

AGENDA

COUNCIL WORKSHOP

Tuesday, March 29, 2016

6:00 p.m.

Committee Room, Municipal Hall

355 West Queens Road,

North Vancouver, BC

Council Members:

Mayor Richard Walton

Councillor Roger Bassam

Councillor Mathew Bond

Councillor Jim Hanson

Councillor Robin Hicks

Councillor Doug MacKay-Dunn

Councillor Lisa Muri



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DISTRICT

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COUNCIL WORKSHOP

**6:00 p.m.
Tuesday, March 29, 2016
Committee Room, Municipal Hall,
355 West Queens Road, North Vancouver**

AGENDA

1. ADOPTION OF THE AGENDA

1.1. March 29, 2016 Council Workshop Agenda

Recommendation:

THAT the agenda for the March 29, 2016 Council Workshop be adopted as circulated, including the addition of any items listed in the agenda addendum.

2. ADOPTION OF MINUTES

2.1. March 7, 2016 Council Workshop

p. 7-13

Recommendation:

THAT the minutes of the March 7, 2016 Council Workshop meeting be adopted.

3. REPORTS FROM COUNCIL OR STAFF

3.1. Rental and Affordable Housing Workshop

p. 17-33

File No. 13.6480.30/003.000

Recommendation:

THAT the March 22, 2016 report of the Manager – Development Services entitled Rental and Affordable Housing Workshop be received for information.

4. PUBLIC INPUT

(maximum of ten minutes total)

5. ADJOURNMENT

Recommendation:

THAT the March 29, 2016 Council Workshop be adjourned.

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MINUTES

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DISTRICT OF NORTH VANCOUVER COUNCIL WORKSHOP

Minutes of the Council Workshop of the Council for the District of North Vancouver held at 5:48 p.m. on Monday, March 7, 2016 in the Committee Room of the District Hall, 355 West Queens Road, North Vancouver, British Columbia.

Present: Acting Mayor M. Bond
Councillor J. Hanson
Councillor R. Hicks
Councillor D. MacKay-Dunn

Absent: Mayor R. Walton
Councillor R. Bassam
Councillor L. Muri

Staff: Mr. D. Stuart, Chief Administrative Officer
Ms. C. Grant, General Manager – Corporate Services
Mr. G. Joyce, General Manager – Engineering, Parks & Facilities
Mr. D. Milburn, Acting General Manager – Planning, Properties & Permits
Mr. A. Wardell, Acting General Manager – Finance & Technology
Mr. J. Gordon, Manager – Administrative Services
Mr. R. Malcolm, Manager – Real Estate and Properties
Ms. J. Paton, Manager – Development Planning
Ms. L. Brick, Deputy Municipal Clerk
Ms. S. Dal Santo, Section Manager – Planning Policy
Ms. C. Archer, Confidential Council Clerk
Mr. P. Chapman, Social Planner
Ms. S. Lunn, Social Planner
Ms. A. Reiher, Confidential Council Clerk

Also in

Attendance: Mr. R. Prest, Civic Engage Practice Lead, SFU Centre for Dialogue
Ms. J. Dunsby, Dialogue and Engagement Convenor, SFU Centre for Dialogue

1. ADOPTION OF THE AGENDA

1.1. March 7, 2016 Council Workshop Agenda

MOVED by Councillor MACKAY-DUNN

SECONDED by Councillor HICKS

THAT the agenda for the March 7, 2016 Council Workshop be adopted as circulated.

CARRIED

2. ADOPTION OF MINUTES

2.1. February 1, 2016 Council Workshop

MOVED by Councillor MACKAY-DUNN

SECONDED by Councillor HICKS

THAT the minutes of the February 1, 2016 Council Workshop be adopted.

CARRIED

2.2. February 2, 2016 Council Workshop

MOVED by Councillor MACKAY-DUNN

SECONDED by Councillor HICKS

THAT the minutes of the February 2, 2016 Council Workshop be adopted.

CARRIED

2.3. February 9, 2016 Council Workshop

MOVED by Councillor MACKAY-DUNN

SECONDED by Councillor HICKS

THAT the minutes of the February 9, 2016 Council Workshop be adopted.

CARRIED

2.4. February 15, 2016 Council Workshop

MOVED by Councillor MACKAY-DUNN

SECONDED by Councillor HICKS

THAT the minutes of the February 15, 2016 Council Workshop be adopted.

CARRIED

3. REPORTS FROM COUNCIL OR STAFF

3.1. Delbrook Dialogue Update

File No. 10.4960.01/000.000

Mr. Dan Milburn reported on the Delbrook Lands public consultation process, noting that Phase 1 of the process was collecting public input via surveys and the Delbrook Dialogue meeting held in January. Phase 2, currently underway, is research on the feasibility of the different ideas to narrow down options to present to the public for their feedback in Phase 3, a deliberative dialogue planned for June 2016. SFU Centre for Dialogue has provided coordination and facilitation for the process.

Mr. Robin Prest, Civic Engage Practice Lead, SFU Centre for Dialogue, presented the findings from Phase 1, noting that in the workshop, a list of ideas was requested from the public, not assessment of the ideas. Interviews were conducted with stakeholder groups, information was mailed to every address in the District that accepts bulk mail and 177 people participated in person at the workshop. Online and paper survey input from those who were not able to attend was also included in the report. The workshop and surveys generated 100 unique and 1,000 total ideas. Participants self-identified as 56% Delbrook residents and 28% District residents outside the Delbrook area.

At the end of the evening, 70% of participants agreed the workshop was a “productive first step” and 83% expressed an interest in participating in the process in the future.

Three major categories emerged from the ideas generated in Phase 1:

- Parks and outdoor recreation including playgrounds and running tracks;
- Community services including cultural and indoor recreation facilities, meeting facilities, childcare and seniors facilities; and,
- Housing, including affordable housing.

Mr. Prest noted that most participants envisioned multiple uses for the lands.

Participants reported they wanted to know that the process is authentic with no predetermined outcome, to have frequent updates and communication, and multiple opportunities to participate. Diversity of participant groups was also desired by the participants, including different age groups, family composition, cultural and geographic groups.

Information was requested by participants on the context in which decisions on the lands would be made, including the OCP, clarification on what services will be moving to the new Community Centre, the financial implications of different land uses and an assessment of community needs.

Mr. Prest reported on issues raised by participants:

- Site ownership, including concerns about the private sale of the lands;
- Speed of the process, with equal numbers reporting satisfaction with the currently planned schedule as those who requested slowing the process;
- Weighting of input by proximity to the site; and,
- The role of developers, with equal numbers requesting developer expertise as those expressing concern about the potential private sale of the land.

Mr. Prest reviewed the next steps in the public consultation process, reporting that Terms of Reference will be developed for Council approval in April, selection of participants will be undertaken in May, an online survey made available in May and June, which will feed into the workshop session to be held in June.

Council discussion ensued and the following comments and concerns were noted:

- Queried why there was distrust of the process;
- Queried if the initial concerns expressed by participants at the beginning had been addressed by the end of the workshop session;
- Expressed concern that the report states the results are not statistically significant;
- Commented that District-wide residents may have different ideas and concerns than those living close to the site;
- Commented that financial issues are important to consider;
- Requested information on how public input will be refined into the options to be deliberated at the June session; and,
- Suggested gathering additional ideas from the public.

Mr. Prest reported that the number of people expressing trust in the process increased significantly between the beginning and the end of the session, with many people stating that they had felt heard.

Mr. Prest advised that the selection process for the Phase 3 deliberative dialogue session will help ensure the results are more statistically representative. The list of ideas generated in Phase 1 will be narrowed down to a smaller list for discussion in Phase 3 by screening out those that are not feasible. The options presented may also have multiple options within each one. It was noted that the comments from participants were included in the report verbatim, except where clearly noted that the comments have been summarized.

Mr. Milburn reported that this item will be returning at a Regular meeting of Council for discussion of the Terms of Reference and to review the framework for the analysis of the options to go forward to Phase 3.

MOVED by Councillor MACKAY-DUNN

SECONDED by Councillor BOND

THAT the February 19, 2016 report of the SFU Centre for Dialogue entitled Delbrook Lands Community Dialogue Ideas Report be received.

CARRIED

Public input:

Mr. Corrie Kost, 2800 Block Colwood Drive:

- Commented on the Delbrook Lands public consultation process; and,
- Requested the participation of residents who are not internet users be facilitated.

Mr. Prest noted that feedback from printed surveys and public input by telephone was included in Phase 1.

District resident:

- Queried if outside planners will be involved in research phase and if they would provide vision for the use of the Delbrook lands.

Mr. Prest advised that the community has been asked for their vision and asking consultants to provide vision would pre-empt the process.

3.2. Residential Tenant Assistance Policy

File No. 13.6480.30/003.000

Mr. Dan Milburn, Acting General Manager – Planning, Properties and Permits, reported that the presentation responds to concerns expressed by Council regarding the need to provide support for residents displaced by redevelopment. Staff are seeking Council's feedback on the direction of the proposed tenant assistance policy.

Mr. Milburn noted that the key principles proposed for the new policy are:

- Providing appropriate measures to assist tenants who will be displaced by redevelopment;
- Establishing clarity for policy implementation;
- Ensuring compensation is for tenants on-site at the time of the development application;
- Limiting application of the policy to rezoning of purpose-built rental building sites; and,
- Providing a degree of flexibility in implementation to account for the scale of the proposed redevelopment.

Mr. Milburn reviewed the notice and compensation provisions of the Residential Tenancy Act (RTA). He reported that staff had reviewed how selected other municipalities deal with the issue, noting that the municipalities did not consider the RTA provisions adequate. Policies implemented by the other municipalities have taken three distinct policy approaches:

- Voluntary, where the developer is expected to exceed the requirements of the RTA but specific direction is not given;
- Open, where the developer is encouraged to propose options for relocation and financial assistance, but specific direction is not given; and,
- Directed, where specific direction is given on measures such as a Tenant Assistance Plan, right of first refusal or right to purchase and a current occupancy assessment for the subject property.

Mr. Milburn reported that it is becoming common for developers to offer tenants extended notice, bonus financial assistance based on length of tenancy, support for moving and utilities costs and some larger sites with many impacted tenants provide a relocation coordinator.

Mr. Milburn reviewed the elements of the proposed framework for the tenant assistance policy:

- Mandatory for rezoning applications with flexibility to account for scale of the project;
- Two additional months of free rent for a total of 3 months due to higher rents in the District;
- Between 2 and 6 months' notice due to low vacancy rates;
- Consideration of bonuses for long-term tenants and moving assistance; and,
- Provision of a Relocation Coordinator to assist tenants with finding rental units.

Council discussion ensued and the following comments and concerns were noted:

- Expressed support for the recommendations for the proposed policy;
- Noted the cost of each of the recommendations will need to be evaluated;
- Recommended consulting with developers on the policy;
- Commended the inclusion of the provision for early departing tenants to benefit from additional financial assistance;
- Queried if a communications plan would include informing incoming tenants that the building is subject to a proposed redevelopment; and,
- Queried staff on the number of District residents currently in purpose-built rental buildings.

Mr. Milburn noted that consultation with the development and non-profit community is underway and preliminary feedback has been positive. Stakeholder feedback will be presented to Council at a future Council Workshop. He commented that the policy would not impose requirements that would negatively affect affordability or raise the cost of development to inappropriate levels. It was noted that informing incoming tenants of the proposed development is a key component of a communications plan in the pre-application stage.

Mr. Milburn advised that there are between 1,100 and 1,200 units in purpose-built rental buildings in the District, half of which are in town centres. There are approximately 4,500 secondary suites and an estimated 20% of condo units are rented at any given time.

MOVED by Councillor MACKAY-DUNN

SECONDED by Councillor HICKS

THAT the presentation of the Acting General Manager, Planning, Properties and Permits regarding the proposed Tenant Assistance Policy be received;

AND THAT the item be brought forward at a future meeting of Council for further discussion.

CARRIED

Public input:

Mr. Don Peters, Community Housing Liaison, Community Housing Action Committee:

- Queried if there are any initiatives at the District to extend the life of older purpose-built rental buildings; and,
- Expressed support for the draft Tenant Assistance Policy.

Ms. Yvette Mercier, Chairperson, Mountain Court:

- Expressed support for the District moving forward with rental and affordable housing initiatives;
- Requested that tenants be informed of plans for redevelopment earlier in the process to reduce the impact of displacement; and,
- Commented on the length of notice tenants receive and the low vacancy rate.

Mr. Corrie Kost, 2800 Block Colwood Drive:

- Suggested the proposed tenant assistance policy include provisions to ensure early departing tenants benefit from financial assistance.

4. ADJOURNMENT

MOVED by Councillor HANSON

SECONDED by Councillor HICKS

THAT the March 7, 2016 Council Workshop be adjourned.

CARRIED
(6:57 pm)

Mayor

Municipal Clerk


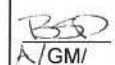

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REPORTS

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AGENDA INFORMATION	
<input type="checkbox"/> Regular Meeting	Date: _____
<input checked="" type="checkbox"/> Committee of the Whole	Date: <u>MARCH 29, 2016</u>

3.1

 Dept. Manager	 A/GM/ Director	 CAO
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The District of North Vancouver REPORT TO COMMITTEE

March 22, 2016
File: 13.6480.30/003.000

AUTHOR: Brett Dwyer

SUBJECT: Rental and Affordable Housing Workshop

RECOMMENDATION:

That Council receive this report for information.

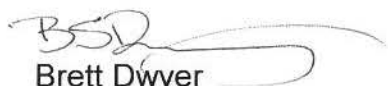
REASON FOR REPORT:

To continue the discussion with Council on Rental and Affordable Housing.

BACKGROUND:

Council considered this topic at a Workshop on February 15, 2016. A copy of the staff report from that Workshop is attached as APPENDIX A. Staff wish to continue the discussion on rental and affordable housing with a focus on how we guide and direct older strata and fractional interest buildings and older purpose built rental buildings, particularly outside of Town Centres.

Respectfully submitted,




Brett Dwyer
Manager Development Services

REVIEWED WITH:		
<input type="checkbox"/> Sustainable Community Dev.	<input type="checkbox"/> Clerk's Office	External Agencies: <input type="checkbox"/> Library Board <input type="checkbox"/> NS Health <input type="checkbox"/> RCMP <input type="checkbox"/> NVRC <input type="checkbox"/> Museum & Arch. <input type="checkbox"/> Other:
<input type="checkbox"/> Development Services	<input type="checkbox"/> Communications	
<input type="checkbox"/> Utilities	<input type="checkbox"/> Finance	
<input type="checkbox"/> Engineering Operations	<input type="checkbox"/> Fire Services	
<input type="checkbox"/> Parks	<input type="checkbox"/> ITS	
<input type="checkbox"/> Environment	<input type="checkbox"/> Solicitor	
<input type="checkbox"/> Facilities	<input type="checkbox"/> GIS	
<input type="checkbox"/> Human Resources	<input type="checkbox"/> Real Estate	

AGENDA INFORMATION	
<input checked="" type="checkbox"/> Workshop	Date: <u>Feb 15/2016</u>
<input type="checkbox"/> Finance & Audit	Date: _____
<input type="checkbox"/> Advisory Oversight	Date: _____
<input type="checkbox"/> Other:	Date: _____


Dept.
Manager


GM/
Director


CAO

The District of North Vancouver REPORT TO COMMITTEE

February 8, 2016
File: 13.6480.30/003.000

AUTHOR: Sarah Dal Santo

SUBJECT: Rental and Affordable Housing Workshop, February 15, 2016

RECOMMENDATION:

THAT Council receive this report for information.

REASON FOR REPORT:

This report provides a summary of recent Council discussions on rental and affordable housing opportunities in the District, and includes key information for the formulation of a policy framework leading to a rental and affordable housing strategy.

BACKGROUND:

Through a series of Council resolutions (June 15, 2015 and July 20, 2015) Council directed staff to prepare a Rental and Affordable Housing Green Paper to research and explore potential tools for retaining and encouraging provision of new rental and affordable housing. This important issue prompted a series of Council Committee meetings and Workshops that are summarized below.

Council Workshop	Purpose of Meeting	Key Directions for Staff
November 2, 2015	Review of Rental and Affordable Housing green paper including issues and challenges, inventory and continuum of housing in the District, cost of housing, impact of transportation burden and potential affordable housing tools.	Important issue, Council needs time to discuss. Need more information on rental and affordable housing tools, regional context and MV Housing Corporation.
December 1, 2015	Presentation by Metro Vancouver staff on the Draft Regional Affordable Housing Strategy and insights into operations of the Metro Vancouver Housing Corporation.	Need strategies to address potentially displaced tenants, and more information on potential opportunities with other partners.
December 8, 2015	Exploration of District objectives and targets in relationship to the Draft Regional Affordable Housing Strategy goals and demand estimates.	Conduct analysis of costs and implications of various rental and affordable housing tools and trade-offs.

January 25, 2016	Review results of scenario analysis including implications for rental unit counts and community amenity contributions, discuss next steps and community check-in.	Staff directed to begin check-in with key community groups and stakeholders on rental and affordable housing.
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At the upcoming meeting on February 15, 2016, staff will be seeking Council direction on the formulation of a policy framework for rental and affordable housing.

EXISTING POLICY:

Current housing directions and policies in the District's Official Community Plan (Bylaw 7900, 2011) are aimed at increasing housing choice/diversity and affordability (across the full spectrum of housing) to:

- enable people to remain in the community and to meet changing community needs;
- attract young families with affordable and appropriately sized family housing;
- locate housing closer to jobs, services and transit;
- encourage the retention of existing, and the development of new rental housing units;
- work with community partners and senior levels of government to provide for non-market housing.

The OCP also identifies a target to 2030, of a net increase in rental housing in the District. Other housing related policies include:

- Community Amenity Policy (Updated 2016)
- Accessible Design Policy for Multi-Family Residential Apartments (2015)
- Coach House amendment to the Zoning Bylaw (2014)
- Centre Implementation Plan Housing Policies (2013)
- Strata Rental Protection Corporate Policy (2013)
- Multi-Family Rental Housing Demolition Notice Bylaw (2003)
- Standard of Maintenance Bylaw (1997)
- Secondary Suites amendment to Zoning Bylaw (1997)
- Strata Rental Conversion Corporate Policy (1995)
- Housing Corporate Policy (1995)

ANALYSIS:

A. HOUSING DIVERSITY AND GROWTH IN OUR TOWN AND VILLAGE CENTRES

Almost 5 years after the OCP was approved, with the assistance of various partners, the District has made important strides towards providing greater diversity of housing choices to residents. Revitalization and mixed use redevelopment in our key town and village centres has introduced multi-family residential uses into areas that have ready access to community services, employment and transit. New apartment and townhouse dwellings are gradually offering new housing choices for first time home-buyers, young professionals and seniors.

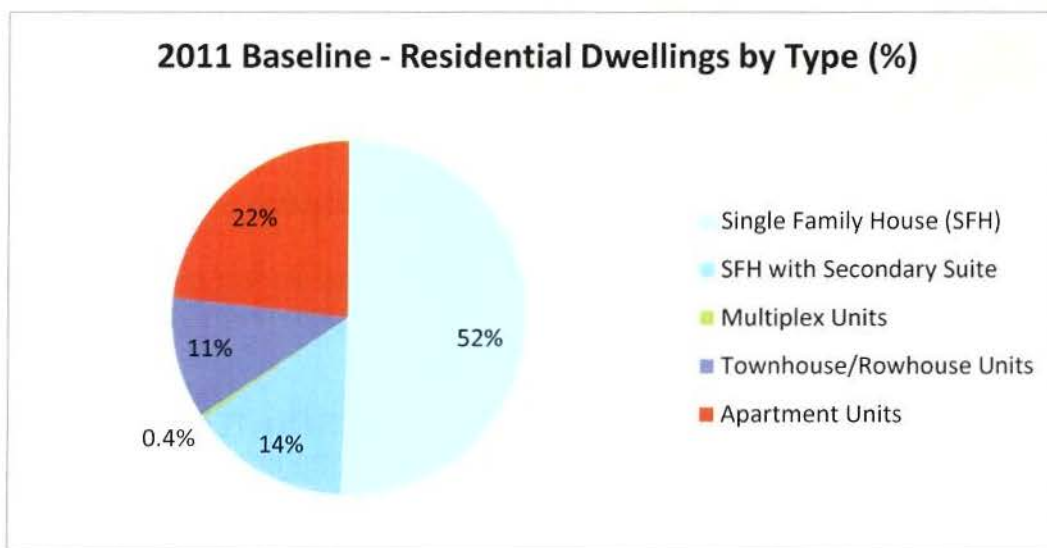


Figure 1. Housing diversity by type of residential dwelling units in the District in 2011.

Single detached dwellings were the dominant form of housing in the District in 2011. However, as the OCP directs 75 - 90% of new growth to key town and village centres, where the housing form is a mix of apartments and ground-oriented multiple-family housing, it is anticipated that these more dense forms of housing will become increasingly more important relative to a stable supply of single detached dwellings.

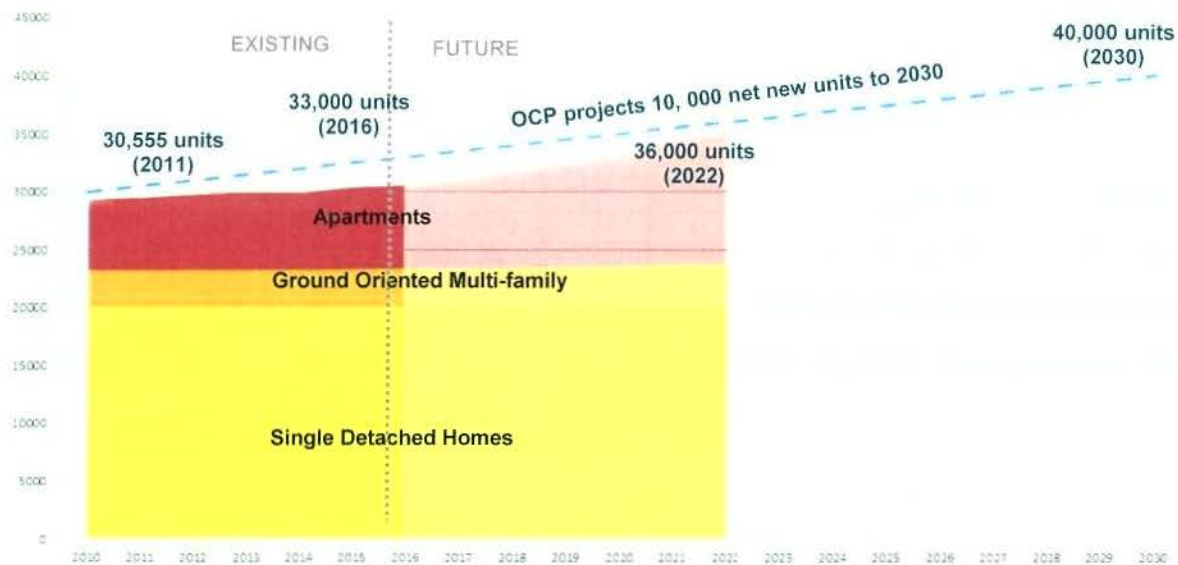


Figure 2. Projected cumulative net residential units (new and existing) by type to 2030.

As illustrated in Figure 2 above, growth in centres will lead to an increase in multi-family housing choices with apartments experiencing the largest net gain from 2011.

B. FOCUS FOR A RENTAL AND AFFORDABLE HOUSING STRATEGY

The housing needs of higher income households (right side of the housing continuum) is addressed through the market; and current senior government subsidies provide assistance to very low income households earning less \$30,000 per year (left side of the housing continuum).

However, the absence of government subsidies for households earning approximately \$30,000 to \$50,000 per year, combined with high land values and market conditions that favour strata versus rental development have contributed to a funding gap and high demand for low end market rental and market rental housing. For these reasons, low end market rental, market rental housing, and to some extent entry level home ownership, for low and low to moderate income households is proposed as the primary focus for the District's rental and affordable housing strategy/action plan. This area of focus is consistent with the focus of the Draft Metro Vancouver Regional Affordable Housing Strategy (2015).

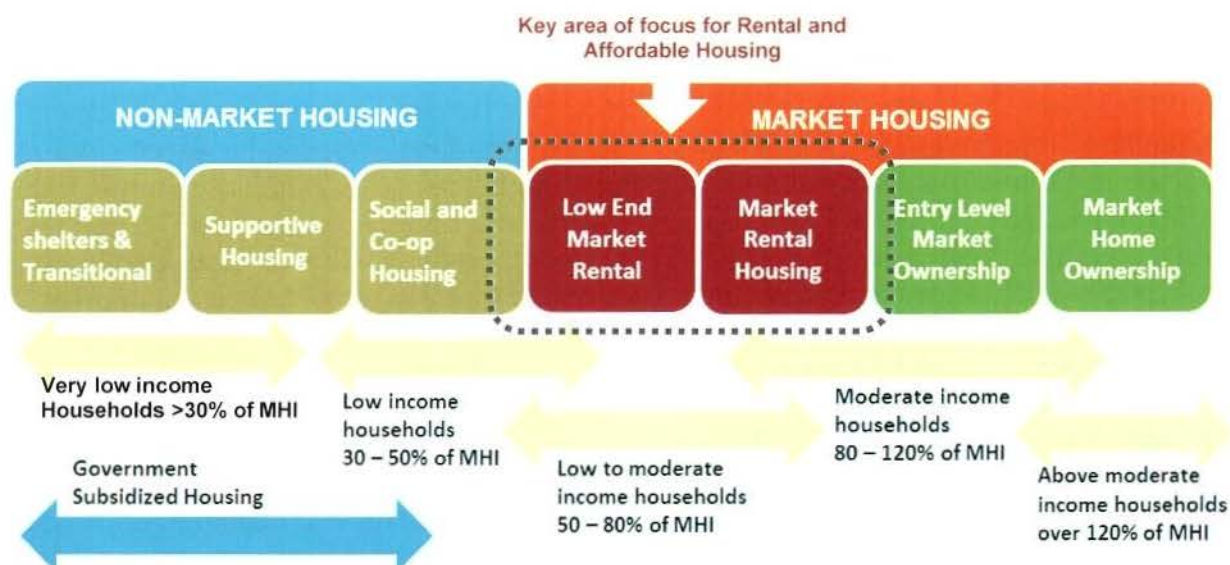


Figure 3. Housing continuum and key area of focus for rental and affordable housing

Note that this focus is not intended to replace, but to complement other District initiatives and programs in other areas of the housing continuum. For example, the District has been successful in partnering with government and non-profit agencies in the delivery of transitional and supportive housing. This work is anticipated to continue as opportunities present, and in response to demonstrated community need.

C. RETENTION OF EXISTING RENTAL AND AFFORDABLE HOUSING

Currently in the District there are an estimated 1,270 older purpose built rental units, of which approximately half are located within two centres - Lynn Valley Town Centre and Maplewood Village Centre.

Location	# of older purpose built rental units
Lynn Creek Town Centre	-
Lynn Valley Town Centre	457 units
Lions Gate Village Centre	-
Maplewood Village Centre	226 units
Edgemont Village Centre	5 units
Subtotal	688 units (54%)
Outside of Centres	582 units (46%)
TOTAL	1,270 units

The relative proportion of purpose built rental unit sizes in the District are estimated as follows:

Bachelor = 19%
1 bed = 36%
2 bed = 33%
3 bed = 12%

(Metro Vancouver Housing Data book 2015)

Table 1: Location of existing purpose built rental units in the District.

Existing purpose built market rental housing provides a key source of more affordable, larger rental housing for moderate and lower income households and families. Primarily created through Federal government housing incentives, the vast majority of the District's existing

purpose rental housing stock was constructed in the 1960s and 1970s. In the absence of municipal policies to protect the existing rental stock, many of these buildings are under development pressure given high land values and unused development capacity under existing zoning and OCP land use designations.

In addition to responding to market based housing demands, redevelopment of older rental buildings in centres may present opportunities to advance revitalization of centres, help contribute towards community amenities, including affordable housing (see Section D), and enhanced public realm (new parks and open space). As such, Council may wish to consider prioritizing maintenance, restoration and retention of existing rental outside of centres.

It is worth noting that all of the District's existing government subsidized non-profit housing units and co-operative housing units are located outside of OCP designated centres. These units play a critical role in serving the needs of low income households. An estimated 335 (31%) of these units are in buildings situated on District owned lands. With efforts in motion to help guide non-profits in planning for the future of their lands and buildings once operating agreements expire, the District may have a role to play in facilitating solutions, enabling rezoning as needed, to support retention of these affordable units.

D. OPPORTUNITIES FOR NEW AFFORDABLE AND RENTAL HOUSING

Council has a number of policy and regulatory tools to guide land use decisions and to regulate new development in a manner that meets community objectives and needs. In consideration of rezoning applications Council may also require the provision of affordable housing, where feasible.

Based on a review of development projects that have been completed, those that are under construction, and those that have been approved by Council, staff estimates the following new rental units for the District since 2011. Strata rental units are assumed to be approximately 20% of all new apartment units. Units shown in red are low end market rental units that have been established through the redevelopment.

	20% of New Strata Rental	New Purpose Built Rental	Breakdown of new Purpose Built Rental	Location of new Purpose Built Rental
Completed	141 units	226 units	GWL Northwoods Village – 80 units Cedar Springs – 136 units (+10 units)	Maplewood Village Centre Seymour/Parkgate Area
Under Construction and/or Approved	142 units	381 units	Mill House – 4 units Mountain Court – 75 units (Bosa) The Residences – 6 units Seyllyn Village – 70 units Oxford Flats – 98 units Edgemont Seniors Living – 128 units	Lynn Valley Town Centre Lynn Valley Town Centre Lynn Valley Town Centre Lynn Creek Town Centre Lynn Creek Town Centre Edgemont Village Centre
TOTAL	283 units	607 units		

Table 2: New rental units in the District since 2011.

(i) 1:1 Rental replacement

1:1 rental replacement has been considered for application by the District as a means to ensure no net loss of existing purpose built rental units. However, Council has expressed

concern that ongoing use of 1:1 rental replacement could have a significant negative impact on the funding available for community amenities. It is estimated that requiring 1:1 rental replacement for all rental units in centres, would reduce the potential CAC revenue by approximately \$38 million (in 2015\$) over the long term. Development applicants may also seek a density bonus in order to make the project finances work. It is also recognized that rental rates for new rental units are significantly higher than that for older, more affordable purpose built rental, placing this new product out of reach for many of the previous tenants. An alternative strategy for Council consideration, is to require smaller amount of affordable "like-for-like" housing units instead of 1:1 with the exact number of units to be negotiated at rezoning.

(ii) Land dedication for affordable housing

Based on the scenario analysis for Lynn Valley Town Centre, it may be possible to negotiate with development proponents of large parcels to dedicate land to the District for the provision of affordable housing. It is estimated that a 25,000sqft of land (at a density of 1.75) could generate up to 200 units in a wood-frame apartment building. This building could be built by the developer as part of the overall development project and then sold to the District, or housing agency or non-profit at cost. Obtaining affordable housing through land dedication has a substantially lower or no impact on the funds available for CACs depending on whether the affordable housing units are included in the overall project density. This approach may only work for a limited number of sites in Lynn Valley, Maplewood, Delbrook lands (pending outcome of community engagement process) and Seymour. Potential challenges for this approach include finding a partner purchase the units at costs and then operate at below market rents.

(iii) Inclusion of affordable housing units within multi-family residential buildings

Under this approach the District would require developers to construct a portion of new multi-family residential as affordable units. This approach is currently conducted on a case-by-case basis (Seylynn Village, The Residences and Mill House). Council could consider pre-zoning an area for inclusionary zoning and/or providing a targeted % of affordable rental housing. Identification of zones for this purpose upfront, could inform real estate transactions (e.g. not paying too much for land) so as to leave sufficient CAC room for affordable housing. This approach encourages integration and social inclusion of affordable units into a market housing project. Also having affordable rental units built, rather than receiving cash in lieu, places available rental replacement units on the market and available to tenants sooner. However, the distributed nature of a smaller number of units may limit the number of housing agencies and non-profits organizations that could own and manage these units efficiently.

Example in City of Richmond: In exchange for the increased density proposed as part of a rezoning application, multi-family or mixed-used developments with 80+ units must build at least 5% of total residential building area as low end market rental units (min. of 4 units).

(iv) CAC Contribution towards Affordable Housing Fund

While a limited number of larger sites may be able to provide built affordable housing units, other sites may still be able to make an important contribution to affordable housing by making a cash contribution (through CACs collected) to an Affordable Housing Fund. The value of the CAC contribution would be evaluated at rezoning. The amount of CACs dedicated to affordable housing vs. other amenities is a subject for a subsequent discussion to occur this Spring.

E. INCENTIVES TO ENCOURAGE AFFORDABLE AND RENTAL HOUSING

Besides regulatory and policy tools, local governments may also use a number of incentives to encourage provision of affordable housing. Amongst other items, the *Local Government Act* enables:

- use of zoning and regulatory mechanisms to encourage affordable housing through density bonus zoning and reduced parking regulations; and
- waiving fees and charges for specified purposes such as affordable housing.

(i) Density bonus

On a case by case basis, Council in its discretion may choose to consider a zoning bylaw amendment to enable an increase in density where the proposed development is otherwise consistent with the objectives and policies in the OCP. Some local governments have developed policy and/or identified suitable sites for density bonus to enable the development of affordable housing.

This approach could work inside key centres, but may have limited application outside of centres where increased density may not be appropriate. Council may wish to determine if density bonus should be applied only for the provision of affordable housing, and/or for rental replacement/new rental.

Example – The City of North Vancouver has adopted a Density Bonus and Community Benefits Policy as a guide for consideration of density bonuses within the framework of the OCP. This policy identifies suitable areas for density bonus, eligibility criteria (includes provision of affordable rental housing), the amount of bonus eligible and CAC.

(ii) Reduced parking requirements

Underground parking is expensive, estimated at approximately \$35,000 per stall, and where feasible reduced parking requirements can significantly lower overall project costs. This approach may work well inside key centres with ready access to services and frequent transit. Currently in Lynn Creek Town Centre and Lions Gate Village Centre (frequent transit development areas), in conjunction with transportation demand management measures, reduced parking rates up to 0.75 per unit plus visitors parking are considered for rental apartments, with potential consideration of further reductions for non-market rental housing.

Example – Heather Place in the City of Vancouver was able to achieve a parking reduction of 0.52 stalls per unit (MV Housing Corporation stats).

(iii) Waiving application fees and Development Cost Charges (DCCs)

This approach is currently applied on a case by case basis based on Council discretion. Waiving DCC fees can serve as an incentive to encourage affordable housing by helping to reduce overall project costs. Challenge for DCC waivers is that DCC rates for other projects may need to be adjusted.

Examples – DCCs waived for Heather Place in the City of Vancouver (MV Housing Corporation stats). City of North Vancouver Density Bonus policy does not waive DCCs and other applicable fees where a density bonus is applied.

(iv) Use of District Lands

The OCP enables Council to consider the use of District lands, where appropriate, to contribute towards and leverage other funding for the development of social and affordable housing. As directed by Council resolution on February 1, 2016, staff is currently exploring potential opportunities to use District lands for non-market housing.

F. MINIMIZING IMPACTS TO TENANTS

As early as 2003, Council voiced concern for potential demolition of rental multi-family residential dwelling units and the resulting negative impacts for renters struggling to find rental accommodations in a low vacancy rate climate. In an effort to ensure that multi-family tenants housing have a more adequate time to search for replacement housing, Council adopted the District's Multi-Family Rental Housing Demolition Notice Bylaw (No. 7406, 2003). This bylaw no longer has any force or effect due to changes to the *Residential Tenancy Act* in 2006, however the intent continues to be applied by policy and negotiated as part of rezoning processes. Council has also requested the provision of a Tenant Assistance Package as part of rezoning negotiations, which may include: moving cost allowance, right of first refusal in the new building, assistance with relocating, long term tenant bonus etc.

The District's Standard of Maintenance Bylaw (No. 6917, approved in 1997) applies to all residential premises that area subject to the "tenancy agreement" as defined in the *Residential Tenancy Act*, and it provides basic maintenance standards to encourage good building maintenance practices. This bylaw is enforced on a complaints basis and is sometimes used in conjunction with a remedial action order.

G. PARTNERSHIPS

Partnering with other agencies will be essential to achieving affordable housing objectives for low and low to moderate income households in the District. Furthermore, the various operational models and mandates of these agencies will impact the District's ability to leverage funding for various projects, as well as to find successful operators to manage affordable housing. Consulting with various potential partners, at this stage, could generate constructive input to inform and help shape development of a rental and affordable housing

strategy. Detailed overview of partners and their respective mandates is found under Attachments.

Conclusion and Next Steps:

Over the next few weeks, District staff will be connecting with key community groups, stakeholders, development industry, housing providers, senior government and others to explore potential ideas and solutions to inform a rental and affordable housing strategy/action plan for the District.

Following this community/stakeholder check-in, and informed by Council decisions on February 15, 2016 staff proposes to draft an outline for a rental and affordable housing strategy for Council's consideration.

Respectfully submitted,



Sarah Dal Santo
Section Manager Policy Planning

Attachment 1: Affordability for low to moderate income households

Attachment 2: Current and projected demand for rental housing

Attachment 3: Summary of rental and affordable housing tools and potential actions

Attachment 4: Overview of potential affordable housing partners

Attachment 5: A summary of Key Questions

REVIEWED WITH:		
<input type="checkbox"/> Sustainable Community Dev. _____	<input type="checkbox"/> Clerk's Office _____	External Agencies:
<input type="checkbox"/> Development Services _____	<input type="checkbox"/> Communications _____	<input type="checkbox"/> Library Board _____
<input type="checkbox"/> Utilities _____	<input type="checkbox"/> Finance _____	<input type="checkbox"/> NS Health _____
<input type="checkbox"/> Engineering Operations _____	<input type="checkbox"/> Fire Services _____	<input type="checkbox"/> RCMP _____
<input type="checkbox"/> Parks _____	<input type="checkbox"/> ITS _____	<input type="checkbox"/> NVRC _____
<input type="checkbox"/> Environment _____	<input type="checkbox"/> Solicitor _____	<input type="checkbox"/> Museum & Arch. _____
<input type="checkbox"/> Facilities _____	<input type="checkbox"/> GIS _____	<input type="checkbox"/> Other: _____
<input type="checkbox"/> Human Resources _____	<input type="checkbox"/> Real Estate _____	

AFFORDABILITY FOR LOW TO MODERATE INCOME HOUSEHOLDS

Housing is generally considered to be “affordable” when a household spends no more than 30% of their gross household income on shelter costs (rent, mortgage payments, property taxes, strata fees and heating costs). For the purposes of this rental and affordable housing discussion, housing affordability concerns are associated with low to moderate income earning households. Households with higher incomes may choose to spend more than 30% on housing and still be able to afford these expenses comfortably.

The tables below estimate affordable monthly housing costs for low to moderate income households, both renters and owners, in the District.

RENTER HOUSEHOLDS	Gross Annual Income	Affordable Monthly Housing Cost
Median Household Income (MHI) for all Renters in DNV	\$51,700	\$1,293
Low to Moderate Income Households (earning 50% - 80% of MHI)	\$25,850 - \$41,360	\$646 - \$1,034
Low Income Households (earning < 50% of MHI)	< \$25,850	< \$646

Estimated Rents (typical 2-bed unit) (Rental listings, 2015)

New purpose built market rental or strata rental unit = \$1,800

Older purpose built market rental unit = \$1,240

Secondary suite = \$1,300

Table 1. Estimated affordable monthly costs for low to moderate income households renters and owners) in the District (MHI based on 2011 Census data).

OWNER HOUSEHOLDS	Gross Annual Income	Affordable Monthly Housing Cost
Median Household Income (MHI) for all Owners in DNV	\$97,656	\$2,441
Low to Moderate Income Households (earning 50% - 80% of MHI)	\$48,828 - \$79,128	\$1,221 - \$1,992
Low Income Households (earning < 50% of MHI)	< \$48,828	< \$1,221

Estimated Mortgage *

(REBGV House Price Index, June 2015)

*Mortgage based on 10% down payment, 4% interest over 25 years

Townhouse HPI = \$650,100
Monthly mortgage = \$3,078

Apartment Price = \$370,600
Monthly mortgage = \$1,754

Table 2. Estimated affordable monthly costs for low to moderate income households owners in the District (MHI based on 2011 Census data).

Based on the above, low to moderate income renter households with an affordable monthly housing cost of \$646 – \$1,034 will experience challenges in meeting their housing needs even in older purpose built rental units. Low income renter households have an even greater funding gap for shelter.

Low to moderate income owner households may be able to afford an apartment unit, but townhouses and single detached home are out of reach for many households.

Median household income data is made available every 5 years through the Statistics Canada census. This infrequency of data creates challenges in comparing income to housing

prices (which are available monthly). In consideration of specific applications, staff could explore use of annual inflation rates to adjust income levels.

For comparison purposes staff has reviewed the CMHC Affordability Criteria for 2016. CMHC provides mortgage loan insurance flexibilities and other tools to facilitate the production of affordable housing. According to CMHC, to be considered affordable, rents for the majority of units in a housing project must be within the levels specified below.

Affordability Levels			
Percentile	Level 1 (80th)	Level 2 (65th)	Level 3 (50th)
2 bedroom unit	\$1,700	\$1,430	\$1,238

Table 4: CMHC maximum affordable rent levels for a two-bedroom unit in the Vancouver region (CMHC Affordability Criteria, 2016).

Based this information, CMHC Affordability Level 3 is approximately equivalent to the affordable monthly cost for low to moderate income households (2011 stats). Staff propose to monitor these statistics on an annual basis and find a way to synchronize the data so that we can compare incomes (perhaps using annual inflation rate increase) and rent levels in the same year.

ATTACHMENT 2

CURRENT AND PROJECTED DEMAND FOR LOW END MARKET RENTAL AND MARKET RENTAL HOUSING

The number of District households in core need (living in housing that is inadequate, unsuitable or unaffordable) and spending at least half of their households income (INALH) on housing provides an estimate of the current affordable housing demand in the District.

Households in core need and	Total Households	Renter Households	Owner Households
INALH	1,520	680	840

Table 5: Renter and owner households in core need and spending at least half of the income on housing (2001 Census data).

One other source on current demand is the BC Housing Waitlist for Social Housing. For North Vancouver (District and City) there were 606 households on the waitlist in 2015. Of these, 242 (40%) were seniors, 101 (17%) were persons with disabilities and 263 (43%) were families and other households. Regionally, the BC Housing waitlist for senior's social housing now exceeds that for family housing. In addition, the waitlist for persons with disabilities has increased substantially in the past 5 years. This information suggests that inclusion of accessible design features in rental and affordable housing is important. Metro Vancouver has provided two sets of estimates for calculating the future demand for rental and affordable housing in the District.

	Total Rental Demand	Low income Households	Low to Moderate Income Households	Moderate and Above Income Households	Calculation methodology
MV 2040: Regional Growth Strategy (2011)	1,400	500	500	400	Calculation based on municipal distribution/ share of regional rental tenure
Draft Regional Affordable Housing Strategy (2015)	700	440	120	120	Household maintainer rates used to consider local housing market conditions

Table 5: Metro Vancouver 10 year future demand estimates for rental and affordable housing in the District.

Using these metrics as a guide, and given the need to address current affordable housing needs, Council may wish to consider aiming for rental and affordable housing within the range of these two metrics.

SUMMARY OF RENTAL AND AFFORDABLE HOUSING TOOLS AND POTENTIAL ACTIONS

(from Rental and Affordable Housing Green Paper, November 2, 2015).

Encourage maintenance of existing older, affordable housing stock (rental and ownership)

- Tools already in use:**
- Strata Rental Conversion Policy
 - Standards of Maintenance Bylaw

- Additional tools/actions or changes for consideration:**
- Update Standards of Maintenance Bylaw to improve effectiveness
 - Policy to encourage preservation and maintenance of existing purpose built rental and older fractional strata residential outside of centres (i.e. discourage redevelopment of existing rental and strata outside of centres)
 - Consider establishment of a District of North Vancouver Housing Corporation to acquire, manage and operate multi-family rental property.

Replace existing rental stock (that has reached the end of its useful life)

- Tools already in use:**
- Density bonus (applied on a case-by-case basis)
 - 1:1 rental replacement
 - Community contribution towards an Affordable Housing Fund
 - Reduced Parking Policy

- Additional tools/actions or changes for consideration:**
- Policy to provide a consistent approach to density bonus zoning and to identify potential sites
 - Consider replacing 1:1 rental replacement requirement with fewer, but more affordable housing
 - Revise/update Housing Policy to specify how much to be collected/when and how the funds are to be used
 - Consider phasing development to replace existing rental (e.g. inside centres first priority)

Minimize impacts to potentially displaced tenants

- Tools already in use:**
- Tenant assistance/relocation strategy (applied on a case-by-case basis)
 - Multi-Family Rental Housing Demolition Notice Bylaw

- Additional tools/actions or changes for consideration:**
- Rent Bank (one time interest free loan to low income households)

Encourage opportunities for new market rental housing

- Tools already in use:**
- Permit secondary suites and coach houses
 - Enable lock/off flex units
 - Strata Rental Protection Policy
 - Reduced Parking Policy
 - Density Bonus (applied on ad hoc basis)

- Additional tools/actions or changes for consideration:**
- Consider priority processing of applications with new market rental housing
 - Policy to provide a consistent approach to density bonus zoning and to identify potential sites

Encourage opportunities for new affordable rental

Tools already in use:

- Density Bonus (applied on ad hoc basis)
- Reduced Parking Policy
- DCC exemption
- Leverage District owned lands to deliver affordable housing
- Facilitate partnerships with other levels of government and non-profits

Additional tools/actions or changes for consideration:

- Consider developing an Inclusionary Zoning Policy to require a portion of new residential development to include affordable housing
- Policy to provide a consistent approach to density bonus zoning and to identify potential sites
- Where development of affordable housing is not feasible, collect a contribution towards Affordable Housing Fund (policy to be revised)
- Identify potential District owned sites for potential affordable housing use
- Consider establishment of a District of North Vancouver Housing Corporation to acquire, manage and operate affordable multi-family residential property
- Consider temporary property tax exemptions for new affordable housing
- Consider compilation of an affordable housing developer package (resource information on tools, programs, community partners etc.)

Encourage opportunities for new affordable market ownership housing

Tools already in use:

- Enable consideration of smaller units
- Enable consideration of innovative and flexible forms of housing
- Reduced Parking Policy
- Small lot infill housing

Additional tools/actions or changes for consideration:

- Identify opportunities (e.g. near schools and transit) to add more affordable ground oriented housing
- Consider a policy to set sale/resale restrictions (e.g. 80% below market) for new affordable ownership

Continue to support housing diversity and growth in our town and village centres

Tools already in use:

- OCP network of centres and housing policies
- Centre Implementation plans

Additional tools/actions or changes for consideration:

- Continue to encourage housing initiatives that support OCP objectives and provide housing choices close to transit, employment and community services

OVERVIEW OF POTENTIAL AFFORDABLE HOUSING PARTNERS

(i) Federal Government

Early indications based on “Real Change: Affordable Housing for Canadians” suggests that the newly elected Federal government will be taking steps to support affordable and rental housing in the following ways:

- investing in social infrastructure, including affordable housing and seniors facilities (helping to build more housing units, refurbish existing ones, renew current co-operative agreements, and provide operational funding support for municipalities);
- increasing the new residential rental property rebate on the GST to 100 percent, eliminating all GST on new capital investments in affordable rental housing; and
- directing the Canada Mortgage and Housing Corporation and the new Canada Infrastructure Bank to provide financing to support construction by the private sector, social enterprises, co-ops, and the not-for-profit sector of new, affordable rental housing for middle and low-income Canadians.

The District is seeking to have identified affordable housing projects at the ready so we can take advantage of Federal funding as it becomes available.

(ii) Provincial Government

The Province of BC has established a Housing Corporation “BC Housing” that works in partnership with other levels of government, community and private partners to provide housing for those in greatest need. BC Housing programs provide rental assistance, facilitate development of new affordable housing for low income families, and emergency and subsidized housing for low income families and the disabled. Through the Provincial Homelessness Initiative, BC Housing also facilitates the development of housing with integrated support services to help vulnerable families and individuals who are homeless or at risk of homelessness. BC Housing is open to partnering with local governments, developers and non-profit agencies, and as a CMHC recognized lending agency, BC Housing can provide construction financing, but will also buy units for mortgaging by another agency.

(iii) MV Housing Corporation

The Metro Vancouver Housing Corporation derives 88% of its funding from tenant rents, laundry and parking, and the remainder from BC Housing subsidy and CMHC mortgage interest subsidy. The Corporation currently owns 49 sites around the region with 3,500 units of which 33% are subsidized based on a mixed income model of market and subsidized units. The ratio of market units depends on the required level of subsidy needed for below market rental units.

(iv) Developers

The development community has a key role to play in supporting municipal objectives for rental and affordable housing through land development, community amenity contributions, addressing needs of tenants, and in creating innovative ideas to advance affordable housing.

(v) Non-profit agencies

There are a number of non-profit agencies in the District who may be interested in administering/operating the affordable rental units, however many may lack the available funds to buy or mortgage affordable rental housing units, or to pay for necessary maintenance and repairs. One potential way to gauge eligible agencies and demand for affordable housing may be to issue an expression of interest for the administration and management of affordable housing.

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