

# Corporate Policy

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Section:	Social Services	10
Sub-Section:	Affordable Housing	5080
Title:	Interim Affordable Housing Guidelines	2020-01

## Related Policies

Number	Title
10-5080-01	Affordable Housing Reserve Fund – Guidelines for Allocation of Funds
10-5080-2018-01	Rental Protection

## Approvals

Approval Date: March 17, 2020	Resolution #: <u>CW20/032-033</u>
Amended:	Resolution #:
Amended:	Resolution #:
Amended:	Resolution #:

## Policy

These Guidelines set out the expectations for the provision of affordable housing units as part of new multi-family residential and mixed-use residential development applications where additional density is being sought through a rezoning and/or Official Community Plan amendment. It is noted that these interim guidelines have been developed based upon projects to date that have included affordable housing components secured through Housing Agreements. A more extensive Inclusionary Housing Policy and wider Affordable Housing Strategy is planned to be developed over the course of 2020, which, upon adoption, would supersede this policy.

## Definitions

**Affordable Rental Units** – may include both **Below-Market Rental Units** and **Non-Market Rental Units**.

**Below-Market Rental Units** – units intended to serve households considered low-income by the Housing Income Limits (HILs) as published by BC Housing on an annual basis. Annual rent increases as permitted under the *Residential Tenancy Act*.

**Non-Market Rental Units** – units intended to serve very low-income households through agreements with a non-profit or BC Housing for households earning less than \$30,000 and renting at shelter rates or rent geared to income.

**Market Rental Units** – purpose-built rental units without qualifying income or household characteristics requirements.

**Affordable Ownership Units** – units that are available at below market value to low-to-moderate-income households.

**Rent-to-Own Units** – units that offer an alternative ownership approach that provides the opportunity for first-time buyers to get into the housing market, through a purchase agreement that allows the prospective buyer the ability to rent a unit for a predetermined period prior to finalizing the purchase of the unit, with all rent paid during this period being put towards the down payment.

## Interim Guidelines

Applicants for land use changes (OCP and Zoning Bylaw Amendments) are encouraged to include affordable housing options in their projects. Eligible housing forms may include all housing types listed in the Definitions Section. While considering different options of tenure and price point, the guidelines below provide further clarification regarding the City's expectations.

### Key Expectations

- The City anticipates, as part of any rezoning and/or OCP amendment application, that an affordable housing component would be included, with a preference for affordable rental units;
- The City expects a minimum 15% share of below-market rental units for projects larger than 30 units;
- Where options other than affordable rental units are proposed, the City would expect the number of units to be greater than if affordable rental units were proposed to be included;
- Affordable rental units may be owned by the developer with occupancy management arranged through a non-profit society or BC Housing, or sold to a non-profit society or BC Housing at below-market value. The City requests confirmation of these arrangements prior to adoption of the requested land use changes;
- Any affordable rental units are requested to be secured for the long term: 60 years or the useful life of the building; and
- Projects resulting in ten or more units should ideally provide a unit mix as set out in the following table:

Number of Bedrooms	Share of Units
Studios	70% max
1-Bedroom	
2-Bedroom	20% min
3-Bedroom	10% min

### Flexibility

The City may allow for flexibility on the above options under certain specific scenarios, including:

- where the applicant can demonstrate unique development circumstances and financial hardship that may impact development viability;
- where existing multi-family rental properties are subject to the City's Rental Protection Corporate Policy; and
- where the proposal includes other community benefits (e.g. social, environmental, cultural) with a demonstrable value.

Flexibility would solely be at the City's discretion and a financial analysis may be required to support such cases.

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#### Incentives

The City commits to considering the following types of incentives, subject to the details provided in applicable policies and bylaws:

- floor area of the affordable rental units may not be counted towards Floor Area Ratio;
- affordable rental units may not be subject to community amenity contributions;
- consideration of variances to Zoning Bylaw requirements on a project-by-project basis;
- consideration of additional fee waivers (DCCs, property taxes, etc.) on a project-by-project basis; and
- fast-tracking of applications by non-profit applicants, where staff resources allow.

#### Exemptions

The following are exempted from the request to consider including affordable housing options as part of projects:

- projects which provide only townhouse units;
- projects proposing 30 or fewer units;
- applications submitted prior to Council approval of these Guidelines, though provision of an affordable housing component is still expected of all applications involving a rezoning and/or OCP amendment, where additional density is being sought;

#### Non-Profit Housing Societies

In order to facilitate these Guidelines, the City will develop and maintain a shortlist of non-profit housing societies that have expressed an interest in partnering on affordable housing projects in the City.

#### Housing Agreement Expectations

The City requests consideration by the applicant of entering into a Housing Agreement pursuant to section 483 of the *Local Government Act* and any other associated legal agreements for the effective implementation of the affordable housing component of the project. Such agreements may include, but not be limited to, the following parameters:

- definition of the affordable rental/housing component, including details of unit mix, unit sizes, unit location, rental rates etc.;
- the term of the agreement;
- details of the requirement for transfer of ownership, or management, to a non-profit housing society or BC Housing;
- criteria around tenant eligibility and selection ensuring units are made available to households that need it the most;
- reporting guidelines to provide to the City an annual report to the City detailing the eligibility of tenants and rental rates;
- restrictions around stratification of the affordable rental units;
- maintenance requirements; and
- for ownership models, provisions that ensure that any subsidies towards reduced prices are transferred to the City at time of re-sale.

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#### **Cash-in-lieu Contributions**

The City may consider cash-in-lieu contributions to the City's Affordable Housing Reserve Fund, under circumstances where the provision of affordable rental units or other eligible units is not seen as desirable and or feasible (e.g. where it results in four or fewer affordable rental units being provided).

#### **Monitoring/Authority**

This policy is to be administered and monitored by the Planning and Development Department.

This policy will be reviewed as required by the Planning and Development Department to ensure its effectiveness and compliance with legislation and evolving best practices.