



# City of Port Moody

## Report/Recommendation to Council

Date: February 11, 2025  
Submitted by: Community Development Department – Development Planning Division  
Subject: Amendments to Housing Agreement Bylaws – Three Readings of Bylaw  
Nos. 3499, 3498, and 3500 – Marcon Hue Project

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### Purpose

To seek Council's approval for amendments to Housing Agreement Bylaw, 2022, No. 3365 to address challenges with the Rent-To-Own (RTO) Program and for housekeeping amendments to Housing Agreement Bylaw Nos. 3364 and 3366.

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### Recommended Resolutions

**THAT Housing Agreement Bylaw, 2022, No. 3365, Amendment Bylaw No. 1, 2025, No. 3499 (2025 St. Johns Street) (Rent-to-Own) be read a first, second, and third time as recommended in the report dated February 11, 2025, from the Community Development Department – Development Planning Division regarding Amendments to Housing Agreement Bylaws – Three Readings of Bylaw Nos. 3499, 3498, and 3500 – Marcon Hue Project;**

**AND THAT Housing Agreement Bylaw, 2022, No. 3364, Amendment Bylaw No. 1, 2025, No. 3498 (2025 St. Johns Street) (Below-Market Rental) be read a first, second, and third time;**

**AND THAT Housing Agreement Bylaw, 2022, No. 3366, Amendment Bylaw No. 1, 2025, No. 3500 (2025 St. Johns Street) (Rental Available) be read a first, second, and third time;**

**AND THAT the Mayor and Corporate Officer be authorized to execute all documents required to implement the amendments to the Housing Agreements and if necessary, execute the discharge of the restrictive covenant to enable the sale of any unsold Rent-To-Own Strata Lots at the conclusion of the selection process.**

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### Background

The Marcon Hue project on St. Johns Street at Albert Street received development approval at the Regular Council meeting held on May 24, 2022. In addition to the adoption of a rezoning bylaw and authorization to issue a development permit, Council adopted three Housing Agreement Bylaws, No. 3364, No. 3365, and No. 3366 to address, respectively, the Below-

Market Rental units, the Rent-To-Own (RTO) units, and the Rental Available (no prohibitions on the rental of any unit) components of the project.

During the project marketing phase, Marcon encountered issues with aspects of the RTO Housing Agreement and submitted a request to amend Schedule A to the Housing Agreement attached to Bylaw No. 3365. Upon reviewing Bylaw No. 3365, staff identified an issue in the wording of the Authorization section of Bylaw No. 3365, which incorrectly named Mosaic Moody Yards Properties Ltd. rather than Marcon Albert Properties Ltd. and this error also occurred in Bylaw Nos. 3364 and 3366.

## Discussion

### Overview of Current Rent-To-Own Provisions

The RTO Housing Agreement Bylaw No. 3365 (**Attachment 1**) includes an overview of the RTO Program provisions (Sections 2 and 3). Schedule A to Bylaw No. 3365 provides the details of the Rent-To-Own program which:

- establishes the rent structure for the 10 RTO one- and two-bedroom units based on unit size;
- establishes a two-year rental period and confirms that all rents accumulated over that period will be saved on the purchaser's behalf and will be applied to the purchase price of a purchaser's chosen unit;
- establishes the RTO program advertising requirements, which would continue until at least 160 registrations were received;
- divides the Qualified Applicants into two categories: those who have lived in the City for at least one year or are front line workers (e.g. doctors, nurses, teachers, police, firefighters, and emergency response workers or municipal employees), which, together, represent the Preferred Applicants and Other Applicants;
- outlines the RTO unit selection process; and
- concludes with a copy of the Purchase Agreement provisions.

### Amendment Request

For Council's reference, the Rent-To-Own (RTO) program was established based on the CMHC First Time Home Buyer Incentive (FTHBI) as a mechanism to enable local, eligible first-time home buyers to gain access to the housing market. The CMHC Program had established a loan to income ratio of 4.5 times and a maximum household income of \$150,000. It is worth noting that the FTHBI program no longer exists.

As outlined in the letter from Marcon (**Attachment 2**), they have struggled to qualify eligible participants due to the CMHC Program income maximum and the size of a mortgage the buyer could take on. A total of 190 RTO program registrations were received after the initial marketing period. Of those, only one qualified under the FTHBI criteria and is interested in proceeding. All other applicants were either unable to qualify based on the FTHBI Program income eligibility criteria or were not interested in continuing.

Marcon has indicated that the most affordable one-bedroom unit in the development, priced at \$630,000 requires a minimum income of \$160,000 to qualify for a conventional mortgage under current lending practices, but that figure exceeds the FTHBI income cap. To substantiate that

outcome, Marcon provided additional information from a Mortgage Broker (**Attachment 3**) which suggested that a conventional mortgage for the cheapest one-bedroom unit price in the project, valued at \$600,000 would require an income of \$167,625 and an \$885,000 two-bedroom unit would require an income of \$242,113. As the FTHBI program is now defunct, the income thresholds are not being updated in accordance with inflation or other adjustment factors. Marcon suggests that the FTHBI program was out of sync with the local housing market and amendments to the RTO Housing Agreement were needed to ensure that the intent of the RTO concept could still be realized.

In addition to addressing the RTO eligibility criteria in the current RTO Housing Agreement, Marcon identified several additional issues for consideration:

1. remove the requirement for RTO unit purchasers to be first-time home buyers;
2. the need to establish the process for a second round of advertising and applicant selection; and
3. the need for a mechanism to allow for any unsold RTO units to be sold as regular strata units.

#### Proposed Amendments

Staff met with Marcon to discuss the issues identified and after further consideration; it is proposed that Schedule "A" to the original Rent-To-Own Housing Agreement (Schedule "A" to Bylaw No. 3365) be replaced with a new Schedule "A". Under the amended Schedule "A":

- the requirement for potential purchasers to qualify under the CMHC FTHBI program by meeting the Program's loan-to-income ratio and maximum household income cap is removed;
- greater clarity on the RTO unit disposition process is provided by referencing an Initial Selection Process (section 4), including the addition of an Initial Second Draw if any units remain available (section 4(b)(vi)(2));
- a Secondary Selection Process is established (section 5), which follows the same advertising and selection process as the initial process, but only after the potential purchasers on either of two waitlists have an opportunity to participate;
- to be eligible to participate in this secondary selection process, purchasers must sign a statutory declaration confirming that their income does not exceed \$190,000 if purchasing a one-bedroom RTO strata lot or, \$270,000 if purchasing a two-bedroom RTO strata lot (sections 5(b)(i)(1 and 2)). The purchaser will also have to confirm in the statutory declaration that during the period between when the buyer takes possession of the RTO strata lot and when they complete the purchase, the purchaser will use the lot as their primary residence not as an investment unit and that they intend to personally live in the RTO strata lot;
- secondary qualified applicants will be divided into three categories: first-time homebuyers who are either local residents who have lived in the City for at least one year or are front line workers; all other first time home buyers; and all other secondary qualified applicants;
- secondary qualified applicants will be entered into a Secondary First Draw;

- following completion of the secondary first draw, any units remaining available will go into a Secondary Second Draw and, if required, a Third Draw (section 5(b)(vii)(a) and (b));
- the developer may then seek any other secondary qualified purchasers with a preference for first-time homebuyers; and
- the developer may, after the completion of the secondary selection process, apply to the City for the release of the unsold RTO strata lots from the RTO program (section 7).

Draft Housing Agreement Bylaw, 2022, No. 3365, Amendment Bylaw No. 1, 2025, No. 3499 (2025 St Johns Street) (Rent-to-Own) with the revised Schedule “A” is included as **Attachment 4**.

In addition to the replacement of Schedule “A”, it was noted that the Authorization statement in section 2 of Bylaw No. 3365 incorrectly referred to Mosaic Moody Yards Properties Ltd. rather than Marcon Albert Street Properties Ltd., which is corrected under Bylaw No. 3499. This same error also occurred in the other two Housing Agreement Bylaws, No. 3364 and No. 3366; amending Bylaw Nos. 3498 and 3500 rectifying the error are included for Council’s consideration (**Attachments 5 and 6**). There are no other amendments to the Housing Agreements in Bylaw Nos. 3364 and 3366.

## Concluding Comments

Staff and the City’s legal counsel have reviewed the proposed amendments to RTO Housing Agreement Bylaw No. 3365. The proposed amendments are supported as they address Marcon’s challenges in selling the 10 RTO strata lots, reduce the barriers to program participation, and support moderate income households by updating income thresholds and establishing the procedures to be followed should the initial selection process not result in the sale of all 10 RTO units. In addition, the amendments support Council’s strategic goals to improve housing diversity and affordability.

## Other Option(s)

The following option is available for Council’s consideration:

THAT draft Housing Agreement Bylaw, 2022, No. 3365, Amendment Bylaw No. 1, 2025, No. 3499 (2025 St Johns Street) (Rent-to-Own) be referred back to staff and the applicant to explore alternative approaches to address the Rent-To-Own Program challenges.

## Financial Implications

There are no financial implications associated with the proposed amendments to Housing Agreement Bylaw Nos. 3364, 3365, and 3366.

## Communications and Public Engagement Initiatives

There are no communication or public engagement initiatives associate with the proposed amendments to Housing Agreement Bylaw Nos. 3364, 3365, and 3366.

## Council Strategic Plan Goals

The recommendation in this report aligns with the following Council Strategic Plan Goal:

- Strategic Goal 2.2 – Improve housing diversity: Enhancing access to attainable housing for moderate-income households.

## Attachments

1. City of Port Moody Housing Agreement Bylaw, 2022, No. 3365 (2025 St. Johns Street) (Rent-to-Own).
2. Letter From Marcon.
3. Letter From Mortgage Broker.
4. Draft Housing Agreement Bylaw, 2022, No. 3365, Amendment Bylaw No. 1, 2025, No. 3499 (2025 St. Johns Street) (Rent-to-Own).
5. Draft Housing Agreement Bylaw, 2022, No. 3364, Amendment Bylaw No. 1, 2025, No. 3498 (2025 St. Johns Street) (Below-Market Rental).
6. Draft Housing Agreement Bylaw, 2022, No. 3366, Amendment Bylaw No. 1, 2025, No. 3500 (2025 St. Johns Street) (Rental Available).

## Report Author

Doug Allan

Senior Development Planner

## Report Approval Details

Document Title:	Amendments to Housing Agreement Bylaws – Three Readings of Bylaw Nos. 3499, 3498, and 3500 – Marcon Hue Project.docx
Attachments:	<ul style="list-style-type: none"><li>- Attachment 1 - City of Port Moody Housing Agreement Bylaw, 2022, No.3365 (2025 St. Johns Street) (Rent To Own).pdf</li><li>- Attachment 2 - Letter From Marcon.pdf</li><li>- Attachment 3 - Letter From Mortgage Broker.pdf</li><li>- Attachment 4 - Draft Housing Agreement Bylaw, 2022, Amendment Bylaw No. 1, 2025, No. 3499 (Rent To Own).pdf</li><li>- Attachment 5 - Draft Housing Agreement Bylaw, 2022, No. 3364, Amendment Bylaw No. 1, 2025, No. 3498 (Below-Market Rental.pdf</li><li>- Attachment 6 - Draft Housing Agreement Bylaw, 2022, Bylaw 3366, Amendment Bylaw No 1, 2025, No. 3500 (Rental Available).pdf</li></ul>
Final Approval Date:	Feb 2, 2025

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

Tracey Takahashi, Deputy Corporate Officer - Jan 27, 2025

Michael Olubiyi, Manager of Development Planning - Jan 27, 2025

Kate Zanon, Deputy City Manager - Jan 27, 2025

Stephanie Lam, City Clerk and Manager of Legislative Services - Jan 28, 2025

Lindsay Todd, Manager of Communications and Engagement - Jan 28, 2025

Paul Rockwood, General Manager of Finance and Technology - Jan 29, 2025

Paul Rockwood, General Manager of Finance and Technology, for Anna Mathewson, City Manager - Feb 2, 2025