



Staff Report to Council

DATE: Monday, August 19, 2024

DEPARTMENT: Planning

SUBJECT: Bylaw No. 2189 – 2703, 2707, 2711 Claude Rd & 726 Percy Place Housing Agreement

EXECUTIVE SUMMARY:

In February 2023, Council directed staff to proceed with developing a rental stream option for the Attainable Home Ownership Program Policy. Since that time, several rezoning applications have committed to providing attainable rental units in their developments as a condition of rezoning.

As with the ownership stream, any terms and conditions applied to the occupancy of a rental unit must be secured through a housing agreement registered on title of the property, which in turn must be authorized through the adoption of a housing agreement bylaw. Staff have worked with City solicitors to draft the standard terms of the housing agreement, which include definitions on how the below-market rent is to be calculated, income limits, residency requirements, among others.

BACKGROUND:

At the Regular Meeting held March 4, 2024, Council adopted Bylaw No. 2139, which rezoned the properties at 2703, 2707, 2711 Claude Road and 726 Percy Place to allow for the development of a six-storey apartment. The following was applied as a condition of rezoning:

That, prior to the issuance of a Building Permit, the developer enters into a Housing Agreement with the City that requires either a minimum 10% of units constructed be rented for at least 10% below the benchmark rent for the unit type for a term not less than 25 years or that a minimum of 5% of the units constructed be directed to and sold in accordance with the terms of the Attainable Home Ownership Program Policy (POL-0166-PLAN). The developer shall identify the Attainable Units on the plans submitted for the required Development Permit application.

COMMENTARY:

The owners of 2703, 2707, 2711 Claude Road and 726 Percy Place are preparing to apply for their building permit and wishes to register the housing agreement on title. The housing agreement must be registered and authorized by the housing agreement bylaw before the building permit can be issued.

As drafted, the housing agreement attached to Bylaw No. 2189 includes a requirement that eight of the units developed at 2703, 2707, 2711 Claude Road and 726 Percy Place shall be rented and used in accordance with the proposed terms of the agreement, as required by Council through the rezoning approval.

The terms of the housing agreement ensure that these eight units shall be rented at ten percent below market rent for a period of no less than 25 years. Below market rent will be determined by using a third-party source, the Canadian Mortgage and Housing Corporation’s (CMHC’s) Housing Market Information Portal. Using CMHC’s data, the Owner shall rent the units in accordance with the corresponding bedroom type in the City of Langford for the year the tenancy is entered into, or if the data has not been established for the year, the owner shall use the most recent year that CMHC has posted.

To ensure that the affordable units are being rented to the households that need them, tenants must have a gross household income equal to or less than the most recent affordable housing program Housing Income Limits for the “Victoria Planning Area” published by BC Housing, which are summarized in the table below:

Planning Area	1 Bedroom or Less	2 Bedroom	3 Bedroom	4+ Bedroom
Victoria	\$50,000	\$65,000	\$82,000	\$95,000

Additionally, prospective tenants must already reside in Langford, must not own any land, and may not be an immediate family member of the owner as defined in the terms of the attached agreement. The 2021 Census completed by Statistics Canada states that 20.7% of renters in Langford are living in core housing need which is defined as households spending more than 30% or more of its before-tax income on rent and utilities. Due to this large percentage of renters in core housing need, staff recommend limiting the requirement for this program to current residents of Langford.

To confirm that the Owner and Tenant meet the requirements in the agreement, the City is permitted to inspect the units and confirm that the terms are being met by requesting the Owner provide written proof of compliance.

The housing agreement will expire following the 25th anniversary of the date the City of Langford grants an occupancy permit for the below-market units. Upon expiry, the Owner may provide to the City a discharge, which the City will execute and return to the Owner to file with the Land Title Office.

FINANCIAL IMPLICATIONS:

There are no known financial implications at this time.

LEGAL IMPLICATIONS:

Pursuant to Section 483 of the *Local Government Act*, a housing agreement specifying that certain terms

and conditions apply to the occupancy of housing units must be authorized by a housing agreement bylaw.

Should Council wish to move forward with this proposal as described, they may wish to give the first three readings to Bylaw No. 2189 as drafted.

STRATEGIC PLAN INITIATIVES:

1m – Pursue Programs and Partnerships for Affordable Housing

OPTIONS:

Option 1

THAT Council give 1st, 2nd and 3rd readings to Bylaw No. 2189.

OR Option 2

THAT Council take no action at this time with respect to Bylaw No. 2189.

SUBMITTED BY: Matt Notley, Planner II, Community Planning and Climate Change

Concurrence: Leah Stohmann, RPP, MCIP, Director of Community Planning and Climate Change

Concurrence: Donna Petrie, Senior Manager of Communications & Economic Development

Concurrence: Yari Nielsen, Director of Parks, Recreation and Facilities

Concurrence: Matthew Baldwin, RPP, MCIP, Director of Development Services

Concurrence: Katelyn Balzer, P.Eng., Director of Engineering and Public Works

Concurrence: Michael Dillabaugh, CPA, CA, Director of Finance

Concurrence: Marie Watmough, Director of Legislative & Protective Services

Concurrence: Braden Hutchins, Deputy Chief Administrative Officer

Concurrence: Darren Kiedyk, Chief Administrative Officer

Attachment 1: Bylaw No. 2189 & Housing Agreement - 2703, 2707, 2711 Claude Road and 726 Percy Place.