



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.

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 renoviction 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

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.

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 renoviction bylaw in-line with the municipalities of Port Coquitlam, New Westminister, 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.

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 Westminister and Burnaby are provided for guidance | Inclusionary Housing Policy | Cities of Richmond, Burnaby, New Westminister, 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 Westminister, Maple | Recommendations in current report |

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| | | Ridge, North Vancouver, Victoria | |
| No | Family Friendly Policy | Cities of New Westminister, 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 Westminister, Port Coquitlam, Burnaby (all same) | <i>Recommended on April 21st</i> |
| No | Minimum Standards of Rental Maintenance | Cities of New Westminister, North Vancouver, Burnaby | Recommendations in current report |
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| No | Fee Waiver Policy | Cities of New Westminister, North Vancouver, Coquitlam, Chilliwack | Recommendations in current report |
| No-researching | Demolition | Cities of New Westminister, 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 |
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| 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. |

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| | <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> |
| <p>Renovation</p> | <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> | <p>None</p> | <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> |

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| | 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. |

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| | 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 |

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| | <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

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

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 elves 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.

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*.

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.*

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**

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 |

| | | |
|--|------------------------------|--|
| | 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 though 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) <u>*This is the same for New Westminster for below or non-market housing - 2020)</u> | | 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 |

| | | |
|--------------------------------|--|--------------------------------------|
| | | 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 |
| <u>City of North Vancouver</u> | | |
| 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 Westminister. 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 Westminister 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 Westminister 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 Westminister 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. |

| | |
|--------------------|--|
| 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 | 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. 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. |
| Penticton | 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. 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 |
| Coquitlam | 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. 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 |

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).

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 conform 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

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:

- 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

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