



City of Port Moody

Report/Recommendation to Council

Date: December 16, 2019
Submitted by: Planning and Development Department – Development Planning Division
Subject: Housing Agreement Bylaw No. 3196 – 3105-3113 St. Johns Street (FL GP Group Ltd.)

Purpose

To present Housing Agreement Bylaw No. 3196 related to the provision of rental housing units in a proposed mixed-use commercial/residential project at 3105-3113 St. Johns Street. This Bylaw is associated with Zoning Amendment Bylaw No. 3195, which rezones the subject properties to Comprehensive Development Zone 75.

Recommended Resolutions

THAT City of Port Moody Housing Agreement Bylaw, 2020, No. 3196 (3105-3113 St. Johns Street) be read a first time as recommended in the report dated December 16, 2019 from the Planning and Development Department – Development Planning Division regarding Housing Agreement Bylaw No. 3196 – 3105-3113 St. Johns Street (FL GP Group Ltd.).

THAT Bylaw No. 3196 be read a second time.

THAT Bylaw No. 3196 be read a third time.

Background

This Housing Agreement Bylaw is related to a development application submitted by Forte Living (FL GP Group Ltd.) for a rezoning and development permit in order to allow for the development of a mixed-use commercial/residential project containing 70 apartment units and 755m² (8,123ft²) of commercial floor area. Seven of the units are proposed as below-market rental units.

Council gave first and second readings to Bylaw No. 3195 to rezone the site to Comprehensive Development Zone 75 (CD75) on July 23, 2019 and, following a Public Hearing, gave the Bylaw third reading on September 10, 2019. Implementation also requires the issuance of a development permit to regulate the form and character of the building, and adoption of a Housing Agreement Bylaw to establish the provisions relating to the proposed rental units.

Discussion

Following discussions between staff and the developer on an affordable housing approach for the project, a housing agreement has been prepared which, along with Bylaw No. 3196 authorizing Council to enter into a Housing Agreement in accordance with section 483 of the *Local Government Act* is included as **Attachment 1**.

The Housing Agreement stipulates that:

- a total of seven units (10% of the total number of units) will be reserved as below-market rental units;
- four of the seven units are identified as Affordable Housing Units Tier 1 and will be rented at 30% below market rents for the term of the agreement, which is the lesser of 60 years or the useful life of the building. These units will be comprised of a mix of units at the developer's discretion but, at a minimum, will include two, two-bedroom units and one, three-bedroom unit. These units will be sold as a block of units to either an investor or to a non-profit housing provider, rather than as individual units. The draft housing agreement requires that these units be rented to 'Eligible Tenants', which are defined as those households meeting BC Housing's Housing Income Limits for one, two, and three-bedroom units;
- three one-bedroom units are identified as Affordable Housing Units Tier 2 and will be rented at 10% below market rents for a period of 20 years. These units may be sold individually, but will remain rental for the length of the term of the Agreement; and
- the future strata council may not enact bylaws or regulations prohibiting an owner from renting their unit.

The Housing Agreement stipulates that, at the time of occupancy, the developer will commission an appraisal to establish market rents and the Tier 1 and 2 rent reductions will be based off the average market rents at that time. For Council's reference, the following table was provided by the applicant and identifies what they have determined to be current market rents in the Tri-Cities (albeit, based on a small sample size of units presently available for rent), as well as the average rents for the proposed Tier 1 and Tier 2 Affordable Housing Units.

Unit Type	Market Rent			Tier 1 (30%)			Tier 2 (10%)		
	Lower Bound	Higher Bound	Average	Lower Bound	Higher Bound	Average	Lower Bound	Higher Bound	Average
1 Bedroom	\$1,600	\$1,700	\$1,650	\$1,120	\$1,190	\$1,155	\$1,440	\$1,530	\$1,485
2 Bedroom	\$1,850	\$1,950	\$1,900	\$1,295	\$1,365	\$1,330	\$1,665	\$1,755	\$1,710
3 Bedroom	\$2,250	\$2,350	\$2,300	\$1,575	\$1,645	\$1,610	\$2,025	\$2,115	\$2,070

Based on these rent values and depending upon the size of a unit, Tier 1 unit occupants would be expected to save between \$5,940 and \$8,280 in rent costs annually, while Tier 2 renters would save between \$1,980 and \$2,760 annually.

Staff support the applicant's approach, particularly as all rental units will be rented at below market rates, most of which will be for the life of the building and the approach will result in more affordable rents for larger, family-sized two- and three-bedroom units located adjacent to a school. In addition, the agreement will ensure that any owner in the building, including the Tier 2 owners following the conclusion of the rental period, may still rent their unit.

Other Option(s)

THAT the report dated December 13, 2019 from the Planning and Development Department – Development Planning Division regarding Housing Agreement Bylaw No. 3196 – 3105-3113 St. Johns Street (FL Group GP Ltd.) be received for information and Bylaw No. 3196 not be given first, second, and third readings.

Financial Implications

There are no financial implications associated with the proposed implementation and administration of the Housing Agreement.

Communications and Civic Engagement Initiatives

There are no additional notification or consultation requirements associated with this Housing Agreement Bylaw. It is noted that the project was considered at a Community Information meeting, and the Rezoning Bylaw was the subject of a Public Hearing in accordance with the City's Development Approval Procedures Bylaw and the *Local Government Act*.

Council Strategic Plan Objectives

This report aligns with the Council Strategic Objective of Community Evolution, to plan and develop for future generations a vibrant, connected, and livable city, with distinctive places and spaces, where growth is managed in strategic balance with quality of life.

Attachment

1. Draft City of Port Moody Housing Agreement Bylaw, 2020, No. 3196 (3105-3113 St. Johns Street).

Report Author

Doug Allan, MCIP, RPP
Senior Planner

Report Approval Details

Document Title:	Housing Agreement Bylaw No. 3196 - 3105-3113 St. Johns Street (FL GP Group Ltd.).docx
Attachments:	Attachment 1 - Draft City of Port Moody Housing Agreement Bylaw, 2020, No. 3196 (3105-3113 St. Johns Street)
Final Approval Date:	Jan 3, 2020

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

Tracey Takahashi for Dorothy Shermer, Corporate Officer - Dec 23, 2019 - 3:26 PM

Natasha Vander Wal for Rosemary Lodge, Manager of Communications and Engagement – Dec 23, 2019 - 3:50 PM

Jennifer Velthuisen for Paul Rockwood, General Manager of Finance and Technology – Dec 24, 2019 - 10:44 AM

André Boel, General Manager of Planning and Development - Jan 3, 2020 - 9:12 AM

Paul Rockwood for Tim Savoie, City Manager - Jan 3, 2020 - 2:24 PM