement due to inclement weather.
City Supports	Establish a Rental Housing Coordinator position to oversee policy implementation Maintain a registry of affordable housing units – tenants eligible for	Have a Social Planner We currently track affordable units (where they are built,	Maintain Social Planner Position. Port Moody should include this feature once

Considered at the November 9, 2021 Council meeting

21

Considered at July 14, 2020 Regular Council Meeting

241

	<p>assistance under the Tenant Relocation Policy have priority for unclaimed replacement units on other properties</p> <p>Consider establishing a registry that gives tenants eligible for assistance under the Tenant Relocation Policy priority for new rental units established under the City's Inclusionary Rental Policy.</p> <p>Achieve compliance through business licence regulations (for renovations) and rezoning conditions (for demolition) and consider monetary penalties for bylaw non-compliance</p>	<p>who manages them, etc.), but not in the way the described for Burnaby</p> <p>We currently do this for other rentals under Port Moody's Tenant Relocation Assistance Policy for regular rental replacement.</p> <p>We currently do not do this.</p>	<p>below-market units come online through the IZ policy.</p> <p>Port Moody should modify the language regarding tenant relocation to included units derived through inclusionary zoning as well.</p> <p>We have recently directed staff to do a renovations bylaw. We should put these conditions in a bylaw for demolition.</p>
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Rental Replacement	<p>The tenant assistance plan follows Burnaby's recently adopted inclusionary rental zoning bylaws, which require one-to-one replacement of demolished rental apartments and at least 20% of new housing developments secured as rental in perpetuity. <i>Richmond also requires 1:1</i></p>	<p><u>Current Policy</u> gives preference to redevelopment applications that achieve at least a one-to-one, like-for-like replacement of the existing housing stock. Requires that replacements be one to one. The replacements should be of the same form, character, number, type (number of bedrooms) and size (floor area) of that which it replaces.</p>	<p>Strengthen language to clarify requirement of 1 to 1 replacement of demolished rental apartments secured as rental at or below current rental rate in perpetuity. Some flexibility on number of units may be provided when rental units are proposed at rates at or below 20% below CMHC.</p>
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Minimum Standards of Maintenance Policy

Issue

Considered at the November 9, 2021 Council meeting

22

Considered at July 14, 2020 Regular Council Meeting

242

As in 2019 Report to Port Moody Council (link), this issue was forwarded to the Affordable Housing Task force, as there as at least one case of a tenant losing their home due to maintenance issues. Port Moody was not sure if this was an issue here. However, in the Burnaby public meetings regarding affordable housing (2019), having a standard of maintenance bylaw was something very important to renters.

Burnaby Staff are currently being tasked to examine best practices and report back to Council.

Recommendation

The Affordable Housing Task Force recommends that staff be directed to liaise with Burnaby staff after Burnaby Staff have completed a review of best practices in minimum standards of rental maintenance and present to Council for comparison with Port Moody's current practices.

Rental Only and Pre-Zoning

Background

The province has recently given BC local governments the option for rental only zoning and pre-zoning. So far only the City of New Westminster has used rental only to stop people from being evicted.

Both Burnaby and Victoria are investigating rental pre-zoning, with staff undertaking property research and preparing materials for public consultation in 2020 (currently reaching out to both to understand what research entails).

Recommendation

That staff continue to monitor developments in the application of rental only zoning, particularly as it is used for maintaining affordable housing stocks.

Inclusionary Zoning

The Issue

Currently staff are investigating an inclusionary zoning policy for Port Moody; however, currently staff are negotiating for at least 10% affordable in new developments. Some developers have said this takes considerable amount of time compared to just knowing what is expected. Similarly, the definition of affordable is quite broad and is not consistent across projects.

A number of our neighbouring municipalities have developed inclusionary zoning policies and have not seen a decline in projects, as is sometimes stated as a concern. New Westminster has most recently developed such a policy.

The Background/ Context

Considered at the November 9, 2021 Council meeting

23

Considered at July 14, 2020 Regular Council Meeting

243

In the last Metro Vancouver housing assessments, needs for Metro Vancouver were approximately 37% rental, half of that affordable.

A 2019 review of Inclusionary zoning policies across North America by ACORN Toronto found the following best/ most common practices (<https://acorncanada.org/inclusionary-zoning-best-practice>). Most local government have policies that are across the community, however, some vary by neighbourhood (approximately 22%)

Some local governments in the US have increased their inclusionary zoning over time, as they realize there is more room in the market than anticipated. As municipalities adopt inclusionary zoning policies, it may decrease what developers are willing to pay for land, which gradually lowers the cost, making affordable housing more feasible.

According that review, inclusionary zoning are made up of the following components

Set aside rates– the % or proportion of a new development that is dedicated to be affordable (either by % units or floor area)

Best practices – the most common was 10-20%. In some jurisdictions that percentage increases with added density (e.g.: in Maryland most developments require 12.5% affordable, but 15% for increased density; Washington DC requires 8-10%, but 50% of added density).

Most jurisdictions just stipulate a %, but that usually means only small units are included. Some jurisdictions allow multiple bedroom units to count for more than one. San Mateo allows a 3 bedroom to count for two units.

Set aside rates should also vary by the income group they are designed to house, with fewer units are required for more deeply affordable, and more required for housing people closer to median income.

Best practices appear to be to make these zonings mandatory.

Affordability Tenures– how long the units remain affordable

The most common and most effective tool for address housing needs is for the life of the building “in perpetuity” Shorter terms simply defer the housing crisis and have been abandoned in most jurisdictions.

Affordability levels- determines the rents on the affordable homes

The best and most common practice for determining affordability is to use an income -based approach, rather than market rents.

With the complexity of housing needs in more jurisdictions multiple income levels should be served by the program. Past practice indicates that programs serving people earning between 50-80% of area medium income are most common programs serving populations earning more than 80% of AMI are rare.

Thresholds -determine minimum size of the development to be included in inclusionary zoning.

Most programs as of 2017 had a minimum of 10% of units, none had more than 50.

Considered at the November 9, 2021 Council meeting

24

Considered at July 14, 2020 Regular Council Meeting

244

Some jurisdictions allow percentages to be spread across projects if needed “credit transfer.”

Incentives – indirect or direct help to developers to help meet requirements while ensuring the projects move ahead.

There is no international evidence that supports payments to developers to offset costs associated with inclusionary zoning. The alternative recommendation would be to maximize the ability to create units through fast tracking of applications, fee waivers, and reduction of some zoning constraints such as parking. There can be valuable contributions to increasing the supply of affordable housing.

Developers sometimes claim that affordable units cannot be built under inclusionary zoning. Ten studies show those claims do not result in reduction in development activity nor a significant comparative increase in housing prices. Once inclusionary zoning has been passed, developers refuse to pay as much for the land.

Ownership/ Stewardship

Ownership and stewardship of inclusionary zoning units\ongoing private ownership of inclusionary zoning units has proven expensive and complicated, due to the need for monitoring and compliance enforcement. Transferring inclusionary zoning units to non-profits with an affordable housing mandate or to the municipality appear to be more manageable as a model.

Neighbouring municipalities

New Westminster (Tiered Approach)

The Inclusionary Housing Policy is grounded in the following principles:

- a) New multi-unit strata residential and mixed-use residential development seeking additional density contributes to the affordable rental housing supply;
- b) Below/non-market rental units serve a range of tenants corresponding to need in the City of New Westminster;
- c) Occupancy management of below/non-market rental units ensures intended tenants are served;
- d) Adaptable and family friendly housing policies apply;
- e) Below/non-market rental units are secured for the long-term;
- f) Applicants have clear information regarding municipal expectations;
- g) Requirements for City staff time, resources and risk are minimized;
- h) Density and built form respect the Official Community Plan (OCP) for Options 2 and 3, and are suitable for the surrounding neighbourhood for all Options; and,
- i) Inclusive communities are created.

Definitions

Below-market rental units – To meet rental demand for low to moderate income households (e.g. earning between \$30,000 and \$75,000 per year in 2020). Average below-market rent would be set at time of application at 10% below the currently reported Canada Mortgage and Housing Corporate (CMHC) rental market median rent, all years, for New Westminster. Annual rent increases as permitted under the *Residential Tenancy Act*.

Considered at the November 9, 2021 Council meeting

25

Considered at July 14, 2020 Regular Council Meeting

245

Non-market rental units – Intended to serve very low income households. All non-market units would rent at the shelter component of income assistance or rent geared to income (e.g. to a maximum of \$29,999 in 2020), as determined by the non-profit or BC Housing, to meet client needs.

There are three applicable options for strata and mixed-use rezoning applicants. Option 1 would apply for applications requesting an OCP amendment and/or exceeding the Density Bonus Policy, and Options 2 and 3 would apply for applications within OCP / Density Bonus Limits.

Applicants may choose from the following options:

Option 1 – Applications requesting OCP amendment and/or exceeding Density Bonus Policy Provision of a minimum of 20% of total units or floor area as built affordable units; Number of units and rental rates subject to discussions with Council and senior government, and consideration of other amenities; Units sold to a non-profit or BC Housing at below-market value.

Incentives are the same as options 2 and 3 with additional density above OCP subject to land use and livability constraints.

Option 2 – Applications within OCP / Density Bonus Limits

Provision of a minimum of 5% of total units as built non-market units; Rents at shelter rate or rent geared to income (to a maximum income of \$29,000 in 2020), as determined by non-profit or BC Housing; Units provided at no cost to a non-profit or BC Housing.

Option 3 – Applications within OCP / Density Bonus Limits

Provision of a minimum of 10% of total units as built below-market units and 5% for properties with high existing entitlements (i.e. sites zoned RM 6A, C-3, C-3A and designated Residential High-Rise in the OCP; and, Sapperton Green); Rents at 10% below the currently reported Canada Mortgage and Housing Corporate (CMHC) rental market median rent, all years, for New Westminster; Units may be owned by developer with occupancy management by a non-profit or BC Housing, or sold to a non-profit or BC Housing at below-market value.

Option 1

Additional density above OCP / density bonus maximum subject to land use and livability.

Option 2 and Option 3 Potential City DCC Waivers and/or GVS&DD + TransLink DCC Waivers.

All Options

30% reduction in Density Bonus/VAC payments (time limited – subject to annual review).

Density exemption from FSR for affordable units.

The Secured Rental Residential Units minimum parking space provisions of the Zoning Bylaw apply for below / non-market rental units. The City may consider further reducing parking requirements for below / non-market rental housing to a minimum of *:

- 0.2 spaces per dwelling unit for sites within 400m of a SkyTrain Station;
- 0.5 spaces per dwelling unit for sites within 400m of the Frequent Transit Network; and,
- 0.75 spaces per dwelling unit elsewhere.

** Subject to a technical assessment, prepared by a qualified transportation professional, that adequately demonstrates parking space demand for the below/non-market rental units, and that is accepted by the City, with commitment by the applicant to Transportation Demand Management measures.*

Considered at the November 9, 2021 Council meeting

26

Considered at July 14, 2020 Regular Council Meeting

246

The City may also Prioritized Application Review.

Burnaby (Middle Income Affordable Rental)

Burnaby has just reviewed its affordable housing policies and bylaws. It has recently amended its Rental Use Zoning Policy and Initial Implementation, which has been adopted by Council on 2019 May 13. Their Multiple Family Residential Rental Zoning sub-districts were adopted by Council on 2018 December 03. This requires 20% inclusionary zoning which applied to all rezoning applications that had yet to receive Second Reading of the Rezoning Amendment Bylaw. Burnaby has blanket rental inclusionary zoning across the municipality. In all new multifamily dwellings over 30 units, 20% must be rentals available at 20% below CMHC rates; they feel this is affordable for working people, meaning the average income of the Metro Vancouver area, which could be considered low to medium income. Developers are offered incentives such as density bonusing or the city gives a financial incentive or parking relaxations depending on what works for the project. These units are to be rental in perpetuity and dedicated to the housing management firm as a cluster, not individual owners (not speculative investment).

Burnaby is working with BC Housing to provide housing for lower income residents on city-owned sites.

Richmond

Low End of Market Rental (LEMR) Contribution:

- LEMR units are secured as affordable in perpetuity through legal agreement on title, which restricts the maximum rents and tenant eligibility by income. This policy is intended to ensure the development of mixed income communities and provide rental homes for low-moderate income households.
- Increase the built affordable contribution from 5% to 10% of total residential floor area, decrease in the threshold from 80 units to 60 units, flexibility to cluster or disperse LEMR units, and set minimum unit size targets so the LEMR units are not smaller than the average size of a comparable market unit in the development.

Cash In Lieu Contribution:

Developers provide a cash-in-lieu contribution when the threshold for built LEMR units is not met. These contributions are collected in the Affordable Housing Reserve Fund. The Fund is intended to support the development of innovative affordable housing projects, such as the Kiwanis Towers and Storeys project.

Recommendation

- 1) While crafting an inclusionary zoning policy for Port Moody, staff investigate adopting the three tiered approach of New Westminster requiring percentages but with options for 12.5% affordable (20% below CMHC), or 6% at shelter rates for projects within OCP guidelines, with a suite of incentives for development options. For projects seeking OCP amendment and/or exceeding established

Considered at the November 9, 2021 Council meeting

27

Considered at July 14, 2020 Regular Council Meeting

247

density thresholds, or in TOD areas, these should have policy provision of a minimum of 20% of total units or floor area as built affordable units; number of units and rental rates subject to discussions with Council and senior governments, and consideration of other amenities. Units may be owned by developer with occupancy management by a non-profit or BC Housing in perpetuity, or sold to a non-profit or BC Housing at below-market value. The Affordable housing task force suggests that inclusionary zoning should apply to all developments over 80 units, with townhouse developments requiring additional contributions to the Affordable Housing Reserve Fund, as per revised policy. This the preferred type of policy recommended by the Affordable Housing Policy; however, due to differences between municipalities regarding density and/or height restrictions, these recommendations would need be fulfilled in a Port Moody specific context;

Inclusionary zoning should apply to all developments over 80 unit, with townhouse developments requiring additional contributions to the Affordable Housing Reserve Fund, as per revised policy.

The Inclusionary Housing Policy should be grounded in the following principles:

- a) New multi-unit strata residential and mixed-use residential development seeking additional density contributes to the affordable rental housing supply;
- b) Below/non-market rental units serve a range of tenants corresponding to need in the City of Port Moody;
- c) Occupancy management of below/non-market rental units ensures intended tenants are served;
- d) Adaptable and family friendly housing policies apply;
- e) Below/non-market rental units are secured for the long-term;
- f) Applicants have clear information regarding municipal expectations;
- g) Requirements for City staff time, resources and risk are minimized;
- h) Density and built form respect the Official Community Plan (OCP) for Options 2 and 3 (those within the OCP), and are suitable for the surrounding neighbourhood for all Options; and,
- i) Inclusive communities are created.

Parking Relaxations for Rental/ Affordable Rental

The Issue

Many communities are considering or including relaxations in parking, particularly around transit hubs, for rental and affordable housing. Though this can be negotiated with developers, it is not a given.

Use or Class	Location of rental housing	Minimum parking rates
City <u>Richmond</u> (In progress in 2018)		
Apartment (Market Rental)	City centre zone 1	0.8
	City centre zone 2	1.0
	City centre zone 3	1.2
	Outside city centre	1.2
Townhouse	City centre zone 1	0.9
	City centre zone 2	1.1

Considered at the November 9, 2021 Council meeting

28

Considered at July 14, 2020 Regular Council Meeting

248

	City centre zone 3	1.3
	Outside city centre	1.8
City of Port Moody	Market Ownership	1.0 space per 0-1 Bedroom, 1.5 spaces per 2 or more Bedrooms
	Market Rental	1.1 spaces per unit
	Below market rental	0.9 spaces per unit
	TOD area market ownership	1.0 space per 0-1 Bedroom, 1.35 spaces per 2 or more Bedrooms
	TOD area market rental	1.0 space per unit
	TOD area below market rental	0.8 spaces per unit
City of Victoria (2018)		
Apartment (unit dwelling secured as rental in perpetuity through legal agreement)	Core area	0.50 spaces per dwelling unit that is less and 45m ² ; 0.60 spaces per dwelling unit that is more that 45m ² or more but equal to or less than 70m ² ; 1.00 spaces per dwelling unit more than 70m ²
	Village centre	0.60 spaces per dwelling unit that is less and 45m ² ; 0.70 space ² s per dwelling unit that is more that 45mor more but equal to or less than 70m ² ; 1.10 spaces per dwelling unit more than 70m ²
	Other area	0.75 spaces per dwelling unit that is less and 45m ² ; 0.90 spaces per dwelling unit that is more that 45m ² or more but equal to or less than 70m ² ; 1.30 spaces per dwelling unit more than 70m ²
Affordable (affordable dwelling units secured in perpetuity through legal agreement) *This is the same for New Westminster for below or non-market housing - 2020)		0.20 spaces per dwelling unit that is less and 45m ² ; 0.50 spaces per dwelling unit that is more that 45m ² or more but equal to or less than 70m ² ; 0.75 spaces per dwelling unit more than 70m ²
City of New Westminster		
Market Rental	City-wide	1 space for bachelor; 1.2 for one bedroom; 1.4 for

Considered at the November 9, 2021 Council meeting

29

Considered at July 14, 2020 Regular Council Meeting

249

		bachelor; 1.5 for 3 or more bedrooms
	Mixed use sites from Eighth St to Fourth St on Columbia (C-8 zone)	1 parking spot each
City of North Vancouver		
Market Rental	City-wide	0.75 parking spots for rental unit

Recommendation

Port Moody currently has significant parking relaxation policies; however, they could be more ambitious and similar with those of Victoria and New Westminster. The Affordable Housing Task Force Recommends that staff be requested to suggest where there are areas of the city that benefit from differential levels of parking relaxations for rental (for example, TOD areas (Moody Centre, Inlet Centre), areas close to rapid transit, such as with 500m from St. Johns/ Clark Rd, and rest of the city) and include city-wide relaxations for affordable housing as part of incentives for inclusionary zoning (as per Victoria and New Westminster policies).

Development fee waivers

The policies examined by the Affordable Housing Task Force included investigating waiving development permit fees (not DCCs) and other fees for affordable housing (i.e. Building permit fees), as well as property tax exemption or forgiveness for supportive affordable housing and/or Property tax exemption for non-supportive affordable housing. Both these policies are supported in Port Coquitlam, North Vancouver City, Burnaby, and other metro Vancouver local governments, as outline in the Metro Vancouver What Works Publication (page 74).

Additionally, Cities of New Westminster and Coquitlam pay legal fees for preparation of housing agreements for rental housing. Port Moody may not have funds available in our affordable housing reserve to do this. In New Westminster the Secured Market Rental Housing Policy provides a 50% reduction in Building Permit fees for the construction of new units in existing purpose-built rental housing and new medium-term and long-term secured rental housing. A 50% permit fee reduction would provide a \$30,000- \$50,000 per project benefit for new buildings and a \$5,000 benefit for small additions.

City	Response
Abbotsford	The City is currently in the process of updating their permissive tax exemption policy to more clearly state a stance on affordable housing. At this time, they provide exemptions to certain social assistance-type housing for at-risk populations (e.g. people living with disabilities, women recovering from domestic violence, people recovering from drug addiction, and the like). Going forward, their policy is unknown and subject to Council discussion/deliberation. The Building Department does not currently have any policies that would exempt these construction projects from the applicable building permit fees.

Considered at the November 9, 2021 Council meeting

30

Considered at July 14, 2020 Regular Council Meeting

250

Maple Ridge	The City does not provide permissive tax exemptions for affordable housing at this time. BC Assessment will look at affordable housing projects and if certain criteria are met, as shown in a housing agreement registered on title, and a related operating agreement, will apply a discounted valuation methodology to assess the property value which will result in a reduced tax bill. BC Assessment would be able to provide details on their criteria; building department does not waive permit fees for affordable housing nor is there any relevant policy
Kelowna	<p>The City does not discount building permit fees due to its Council policy to operate under a cost recovery model where they do not receive tax dollars for our department.</p> <p>To date they have not waived property taxes but as some units fall under 29sqm they are DCC exempt, those that aren't have seen a Council approved housing grant which is then put towards DCC's for the project.</p>
Penticton	<p>The City does not have a policy or bylaw to reduce building permit fees for affordable housing projects. However, they have had by request a couple of Habitat for Humanity projects pay only the application fee.</p> <p>They do currently have a DCC reduction bylaw, which provides 100% discount for social/non-profit rental housing projects. This is currently under review but delayed due to COVID-19 priorities</p>
Coquitlam	<p>On the subject of permit fees, DCC's, CAC's and any other "development charges", The City has no waiver or exemption. However, the City has established an Affordable Housing Reserve Fund program that may be used to reduce fees for a proposed development, if they qualify and are approved by Council.</p> <p>On the subject of taxation, taxes cannot be waived by a municipality without provincial consent. However, the non-profit or non-profit housing association may apply to the province for a change in tax status thereby changing the tax rate that is applied to the property by the municipal finance department</p>

Recommendation

Because of Port Moody's currently diminished Affordable Housing Reserve, Port Moody currently should examine waivers on a case-by-case basis.

Because revisions to the Affordable Housing Reserve Fund have already been approved by Council, once this fund reaches more sufficient levels, Port Moody should waive its rezoning and development permit fees for applications from non-profit housing providers. Further, Port Moody should consider provide a 50% reduction in Building Permit fees for the construction of new units in long-term secured rental housing. This could come from our Affordable Housing Reserve Fund. Port Moody should also consider developing a policy whereby 100% non-profit and supportive housing projects receive property tax exemptions (much like churches).

Considered at the November 9, 2021 Council meeting

31

Considered at July 14, 2020 Regular Council Meeting

251

Family Friendly Policy

Background

In January 2016, the City of New Westminster became the first B.C. municipality to require minimum percentage of three-bedroom units in new multi-family projects.

Their City Zoning Bylaw dictates that all developments which have ten (10) or more residential units must confirm to new regulations:

1. That multi-family ownership projects include a minimum of 30% two and three-bedroom units, and that at least 10% of the total projects be three-bedrooms or more.
2. That multi-family rental projects include a minimum of 25% two and three-bedroom units, and that at least 5% of the total projects be three-bedrooms or more.

It should be noted that the New Westminster policy came as a result of a housing supply analysis and a feasibility study which concluded that there would be no negative impact on return on cost with an increased proportion of two and three-bedroom units in new multi-family projects. At this time, the City of Port Moody does not have relevant studies undertaken.

But looking at the Canada Census 2016 tells us that that the average household size in Port Moody is 2.6 persons. Broken down in detail:

Population by Household Size		
1 Person	2,980	23%
2 Persons	4,190	32%
3 Persons	2,460	19%
4 Persons	2,410	19%
5 or More Persons	940	7%
	12,980 households	

Further looking at age demographics within the City, the Census noted that 45% of households at that time were made up of 3 or more people, families.

Population by Age Group	
0 to 14 years	18%
15 to 64 years	70%
65 years and over	12%
Median Age of Population	40.6 years

Port Moody is currently in the early stages of undertaking a Housing Needs Assessment Report which would further identify market demand and need for family-friendly housing. Any recommendation would be further bolstered by information identified within that report.

Recommendation

Considered at the November 9, 2021 Council meeting

32

Considered at July 14, 2020 Regular Council Meeting

252

The Affordable Housing Task Force recommends that staff be directed to develop policy related to multi-family developments with minimum thresholds for inclusion of family-friendly units, those being of two, three and more bedrooms, as informed by our housing needs assessment and statistics included in this report.

Policy against "Hostile" Architecture

Homelessness is not a problem that can be solved by pushing the issue elsewhere and pretending it does not exist or that someone else will fix it; however, with growing numbers of people experiencing homelessness across North America and limited tools to provide adequate housing resources and supports, some cities are resorting to installing architecture that discourages people from resting or sleeping in public or semi-private, semi-public spaces. This is called Hostile Architecture and often includes grating, spikes, divisions in seating that discourage comfortable sleeping, etc. "Defensive design is an overt, systematic, and deliberate decision to push certain groups out of public spaces. By using architectural designs to define who gets to use these spaces, and how, architects are further marginalizing groups who already facing discrimination." There is a growing body of literature that these types of design features make all members of the public uncomfortable and unwelcome. It is also stigmatizing and gives people experiencing homelessness the feeling that they are not part of the "public," if they are not welcome in spaces that are for everyone.

Hostile architecture does not just affect homeless people. Uncomfortable benches and chairs are challenging to use or inaccessible to people with disabilities, the elderly and children... This architecture style does not address the root of the problem. What causes homelessness? It's a complex issue involving multiple factors, such as health, education, socioeconomic upbringing, race, substance abuse and sometimes plain bad luck. However, no one chooses to not be homeless because the flat surfaces of a city have spikes or intrusive ridges. Hostile architecture does not solve homelessness, but pushes it into the gutters away from our field of vision, while turning ledges and surfaces into unappealing eyesores." (University Star, 2018).

"If, as urban sociologist Robert Park wrote, in making the city we make ourselves, one might wonder what collective self-conception has produced a city covered in metal spikes, illuminated by blue lights, buzzing with high-frequencies — paranoid, anxious and hostile, by design."

Recommendation

Port Moody currently does not have a great deal of community members visibly experiencing homelessness; however, if we are to be an inclusive community and support our neighbours who fall on hard times, we should establish a proactive policy and bylaws prohibiting the use of hostile architecture in public and private spaces. We must of course acknowledge that while spaces should be welcome to everyone, we must work to end homelessness and precarious housing in our region. In 2020, Victoria, Australia, received a report on how hostile architecture further victimizes the most marginalized in our society; Port Moody should adopt some of the recommended policies, including:

Considered at the November 9, 2021 Council meeting

33

Considered at July 14, 2020 Regular Council Meeting

253

- Change all design standard by-laws and policies for public and private spaces to prohibit the use of defensive or hostile design features;
- [Port Moody] should stipulate in contracts privatising public spaces that the ownership and management of said spaces be subject to the prohibition of defensive architectural features;
- Port Moody should implement contracting embargoes on companies which specifically design street furniture pieces that are 'anti-homeless' or 'anti-youth'; these designs should not include measures which actively make facilities uncomfortable for particular people.
- Port Moody should update our public consultation process on developments to make sure marginalized groups are supported to inclusively participate.

Conclusion

The proposed suite of recommendations are entirely aligned with Council's strategic plan and stated values, and the intent of these policies is to ensure Port Moody has a robust affordable housing plan that will make sure we meet the needs of our current and future residents and promotes an inclusive and healthy community.

In conclusion, should Council support this report, the direction would be for staff to do the following:

1. Update Port Moody's requirement on rental replacement, strengthening tenant relocation, and strengthening demolition policies as informed by recommendations from the Task Force in-line with the municipality of Burnaby.
2. Liaising with City of Burnaby staff after they have completed their review of best practices in minimum standards of rental maintenance and presented to Council for comparison with Port Moody's current practices.
3. While crafting an inclusionary zoning policy for Port Moody, investigating the adoption the three-tiered approach taken by New Westminster requiring percentages but with options for 12.5% affordable (20% below CMHC), or 6% at shelter rates for projects within OCP guidelines, with a suite of incentives for development options. For projects seeking *OCP amendment and/or exceeding established density thresholds, or in TOD areas, these should have policy provision of a minimum of 20% of total units or floor area as built affordable units; number of units and rental rates subject to discussions with Council and senior governments, and consideration of other amenities, such as projects in the TOD that include a significant component of employment space*. Units may be owned by developer with occupancy management by a non-profit or BC Housing in perpetuity, or sold to a non-profit or BC Housing at below-market value. The Affordable housing task force suggests that inclusionary zoning should apply to all developments over 80 units, with townhouse developments requiring additional contributions to the Affordable Housing Reserve Fund, as per revised policy. This the preferred type of policy recommended by the Affordable Housing Policy; however, due to differences between municipalities regarding density and/ or height restrictions, these recommendations would need be fulfilled in a Port Moody specific context.
4. Staff update parking relaxation policies to be in-line with more ambitious relaxations and suggest where there are areas of the city that would benefit from differential levels of parking relaxations for rental and affordable housing in order to include city-wide

Considered at the November 9, 2021 Council meeting

34

Considered at July 14, 2020 Regular Council Meeting

254

relaxations for affordable housing as part of incentives for inclusionary zoning (as per Victoria and New Westminster policies).

5. Staff to continue to monitor developments in the application of rental only zoning, particularly as it is used for maintaining affordable housing stocks;
6. Staff and Council continue to support fee waivers and property tax waivers for non-profit housing developments as negotiated on a case-by-case basis with specific advice regarding what the City is willing to provide;
7. Staff develop a policy related to multi-family developments with minimum thresholds for inclusion of family-friendly units, those being of two, three and more bedrooms as informed by our housing needs assessment and statistics included in this report.
8. Staff investigate policies regarding hostile architecture and report back on findings and opportunities to exclude such features. This may include exploring policies, including:
 - Change all design standard by-laws and policies for public and private spaces to prohibit the use of defensive or hostile design features;
 - [Port Moody] should stipulate in contracts privatising public spaces that the ownership and management of said spaces be subject to the prohibition of defensive architectural features;
 - Port Moody should implement contracting embargoes on companies which specifically design street furniture pieces that are 'anti-homeless' or 'anti-youth'; these designs should not include measures which actively make facilities uncomfortable for particular people.
 - Port Moody should update our public consultation process on developments to make sure marginalized groups are supported to inclusively participate.

Other Option(s)

THAT the report dated June 16th, 2020 from The Affordable Housing Task Force regarding Final Report from the Port Moody Affordable Housing Task Force be received for information.

Financial Implications

There are no financial implications in receipt.

There may be implications for staff time costs of development of recommended policies.

Communications and Civic Engagement Initiatives

There are no communications or civic engagement initiatives required by the recommendations in this report.

Council Strategic Plan Objectives

The Council has signalled its dedication to community health and wellness, and provision of affordable housing.

Attachments

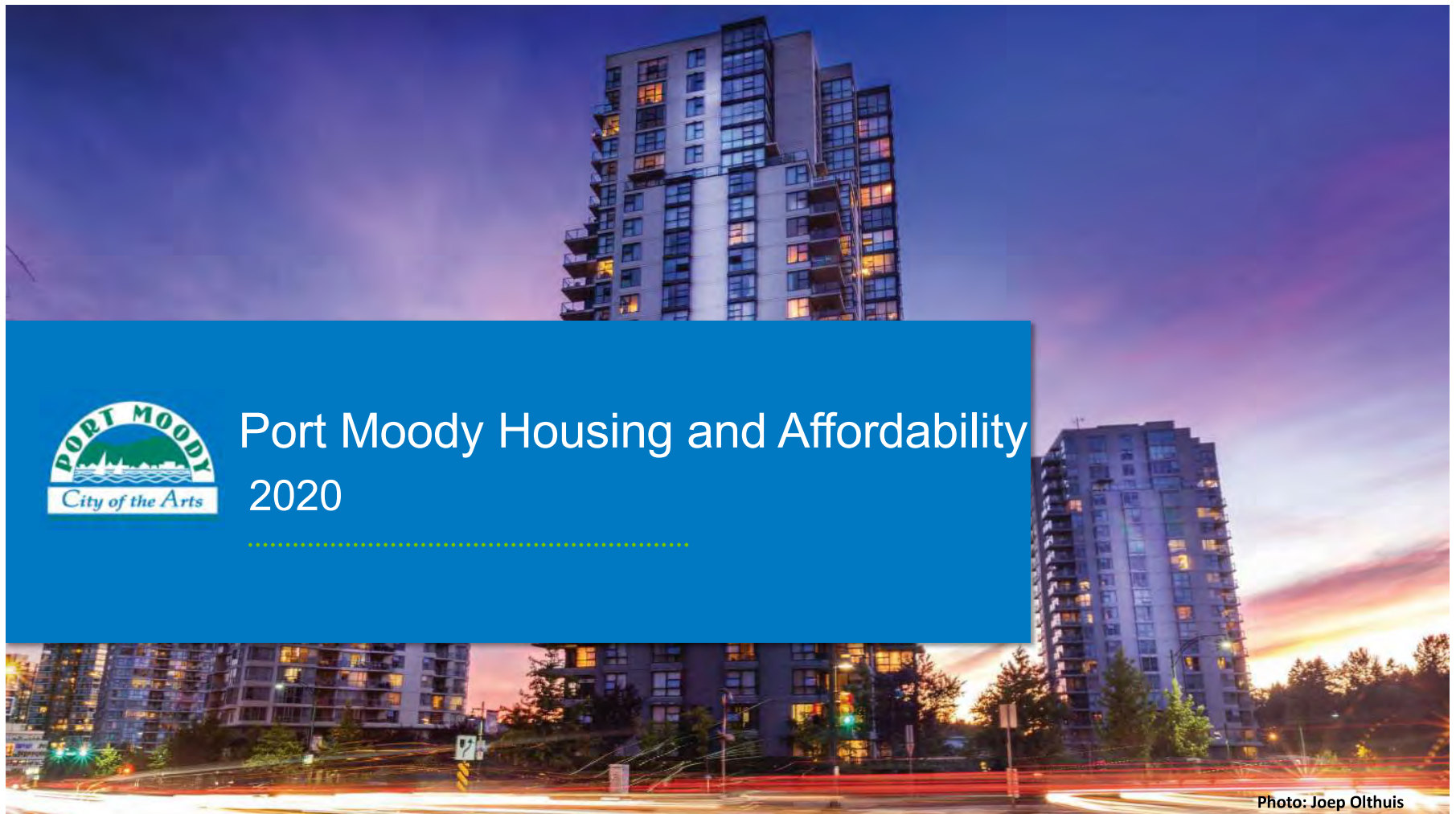
1. Port Moody Affordable Housing Task Force - Port Moody by the Numbers
2. Housing Central Conference - Tools available to local governments to support affordable housing

Considered at the November 9, 2021 Council meeting

35

Considered at July 14, 2020 Regular Council Meeting

255



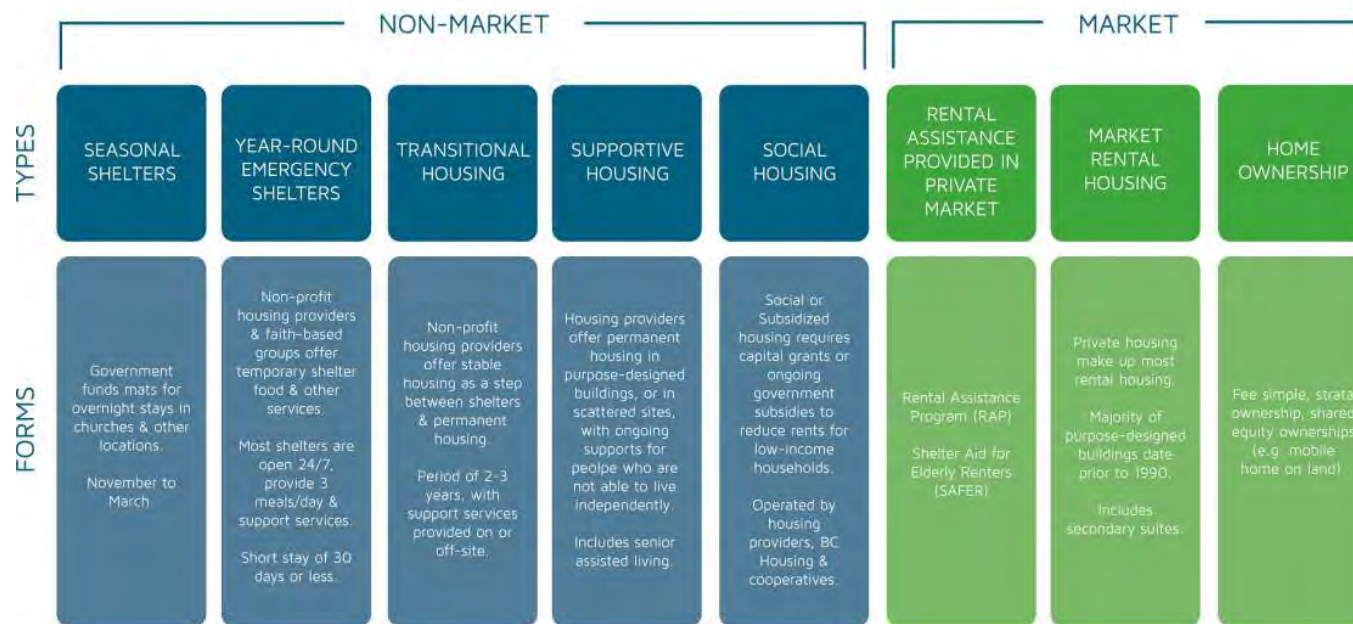
Considered at the November 9, 2021 Council meeting

36

Considered at July 14, 2020 Regular Council Meeting

256

Housing Spectrum



Considered at the November 9, 2021 Council meeting

37

Considered at July 14, 2020 Regular Council Meeting

257

Port Moody Demographics (2016)

Population



33,551

An increase of 540/1.6% over 2011
Census compared to 6.5% regionally

Port Moody Jobs



7,500

Unemployment



13.4%

(May 2020)

Top 5 Occupations

- 21% Sales and Service
- 18% Business, Finance and Admin
- 14% Management
- 14% Education, Law, Social, and Govt.
- 11% Trades, Transport and Equip Ops.

Age of Residents

5.5% 18.1% 17.5% 24.5% 21.6% 9.6% 2.2%

0-4 years 5-19 years 20-34 years 35-49 years 50-64 years 65-79 years 80+ years

Average Age



39.0 years old

Education

65% of residents over 15 years old has
post-secondary certificate, diploma,
degree or trade certification



Immigration

- 67% Non-Immigrants
- 32% Immigrants
- 1% Non-Permanent Residents

Top three places of birth of immigrants was South
Korea, China and the United Kingdom

Sources:

2016 Port Moody Economic Profile
2016 Canada Census
2020 WorkBC Labour Market Snapshots

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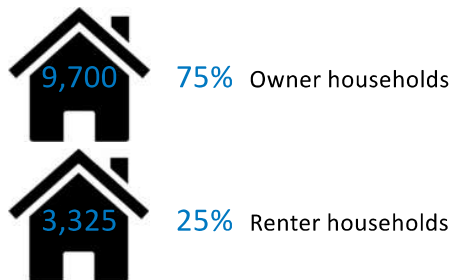
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Considered at July 14, 2020 Regular Council Meeting

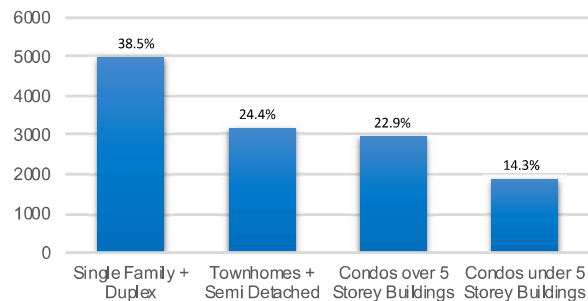
258

Port Moody Housing Stock

Total Housing Units - 12,975



Type of Units



Non-Market Housing

245 Non-profit housing units

336 Cooperative housing units

52 Transitional/supportive and assisted living units

1,214

Approved for/ Under Construction

1,127 Market townhomes/condos

390 Market purpose-built rentals

117 Non-market rentals

1,634

Age of Units

1960 + older 7%

1960 - 1980 27%

1981 - 2000 12%

2001 + newer 54%



Units by Numbers of Bedrooms

1% 0 bedrooms

10% 1 bedrooms

30% 2 bedrooms

33% 3 bedrooms

27% 4+ bedrooms

Homelessness

117 persons in the Tri-Cities were identified as experiencing homelessness in the Metro Vancouver 2017 count, this was an increase of the 55 identified in 2014.

Considered at the November 9, 2021 Council meeting

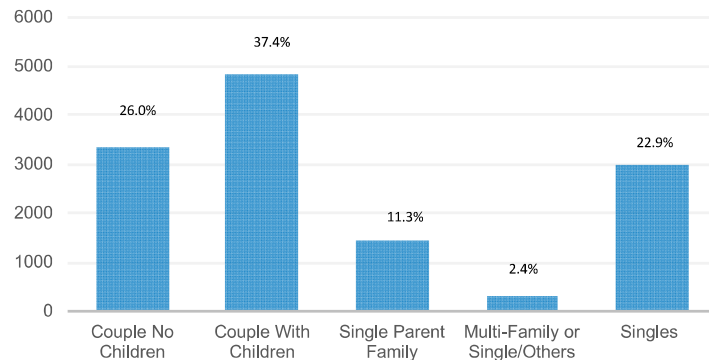
39

Considered at July 14, 2020 Regular Council Meeting

259

Port Moody Households

Who Lives in Port Moody?



Household Earnings

46%
of households earning
over \$100,000

Household Types

75% Owner households
25% Rental households

Rental Housing Expenditures

35% of renters paying over
30% of income on
rent/utilities

17% of renters paying over
50% of income on
rent/utilities

How Much Do They Earn?

Average Total Income of Households \$112,027
Average Total Income of 1-Persons Households \$ 61,980

Persons per Household

 2.6 persons

Considered at the November 9, 2021 Council meeting

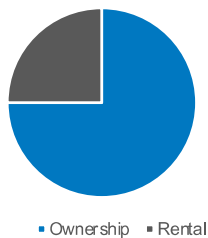
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Considered at July 14, 2020 Regular Council Meeting

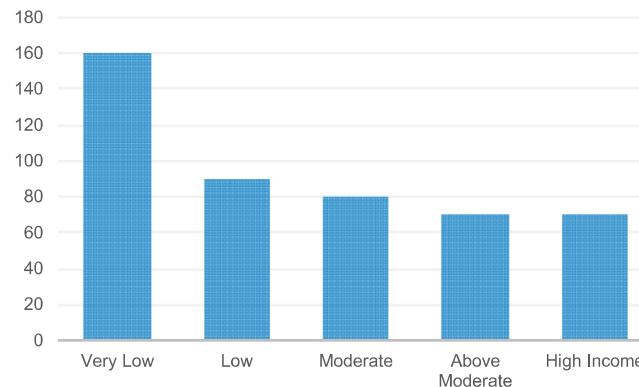
260

Greater Vancouver Regional District
Port Moody: 10—Year Housing Need and Demand (2016 – 2024)

**Housing Demand
By Tenure Based
on 2,000 New
Households**



Rental Demand by Income Level



Annual Household Income Level

Very Low	< \$30,000
Low	\$40,000-\$50,000
Moderate.	\$50,000-\$75,000
Above Moderate	\$ 75,000-\$100,000
High Income.	\$100,000+

**While the City is on track to meet the projections as identified in the 2016 report, the City will be completing a comprehensive Housing Needs Assessment Report, based on 2016 census data, to be completed in Fall 2020

Source: Metro Vancouver Regional Affordable Housing Strategy

Considered at July 14, 2020 Regular Council Meeting

261

What tools does local government have in its toolbox to support new and redeveloped co-op and non-profit housing?



OFFICIAL PLANS/BYLAWS

Official Community Plans (OCPs) and Zoning Bylaws outline the vision and goals for development in municipal land use and housing needs. Policies can include the protection of existing affordable housing and support for construction of new stock.



INCLUSIONARY ZONING

Inclusionary zoning requires developers to create some type of non-market housing as a condition for new development sites. Municipalities can ask that a specific number of non-market units be built in a development and/or ask for a contribution to a municipal housing fund.



PROPERTY TAX Municipal governments have powers over property taxes. Local governments can waive or reduce property taxes for co-op and non-profit housing providers in order to incentivize construction of new housing, or re-development of existing housing.



LAND CONTRIBUTIONS

Municipalities can sell or lease land they own to co-op and non-profit housing providers at a reduced rate, or contribute the land at no cost, in order to facilitate the construction of new non-market housing.



HOUSING AGREEMENTS Housing Agreements are a regulatory tool, in the form of a contractual arrangement between local governments and property owners or housing providers that govern the tenure, occupancy, cost and restrictions on non-market housing units.



COMMUNITY LAND TRUSTS

A community land trust acquires and holds land for the benefit of the broader community. Municipal land, in the form of a land trust, can be used to support the development of affordable housing.



TRANSPORTATION As the need for more public transportation infrastructure increases, affordable housing near transit is in danger of being converted to ownership homes. Municipalities can implement policies to protect affordable stock near transit and provide incentives for the development of new, affordable, transit-oriented housing.



FEE WAIVERS AND RELIEF There are a variety of municipal costs and fees associated with housing developments that can be waived, including development cost charges, community amenity charges, utility fees and building permit fees. Waiver of these fees can reduce overall building costs.



ADVOCACY provincial and federal levels of government to have co-op housing retained and built and can work with UBCM and FCM to support their advocacy efforts related to affordable housing.



DEMOLITION POLICIES Demolition and conversion policies charge a fee per unit of affordable and/or rental housing demolished or converted to ownership units. This fee can be placed in a housing fund that can help build support new co-op and non-profit housing developments.

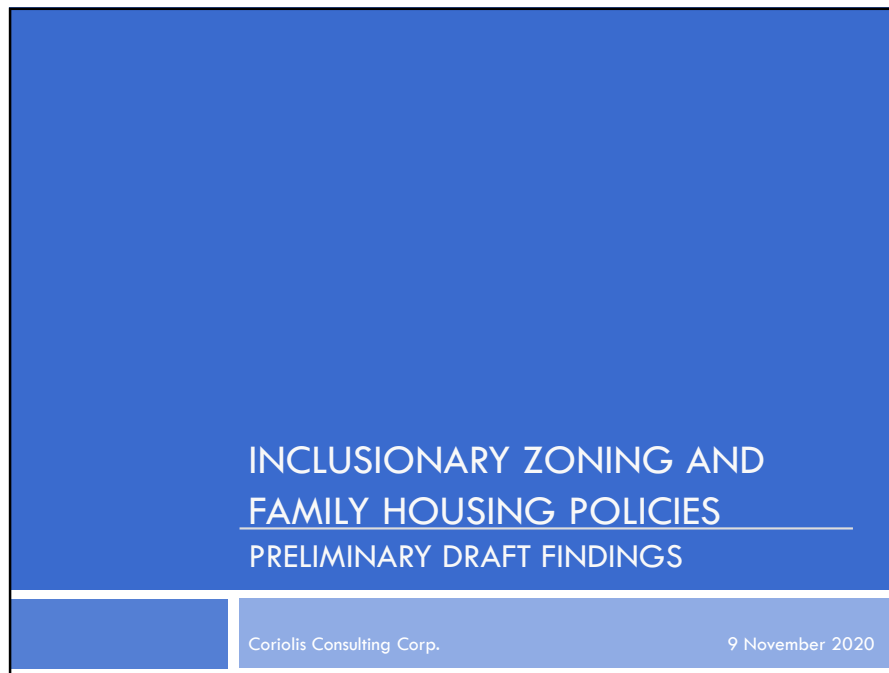


REPLACEMENT POLICIES Replacement policies can establish a ratio of replacement for every affordable or rental unit demolished. Frequently, this is a one-to-one ratio. Municipalities can ensure these ratios are protected within their development and rezoning policies.

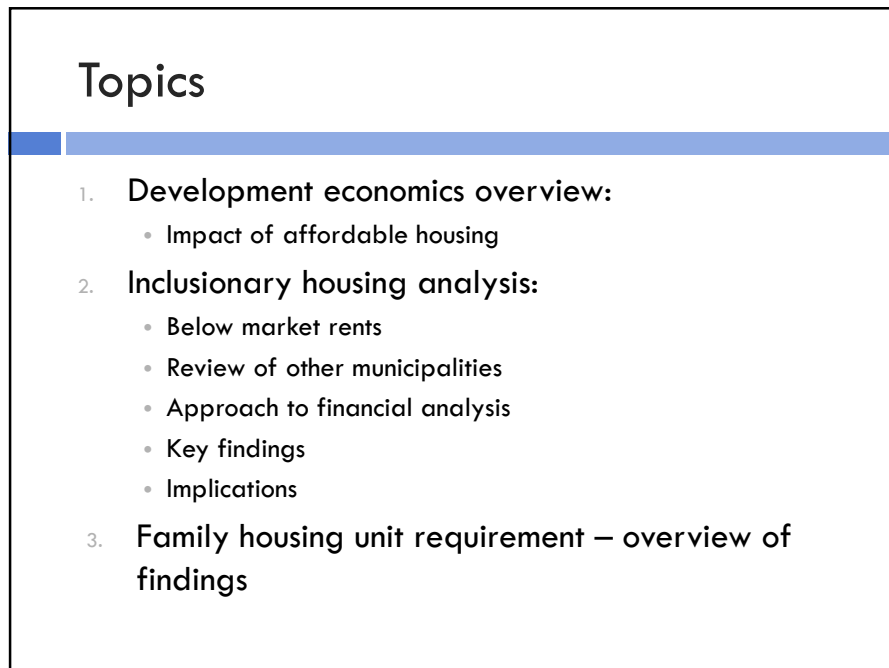


ZONING FOR RENTAL HOUSING

BC provincial regulations regarding municipal authorities have recently been amended to allow local governments to zone specifically to retain and encourage rental housing in their communities



1



2

Redevelopment Economics

- How much can a developer afford to pay for a site (land value)?
- What is the site worth under its existing use (e.g. as a house or an income-producing property) and zoning?
- For rezoning and redevelopment to proceed, land value needs to equal or exceed existing property value

3

Impact of Below Market Units on Project Economics - Hypothetical Example

(figures in \$millions)	1	2	3	4
	Existing Zoning 75 units	Rezoning to 150 units - no contributions	150 units inc. 10 Below Mkt Units	150 units inc. 20 Below Mkt Units
Revenue:				
A + Strata Units (\$650,000/unit)	\$48.8	\$97.5	\$91.0	\$84.5
B + Below Market Units (\$250,000/unit)	\$0.0	\$0.0	\$2.5	\$5.0
C = Total Revenue/Value	\$48.8	\$97.5	\$93.5	\$89.5
Less Costs and Profit:			\$0.0	\$0.0
D - Project Construction (all-in) at \$475K/unit	\$35.6	\$71.3	\$71.3	\$71.3
E - Profit Target (15% of costs)	\$6.4	\$12.7	\$12.2	\$11.7
F = Residual = Amount Developer Can Pay for Land	\$6.8	\$13.5	\$10.1	\$6.6
G Change in Land Value from Previous Scenario	n/a	\$6.8	-\$3.5	-\$3.5
H Value Under Existing Use as Older Low Density Commercial Building	\$8.0	\$8.0	\$8.0	\$8.0
I Development Viable (F > H)	no	yes	yes	no
J Maximum Financial Room for Other Amenity Contributions (F - H)	n/a	\$5.5	\$2.1	-\$1.4

4

Key Implications

- Upzoning can create land value that can be used to fund affordable housing and other amenities
- Affordable housing requirement will reduce the value of bonus density, so contributions to City for other amenities will be reduced
- If affordable housing requirement is too high, there is no financial incentive to rezone and redevelop
- If no rezoning, no affordable housing (or other amenity contributions)
- Affordable housing requirement should be set at a level that can be supported by projects

5

CAC and Density Bonus Policy

Existing policy:

- \$6 psf amenity contribution (CAC) for residential floorspace up to 2.5 FAR
- Density bonus contribution equal to 75% of the agreed upon land value created by residential density over 2.5 FAR – involves analysis / negotiation

6

Below Market Rents

	Typical New Unit Market Rent per Month	Required Household Income if Rent = 30% of Income	Below Market Unit Rent - 20% below CMHC*	Required Household Income if Rent = 30% of Income
Studio Units	\$1,650	\$66,000	\$786	\$31,000
1-Bedroom	\$1,800	\$72,000	\$977	\$39,000
2-Bedroom	\$2,400	\$96,000	\$1,258	\$50,000
3-Bedroom	\$3,000	\$120,000	\$1,496	\$60,000

* CMHC median rent for Northeast Sector

7

Other Municipalities - Overview

	Below Market Requirement	Maximum Rents in Below Market Units	Typical Achievable Densities/ Heights	Exemptions
New Westminster	5% to 10% of Units*	<ul style="list-style-type: none"> 10% Below CMHC Median for New West \$945 - \$1,665 	<ul style="list-style-type: none"> 4.0 to 5.2 FAR 20 to 30 Storeys 	<ul style="list-style-type: none"> 6 storeys or less Purpose Built Rental
City of North Vancouver	10% of Floor Area	<ul style="list-style-type: none"> 10% Below CMHC Average for North Vancouver \$1,109 - \$2,727 	<ul style="list-style-type: none"> 2.6 to 4.0 FAR 6 to 20 Storeys 	<ul style="list-style-type: none"> Less than 1.6 FAR
Richmond	10% to 15% of Floor Area	<ul style="list-style-type: none"> Based on Target Household Incomes of \$40,000 to \$60,000 \$811 - \$1,480 	<ul style="list-style-type: none"> 3.0 to 4.0 FAR 15 Storeys 	<ul style="list-style-type: none"> 60 units or less
Burnaby	20% of Units**	<ul style="list-style-type: none"> 20% Below CMHC Median Rents \$700 - \$1,540 	<ul style="list-style-type: none"> 6.0 to 7.0 FAR+ 40+ Storeys 	<ul style="list-style-type: none"> Projects Outside Community Plan Areas
Coquitlam	3% to 4% of Floor Area	<ul style="list-style-type: none"> 20% Below Market Rents 	<ul style="list-style-type: none"> 5.5 to 6.5 FAR 40+ Storeys 	<ul style="list-style-type: none"> n/a (voluntary)

* New Westminster seeks a higher contribution if OCP densities are exceeded.

** Burnaby allows between 0.5 and 1.1 FAR of additional market density to offset cost of below market units.

8

Below Market Financial Analysis

1. Selected case study rezoning and redevelopment scenarios
2. Analyzed financial performance in the absence of below market housing
3. Analyzed financial performance with below market housing:
 - 12.5% of residential floor space
 - 20% of residential floorspace in select situations (e.g., TOD)
4. Evaluated implications for:
 - Development site land value
 - Development viability
 - Impact on density bonus contributions
5. Policy considerations

9

Types of Case Study Redevelopment Scenarios Analyzed

Existing Use	Townhouse	4 Storey Apartment / Mixed Use	6 Storey Apartment / Mixed Use	Highrise Apartment / Mixed Use	Total
Single Family	2	1	1	x	4
Existing Older Rental Building	x	2	2	x	4
Low Density Commercial or Industrial	x	2	2	4	8
Older Low Density Strata	2	1	1	x	4
Total	4	6	6	4	20

10

Key Findings of Draft Financial Analysis

1. Below market unit requirement is feasible in many instances but it will have significant impacts – scale of impact depends on below market requirement
2. Large impact on land value and density bonus value at sites we tested

	12.5% of Building Below Mkt		20% of Building Below Mkt	
	Impact on Land Value	Impact on Density Bonus Value	Impact on Land value	Impact on Density Bonus Value
Townhouse	20% to 25%	None	Not analyzed	Not analyzed
4 to 6 Storeys	15% to 30%	0% to 100%	Not analyzed	Not analyzed
Highrise	30% to 35%	40%	50% to 60%	60%

11

Key Findings of Draft Financial Analysis

3. 12.5% below market requirement would result in some projects no longer being viable for development - generally:
 - Townhouse projects and
 - 4 storey apartment projects below about 2.0 FAR or so
4. 20% below market is only viable in unique/rare situations:
 - Very low value existing zoning
 - High permitted residential density (e.g. 30 to 35+ storeys)
5. Rental scenarios we tested cannot support below market requirement

12

Inclusionary Policy Considerations

1. Set below market unit target as % of floor area for projects up to 2.5 FAR – feasible range for most projects is likely 10% to 12.5%
2. For projects over 2.5 FAR either:
 - Set same target % of floor area as projects less than 2.5 FAR or
 - Determine below market % as part of existing bonus density process on case-by-case basis – could seek more or, alternatively, less if other amenities are important at a specific site
3. Consider exclusions to below market unit requirement for:
 - Projects below a certain density threshold – e.g., 4 storeys or less / less than about 2.0 FAR
 - 100% market rental projects (other than replacing demolished units as currently supported by policy)
4. Establish cash in lieu for small projects (over exempt threshold) that would only create a small number of below market units (say less than 5 units) – preliminary analysis suggests CIL equivalent is in the range of \$200 to \$300 per square foot of below market rental

13

Family Unit Requirement - Background

1. The City wants to create a minimum requirement for family units (2 and 3+ bedrooms) in new multifamily projects
2. Strata apartment projects:
 - A minimum of 30% 2 and 3-bedroom units, with
 - At least 10% of the total project units be 3-bedrooms or more
3. Rental apartment projects:
 - A minimum of 25% 2 and 3-bedroom units, with
 - At least 5% of the total project units be 3-bedrooms or more
4. Would match City of New Westminster targets

14

Family Unit Requirement – Key Findings

1. Reviewed 45 new strata apartment buildings and 15 new rental buildings in Port Moody, Port Coquitlam, Coquitlam and New Westminster
2. 100% of strata projects are meeting the total family unit target of 30% - However, only:
 - 60% meet the 3 bedroom target
 - 25% active in Port Moody meet the 3 bedroom target
3. 73% of rental projects surveyed are meeting the total family unit target of 25% - However:
 - Only 33% meet the 3 bedroom target
 - No active Port Moody projects meet the 3 bedroom target
4. Any impacts on new projects of the proposed family unit requirements are likely manageable

15

Family Unit Requirement – Policy Considerations

1. Set minimum family unit requirements as proposed – will increase the number of family units, particularly 3 bedroom units
2. Strata apartment projects to include:
 - A minimum of 30% 2 and 3-bedroom units, with
 - At least 10% of the total project units be 3-bedrooms or more
3. Rental apartment projects to include:
 - A minimum of 25% 2 and 3-bedroom units, with
 - At least 5% of the total project units be 3-bedrooms or more
4. Projects may be able to deliver more 3 bedroom units if “in-board” bedroom is permitted (no exterior window – borrow light from other room) – would need further work to determine

16

Discussion

Thanks