



City of Port Moody

Bylaw No. 3432

A Bylaw to authorize Council to enter into a Housing Agreement pursuant to section 483 of the *Local Government Act*.

The Council of the City of Port Moody enacts as follows:

1. Citation

- 1.1 This Bylaw may be cited as “City of Port Moody Housing Agreement Bylaw, 2023, No. 3432 (St. Johns Street, St. George Street, and Buller Street – Rent-to-Own Housing)”.

2. Authorization

- 2.1 Council hereby authorizes the agreements, substantially in the form attached hereto as Schedule “A” between the City of Port Moody and 1143924 B.C. Ltd. with respect to the following lands:

Lot 5 District Lot 190 Group 1 New Westminster District Plan 11618
PID: 009-553-843

Lot 6 District Lot 190 Group 1 New Westminster District Plan 11618
PID: 009-553-860

Lot 7 District Lot 190 Group 1 New Westminster District Plan 11618
PID: 002-389-886

Strata Lot 1 District Lot 190 Group 1 New Westminster District Strata Plan
EPS669 Together With An Interest In The Common Property In Proportion
To The Unit Entitlement Of The Strata Lot As Shown On Form V
PID: 028-989-627

Strata Lot 2 District Lot 190 Group 1 New Westminster District Strata Plan
EPS669 Together With An Interest In The Common Property In Proportion
To The Unit Entitlement Of The Strata Lot As Shown On Form V
PID: 028-989-635

Strata Lot 3 District Lot 190 Group 1 New Westminster District Strata Plan
EPS669 Together With An Interest In The Common Property In Proportion
To The Unit Entitlement Of The Strata Lot As Shown On Form V
PID: 028-989-643

Strata Lot 4 District Lot 190 Group 1 New Westminster District Strata Plan
EPS669 Together With An Interest In The Common Property In Proportion
To The Unit Entitlement Of The Strata Lot As Shown On Form V
PID: 028-989-651

Lot 1 District Lot 190 Group 1 New Westminster District Plan 11618 Except
Plan 12019
PID: 009-610-812

Lot 2 District Lot 190 Group 1 New Westminster District Plan 11618 Except
Plan 12019
PID: 003-597-393

3. Execution of Documents

- 3.1 The Mayor and Corporate Officer are authorized to execute any documents required to give effect to the Housing Agreement.

4. Attachments and Schedules

- 4.1 The following schedule is attached to and forms part of this Bylaw:
- Schedule "A" – Section 219 Covenant – Housing Agreement.

5. Severability

- 5.1 If a portion of this Bylaw is found invalid by a court, it will be severed, and the remainder of the Bylaw will remain in effect.

Read a first time this 10th day of October, 2023.

Read a second time this 10th day of October, 2023.

Read a third time this 10th day of October, 2023.

Adopted this ____ day of _____, 2023.

M. Lahti
Mayor

S. Lam
City Clerk

I hereby certify that the above is a true copy of Bylaw No. 3432 of the City of Port Moody.

S. Lam
City Clerk

DRAFT

Schedule "A" to Bylaw No. 3432

SECTION 219 COVENANT – HOUSING AGREEMENT

TERMS OF INSTRUMENT – PART 2

No Occupancy Covenant
Rent-to-Own Program

THIS AGREEMENT made the ____ day of _____, 2023.

BETWEEN:

1143924 B.C. LTD.
204 - 5740 Cambie Street
Vancouver, B.C. V5Z 3A6

(the "**Grantor**")

AND:

City of Port Moody
100 Newport Drive
Port Moody, B.C. V3H 5C3

(the "**City**")

WHEREAS:

- A. The Grantor is the registered owner in fee simple of the lands in the City of Port Moody, legally described in Item 2 of the *Land Title Act* Form C to which this Agreement is attached and which forms part of this Agreement (the "**Lands**");
- B. The Grantor intends to construct a residential development on a portion of the Lands (the "**Development**"). It is anticipated that the Development will include one hundred and ninety-seven (197) residential strata lots (referred to herein as the "**Strata Lots**" and each as a "**Strata Lot**");
- C. The Grantor has agreed to offer 12 Strata Lots (collectively, the "**Rent-to-Own Strata Lots**" and individually, a "**Rent-to-Own Strata Lot**") for sale to purchasers on a rent-to-own basis, as more particularly described herein (the "**Rent-to-Own Program**");
- D. Section 219 of the *Land Title Act*, R.S.B.C. 1996, c. 250 permits the registration of a covenant of a positive or negative nature in favour of the City in respect of the subdivision of land, the use of land or a building on or to be constructed on the land or construction on the land;
- E. Section 483 of the *Local Government Act* permits the City to enter into a housing agreement with an owner of land, which agreement may include terms and conditions regarding the occupancy, tenure and availability of Strata Lots located on the Lands;
- F. The City requires the Grantor to secure its commitment to the Rent-to-Own Program by causing this covenant to be registered on title to the Lands; and
- G. As requested by the Grantor, the Grantor desires to grant, and the City agrees to accept this covenant on the terms and conditions contained herein, to have effect as both a covenant under section 219 of the *Land Title Act* and a housing agreement under section 905 of the *Local Government Act*.

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THIS AGREEMENT is evidence that in consideration of payment of TEN (\$10.00) DOLLARS by the City to the Grantor and other good and valuation consideration, the receipt and sufficiency of which is acknowledged by the Grantor, and in consideration of the promises exchanged below, the Grantor covenants and agrees with the City pursuant to s.219 of the *Land Title Act* that the Lands will not be used except in accordance with the provisions hereof:

1. THE GRANTOR COVENANTS AND AGREES with the City that it shall not use the Lands otherwise than in strict accordance with the restrictions on use set out herein and without limiting the generality of the forgoing, shall not occupy or permit the occupancy or apply for permission for occupancy to the City except in accordance with the restrictions set out in this Agreement.
2. THE GRANTOR FURTHER COVENANTS AND AGREES with the City:
 - (a) that the Rent-to-Own Strata Lots will be offered for sale in accordance with the terms and conditions of the Rent-to-Own Program, as set out in Schedule "A" hereto;
 - (b) that prior to the issuance of any occupancy permit for the Development, the Grantor will provide the City with a fully executed copy of each purchase agreement entered into by the Grantor for a Rent-to-Own Strata Lot in accordance with the terms and conditions of the Rent-to-Own Program, as set out in Schedule "A" hereto, that has not been terminated at such time (a "**Rent-to-Own Purchase Agreement**") and a fully executed copy of a termination agreement for each Rent-to-Own Purchase Agreement in respect of a Rent-to-Own Strata Lot, that has been terminated at such time;
 - (c) that the Grantor shall provide to the City in a form and at intervals as the City may reasonably require reports summarizing the status of the Rent-to-Own Program including the numbers of Rent-to-Own Strata Lots which have been or are to be developed in accordance with the terms of the Rent-to-Own Program described herein;
 - (d) to release, save harmless and indemnify the City, its elected officials, officers, invitees, licensees, employees, servants and agents from and against all liability, actions, causes of action, expenses, damages, costs (including legal costs on a solicitor/client basis), claims, debts, losses (including injurious affection), or demands whatsoever by the Grantor or any other person, which have arisen or may arise out of or are in any way due directly or indirectly to the granting or existence of this Agreement, including but not limited to any breach of any covenant or agreement on the part of the Grantor contained in this Agreement or any steps taken by the City to enforce this Agreement; and
 - (e) to do or cause to be done, at the expense of the Grantor, everything necessary to ensure that this Agreement is granted priority over all charges and encumbrances which are registered (or registration of which is pending) against the title to the Lands save and except those specifically approved in writing by the City or in favour of the City.

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3. IT IS MUTUALLY UNDERSTOOD, agreed, and declared by and between the parties that:
- (a) upon compliance by the Grantor with the requirements of section 2(b) in respect of the Development, the City will, upon request of the Grantor and at the Grantor's cost, execute and deliver to the Grantor a discharge of this Agreement in registrable form in respect of the Strata Lots, and if such requirements are complied with in respect of Development before the strata plan for the Development is deposited in the applicable land title office, the City will execute and deliver to the Grantor a full discharge of this Agreement from the Lands in registrable form;
 - (b) the City has made no representations, covenants, warranties, guarantees, promises or agreements (oral or otherwise) with the Grantor other than those contained in this Agreement;
 - (c) nothing contained or implied herein shall prejudice or affect the rights and powers of the City in the exercise of its functions under any public and private statutes, bylaws, orders and regulations, all of which may be fully and effectively exercised in relation to the Lands as if this Agreement had not been executed and delivered by the Grantor;
 - (d) this Agreement does not:
 - (i) affect or limit any enactment applying to the Lands; or
 - (ii) relieve the Grantor from complying with any enactment;
 - (e) where the City is required or permitted by this Agreement to form an opinion, exercise its discretion, express satisfaction, make a determination or give its consent, the City is under no public law duty of fairness or natural justice in that regard and the City may do any of those things in the same manner as if it were a private party and not a public body;
 - (f) the covenants set forth herein shall charge the Lands pursuant to Section 219 of the *Land Title Act* and shall be covenants the burden of which shall run with the Lands;
 - (g) the benefit of all covenants made by the Grantor herein shall accrue solely to the City and that this Agreement may be modified by agreement of the City with the Grantor, or discharged by the City, pursuant to the provisions of Section 219 of the *Land Title Act*;
 - (h) wherever the singular or masculine is used herein, the same shall be construed as meaning the plural, feminine or the body corporate or politic where the context or the parties so require;
 - (i) the covenants, promises and agreements herein contained have been made as contractual obligations as well as being made pursuant to Section 219 of the *Land Title Act* and as such this Agreement shall be binding upon the Grantor and their respective heirs, executors, administrators, successors and assigns;

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- (j) the parties hereto shall do and cause to be done all things and execute and cause to be executed all documents which may be necessary to give proper effect to the intention of this Agreement;
 - (k) this Agreement shall be governed and construed in accordance with the laws of the Province of British Columbia;
 - (l) if any section, subsection, sentence, clause or phrase in this Agreement is for any reason held to be invalid by decision of a court of competent jurisdiction, the invalid portion shall be severed and the decision that it is invalid shall not affect the validity of the remainder of this Agreement;
 - (m) time is of the essence of this Agreement; and
 - (n) the Grantor is only liable for breaches of this Agreement that occur while the Grantor is the registered owner of the Lands or the Rent-to-Own Strata Lots, as the case may be, provided however that notwithstanding that the Grantor is no longer the registered owner of the Lands or the Rent-to-Own Strata Lots, as the case may be, the Grantor will remain liable for breaches of this Agreement that occurred while the Grantor was the registered owner of the Lands.
4. IT IS MUTUALLY UNDERSTOOD, agreed, and declared by and between the parties that:
- Notwithstanding any other provision of this Agreement, but subject to subsection 2(b) of this Agreement, the Grantor and the City mutually agree that in the event that a purchaser of a Rent-to-Own Strata Lot does not complete the purchase of the Rent-to-Own Strata Lot in accordance with his or her Rent-to-Own Purchase Agreement for any reason whatsoever, other than a default by the Grantor under such Rent-to-Own Purchase Agreement, such Rent-to-Own Strata Lot will be released from the Rent-to-Own Program and the Grantor will be at liberty to resell such Rent-to-Own Strata Lot as a regular Strata Lot outside of the Rent-to-Own Program, provided that:
- (a) if a purchaser of a Rent-to-Own Strata Lot terminates or defaults under his or her Rent-to-Own Purchase Agreement on or before the date which is six (6) months following commencement of occupation of the Strata Lot by such purchaser, the Grantor will enter into a replacement Rent-to-Own Purchase Agreement for such Strata Lot (with priority given to the qualified applicants on the applicable wait list referred to and maintained by the Grantor in accordance with the requirements set out under the heading "PROCESS" in Schedule "A") with the Rental Period being the period from the initial occupancy date of the such Strata Lot by the replacement purchaser until the Closing Date under the original, terminated Rent-to-Own Purchase Agreement;
 - (b) the Grantor pays the amount of the forfeited deposit less any funds used to repair any damage and wear and tear to the Rent-to-Own Strata Lot, and 50% of the rent paid by the terminating purchaser to the City as a contribution to the City's affordable housing fund in accordance with the requirements set out in the "Termination Rights" and "Application of Rent" sections under the heading "PURCHASE AGREEMENT" in Schedule "A" hereto;

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- (c) for greater certainty, the obligation of the Grantor set out in subsection 4(a) will only apply to an original purchaser of a Rent-to-Own Strata Lot and will not apply to a replacement purchaser of a Rent-to-Own Strata Lot; and
- (d) in the event an original purchaser of a Rent-to-Own Strata Lot or a replacement purchaser of a Rent-to-Own Strata Lot under section 4(a), does not complete the purchase and sale of the Rent-to-Own Strata Lot in accordance with their Rent-to-Own Purchase Agreement, that Rent-to-Own Strata Lot will be released from the Rent-to-Own Program and the Grantor will be at liberty to resell that Rent-to-Own Strata Lot as a regular Strata Lot outside of the Rent-to-Own Program and the total number of Rent-to-Own Strata Lots included in the Rent-to-Own Program will be reduced accordingly.

Schedule "A"**Rent-to-Own Program****RENT-TO-OWN PROGRAM SUMMARY**

The Rent-to-Own Program acts as a pathway to homeownership and grants local, first-time homebuyers access to the housing market.

A total of 12 homes have been preselected for this Program:

Unit Type		Number of Rent-to-Own Strata Lots
1-bedroom units		5
1-bedroom + flex units		3
2-bedroom units		4
TOTAL		12

12 purchasers (the "**Participants**") will be selected for participation in the Program (details of the selection process are set out below). The Participants will rent their home in the Development at below market rents for a period of two (2) years (the "**Rental Period**"). The rents will be set at:

- \$2,500/month for 1-bedroom homes;
- \$2,900/month for 1-bedroom + flex homes; and
- \$3,300/month for 2-bedroom homes.

Rents will include strata fees. However, Participants will be responsible for utilities and other typical rental costs.

The Grantor will pay the property tax during the Rental Period for each Rent-To-Own Strata Lot.

All rent accumulated over the Rental Period will be credited on the Participant's behalf by the Grantor and will be applied to the purchase price of that Participant's Rent-To-Own Strata Lot.

At the end of the Rental Period, the Participants will have the option to purchase their Rent-To-Own Strata Lots at a price that was locked in at the time of their selection.

PROCESS

The selection process for the Rent-to-Own Program will take place approximately 12-18 months after issuance of a development permit for the Development. The process will include the following steps:

- Email sent out to all registrants of the Rent-to-Own Program reminding them of the basic requirements of the Rent-to-Own Program and asking them to confirm their interest in the Rent-to-Own Program.

- Application forms sent out to all registrants who confirmed that they are interested in the Rent-to-Own Program.
- Application forms will only be accepted by hardcopy at the Development's Presentation Centre or electronically by the Grantor at a valid e-mail address. Upon delivery of the application form the applicant will receive a confirmation of receipt and information sheet setting out next steps. These steps include the requirement to meet with a representative of the mortgage lender selected by the Grantor and approved by the City acting reasonably (the "**Approved Lender**") and contact information to make an appointment with a representative of the Approved Lender.
- Applicants will meet with the Approved Lender's representatives. Prior to their appointment time, applicants will receive an email setting out a list of documents necessary for the Approved Lender to complete their review.
- The Approved Lender will forward a list of qualified applicants to the Grantor. If more than 12, all qualified applicants will be entered in the draw for the Rent-to-Own Program.
- If necessary, a draw will be held at the Development's Presentation Centre to select the Participants for the Rent-to-Own Program. The 12 Participants along with 3 names for waitlists, 1 name for a 1-bedroom waitlist, 1 name for a 1-bedroom + flex waitlist and 1 name for a 2-bedroom waitlist, will be drawn.
- Participants will meet with a representative of the Grantor to review and sign a Rent-to-Own Purchase Agreement and Early Possession Agreement in the form required by the Grantor.

It is intended that Participants in the Rent-to-Own Program take possession of their home in the Development in 2026/2027. The Rental Period is expected to conclude in 2028/2029 and Participants will complete on the purchase of their home in the Development at that time. Upon completion, there are no special rights or restrictions on homeowners who were Participants of the Rent-to-Own Program.

Six (6) months prior to the purchase completion date, Participants will meet with the Approved Lender's representative to review their financial situation and consider prevailing rates and policies. At that time, the Approved Lender will provide them with approval for financing, should they qualify.

Summary reports will be provided by the Grantor to the City summarizing the roll-out of the Program. It is intended that these reports will be provided upon occupancy of the Development. Information will be provided to the extent that it does not impact the Grantor's obligations of confidentiality to its purchasers.

PURCHASE AGREEMENT

Selected Participants will enter into a Rent-to-Own Purchase Agreement. This Rent-to-Own Purchase Agreement formalizes the Rent-to-Own Program and successfully conveys all aspects of the Rent-to-Own Program as initially proposed to the City's Council.

Key terms of the Rent-to-Own Purchase Agreement include:

- **Deposit Structure:** A deposit of 10% of the purchase price is due within seven (7) days of the Participant making their offer. An additional \$5,000 deposit is due on or before the Participant takes possession of their home (i.e., the beginning of the Rental Period).
- **Possession Date:** The Participant will take early possession of their home in the Development twenty-four (24) months prior to the Completion Date.
- **Assignment:** A Participant in the Rent-to-Own Program may not assign the Participant's interest in their home in the Development or the Rent-to-Own Purchase Agreement.
- **Termination Rights:** The Participant is entitled to terminate the Rent-to-Own Purchase Agreement up to sixty (60) days prior to the Completion Date by written notice to the Grantor. If the Participant elects to terminate the agreement, the Deposit will be paid in accordance with Section 4(b) of the Housing Agreement.
- **Application of Rent:** If the Participant elects to complete the purchase of their Rent-to-Own Strat a Lot, all rent paid by the Participant together with the Deposit will be applied to the purchase price. If the Participant elects not to complete the purchase of the Rent-to-Own Strata Lot, the rent will be retained by the Grantor (as would be the case in a conventional rental agreement) and the agreement will terminate with no outstanding obligations between the Grantor and the Participant, and such Rent-to-Own Strata Lot will be removed from the Rent-to-Own Program upon the Grantor using the Deposit to repair any damage and wear and tear to the Rent-to-Own Strata Lot as applicable and retaining the balance for its own account, and 50% of the rent collected from such Participant as a contribution to the City's affordable housing fund.