City of Maple Ridge

TO:	Her Worship Mayor Nicole Read and Members of Council	MEETING DATE:	February 6, 2018
FROM:	Chief Administrative Officer	MEETING:	Council Workshop
SUBJECT:	**Rental Housing Program: Rental Options for New Development**		

EXECUTIVE SUMMARY:

Existing City policy encourages the voluntary provision of rental housing, through which 604 secured rental units have been proposed through recent commercial, market condominium or purpose-built rental projects. These rental housing units would represent approximately 23% of the total number of dwelling units being proposed through new development. Building from this success to-date, and in pursuit of Council direction to identify options to encourage greater rental housing opportunities in the City, staff and a consultant have prepared an overview of additional options available to the City related to rental housing.

CitySpaces Consulting, the consultant involved with the development of the City's Housing Action Plan, was re-engaged to provide an overview of municipal best practice regarding rental policy and regulatory options from around the Metro and Fraser Valley regions (Appendix A). While many municipalities rely on policy and some utilise zoning tools, municipalities such as the Cities of North Vancouver, Richmond and New Westminster have developed programs that make clear their respective interests in securing rental units and/or cash in-lieu contributions through new development. Additionally, in the City of Chilliwack, a non-profit Housing Hub represents an example of a non-governmental approach towards addressing the rental housing needs in their community.

The policy and regulatory options presented in this report and its attachment are being presented to inform Council's deliberation on how to address the matter of securing rental units at the time of development. In doing so, staff is recommending two options that would augment the City's existing voluntary approach, both of which would necessitate follow up reports be brought forward to outline the necessary policy and/or regulatory amendments, if approved. Alternatively, Council may prefer to establish a new Community Amenity Contribution (CAC), by increasing the existing CAC contribution rates, which would be targeted towards affordable, rental and special needs housing.

RECOMMENDATION:

1) **That, as a component of developing a Rental Housing Program, staff bring forward reports outlining:**

   a) **A Density Bonus approach that would optionally require, in exchange for bonus density, the provision of secured rental units, secured affordable rental units, and/or a cash-in-lieu contribution;**

   b) **A Community Amenity Contribution (CAC) approach that would maintain existing CAC contribution rates, but allocate 20% of all CAC funds received towards affordable housing.**

BACKGROUND:

On September 14, 2015 Council endorsed the Housing Action Plan (HAP) Implementation Framework. The HAP Implementation Framework builds from the key strategies recommended in the Housing Action Plan. Strategy Four of the HAP is to Create New Rental Housing Opportunities.

On August 29, 2016, during a follow-up Workshop discussion related to the prioritisation of the list of available regulatory and infill measures to facilitate the development of greater rental opportunities in the City, Council directed staff to prepare a detailed report and amending bylaw package for the following actions:

1. Review and expand the Secondary Suites Program;
2. Review and expand the Detached Garden Suites Program;
3. Permit duplexes in Single Family zones without rezoning, on minimum, lot sizes of 557 m^2 in the town Centre and 750 m^2 within the Urban Area Boundary; and
4. Develop a policy to support rental units above commercial.

On October 24, 2016, Council directed staff to prepare reports on the following incentives for rental housing:

1. Fast Tracking Applications
2. Reduce/Waive Development Cost Charges
3. Reduce/Waive Rezoning, Development Permit and Building Permit Fees
4. Payment of Fees for Legal Documents
5. Detached Garden Suites Pilot Project

On September 19, 2017, Council directed staff to initiate a community engagement process to gain feedback on a number of possible options to expand the City's Secondary Suites program as part of the City's effort to encourage greater rental opportunities in the City, and to report back the results for next step directions.

On October 3, 2017, in a further effort to foster more rental housing, Council endorsed a community engagement process to review possible opportunities to expand the City's exiting Detached Garden Suite program and to report back outcomes for further direction.

On December 12, following a discussion related to Community Amenity Contribution and affordable housing, Council expressed interest in receiving a report outlining options to facilitate the development of rental housing in the Maple Ridge.

DISCUSSION:

Based on Council's direction stemming from their August 29, 2016 workshop meeting, staff's original focus was the creation of rental housing opportunities above commercial uses. Council has subsequently been addressing this specific interest as individual applications come forth, each on a case by case basis.

To date, Council has required residential units above some commercial developments, including Silver Valley Road and 232 Avenue, and 240 Street and 112 Avenue; however, Council has waived this requirement for other commercial developments, including the medical building/Doctors office on Lougheed Highway, just east of 216 Street, and the two commercial developments located at 11951 240 Street (Tim Hortons) and 11939 240 Street.

In addition, through ongoing Council conversations, the interest in rental housing has broadened beyond commercial developments to include other forms of development, notably multi-family residential projects. Council specifically raised questions about pursing cash in-lieu of the direct provision of rental units through the evaluation of the rezoning at 22638 119 Avenue and 22633 Selkirk Avenue.

Given the evolution of the conversation on rental housing, and in response to Council's 2016 and more recent December 2017 discussions that expressed an interest in examining opportunities to gain more rental housing stock, staff widened the focus of their original assessment. Staff also sought additional insights from a consultant, CitySpaces Consulting, given their familiarity with the City's and other municipal Housing Action Plans. This report and the attached consultant research brief examines the City's existing practices to encourage rental housing through development in light of best practices identified from across the Metro and Fraser Valley regions. The report further outlines for Council a number of possible options and considerations for facilitating the delivery of rental housing through both development, be it rental over commercial or market rental through residential projects.

This staff report is the third report coming forward in response to Council's interest in creating more rental opportunities in the City, and relates to the parallel discussion held by Council regarding the use of Community Amenity Contributions to address housing affordability, in part. Separate and future reports are anticipated in early 2018, including an assessment of the possible financial incentive opportunities that may be considered towards incentivising the development of rental housing in the City. The overall intent of this and the reports to come will be to help establish the framework for a potential Rental Housing Program in Maple Ridge.

a) Existing Rental Housing Policies

From a review of our surrounding communities in the Metro and Fraser Valley regions, and from the research undertaken by the consultant, municipalities generally appear to favour policy and zoning measures to influence the delivery of affordable housing. Typical measures include:

- Official Community Plan and Area Plan policies encouraging the provision of housing choice;
- Permitting secondary suites or detached suites (a.k.a. garden suites) in single family zones;
- Density bonus provisions for affordable housing;
- The permitting of infill housing forms (e.g. triplex, fourplex, smaller lots, etc.) in certain single family zones;
- The requirement and use of Housing Agreements to secure affordable housing.

While the City utilises many of the above tools, our approach is fundamentally policy based (as opposed to reliant on zoning) and is voluntary. Through the City's Official Community Plan, rental housing is encouraged:

- *Policy 3 – 31:* Maple Ridge supports the provision of rental accommodation and encourages the construction of rental units that vary in size and number of bedrooms.
- *Policy 3 – 32:* Maple Ridge supports the provision of affordable, rental and special needs housing throughout the City. Where appropriate, the provision of affordable, rental, and special needs housing will be a component of area plans.

Consistent with the above direction, the City's Housing Action Plan establishes as a key strategy the creation of new rental housing opportunities. As a short term action item, the endorsed 2015 implementation plan suggests the widening of the City's residential-over-commercial zoning regulations to include more zones, zones that apply to areas of density transition, as well as the potential use of density bonuses, and other incentives to foster greater rental housing in the City.

b) Rental Market Snapshot

According to CMHC's 2016 Rental Market Report, the regional rental market remained tight in 2016. Strong demand for rental units in the Metro Region outpaced new additions to the supply. Such pressures caused vacancy rates to decrease while rents continued to rise in 2016. Across the region, the overall vacancy rate declined to 0.7 per cent from 0.8 per cent in 2015. In the Ridge Meadows sub-region, a more significant decline was observed with vacancy rates falling from 1.6 in 2015 to 0.5 in 2016. In terms of rents, regionally rents increased by about 6%, resulting in an average of about $1,200. For our more local sub-region, average rents were seen to be about $864.

Breaking this data down further by structure type, the CMHC average rent data for Maple Ridge largely focused on private apartment units. In the Ridge Meadows sub-region, there were 1,566 apartment units with the average rents being about $837 in 2016. For comparison purposes, staff examined how local rents might have changed over the past year by undertaking an assessment of rental listings in Maple Ridge for the period of October 1st to the 31st, 2017. From the assessment, staff identified that the average rents for an apartment in Maple Ridge as of October 2017 were roughly $1,100. As with the CMHC 2016 data, there were few 3+ bedroom apartment rental listings.

c) Rental Units in Stream

Looking forward, staff also examined the future supply of new rental units that are anticipated through our development process. As of October 2017, there are currently 604 rental units being proposed through current development applications across the City, with the majority proposed in the Town Centre.

By comparison, for the same moment in time there were currently about 2,060 units/lots (non-rental) being proposed across the City. With that, it appears that about 23% of all units currently being proposed could be rental, pending final reading.

Looking more closely at the 604 rental units that are currently proposed through new development:

- 66% (397) of the rental units are derived from 3 proposed purpose-built rental buildings;
- 34% (207) of the rental units are secured market rental units that are either proposed above commercial uses in various projects throughout the City or form part of a larger market condo project;
- 70% (424) of all of the proposed rental units are intended to be in the Town Centre, with the remaining projects intended for the Port Haney, Silver Valley, or Albion neighbourhoods.

d) Municipal Comparison and Rental Housing Options

Specific to rental housing, the attached CitySpaces Consulting report (Appendix A) takes a closer look at a number of surrounding and wider Metro municipalities, highlighting the best practices undertaken towards encouraging and/or requiring the provision of rental units through new development.

From the research, three possible options have emerged for addressing the delivery of rental housing in the City:

1. **Retain the Existing Status Quo:**

   Going forward, this option would see the City maintain is current use of policy to encourage the *voluntary* inclusion of rental housing as a part of either a commercial or residential development proposal. This option alone is not recommended, but such policies could be augmented as discussed below, in order to expand the City's ability to deliver rental housing.

2. **Require Rental Housing through a Density Bonus:**

   Consistent with the approaches undertaken by the Cities of North Vancouver and Richmond, this option would see City policy and zoning be amended to outline a set of density bonus regulations that would *optionally require* the provision of rental housing at the time of development, only if the developer chose to pursue the available bonused density. That is, density bonus programs are optional in nature, and as illustrated below, such amenity zoning would set out both a fixed base level of density available outright to all development and an optional maximum permissible density that could be achieved should the applicant wish to provide rental housing as an amenity contribution.

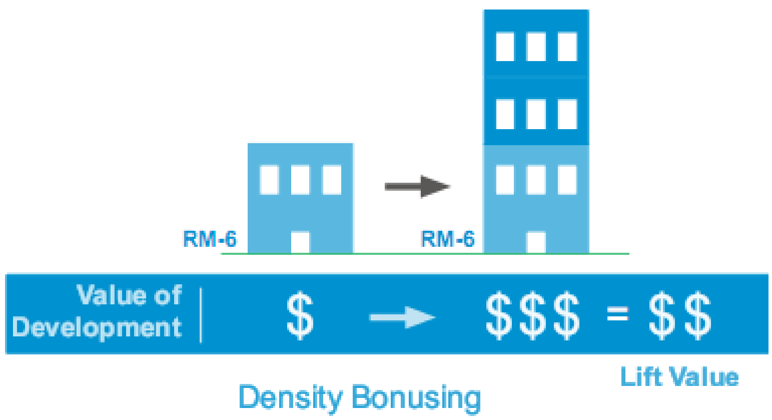

Figure 1: Illustration of Base Density (Light Blue) and Bonus Density (Dark Blue) as part of a Density Bonus Program

From the Consultant's report, such bonus density rental requirements could be tiered depending on the type of rental unit prioritised by the City. For example, for market condominiums or low-end of market projects (as defined in the Consultant's report), policy/zoning could require that 10% of the total proposed number of units be secured as rental, in exchange for the bonus density. Similarly, should non-market units be prioritised, the secured rental requirement could be lowered to 5% of the total proposed number of rental units, in light of the increased cost to provide such units.

Such a density bonus approach could exist in parallel with the City's existing policies that encourage the voluntary inclusion of rental housing as part of a proposed development. Further, and consistent with Council's October 24, 2016 direction, any rental requirements premised under a density bonus framework could include additional incentives that may further encourage the provision of rental units. As noted in the October 2016 Council discussion, such incentives may include: the covering of legal fees involved in registering Housing Agreements; reducing rezoning, development permit and/or building permit fees; fast tracking applications; and/or reducing development cost charges. From their research, the Consultant has proposed that should Council opt for this direction, that similar to the City of New Westminster such incentives be offered to help facilitate both increased levels of affordability and the long-term preservation of such rental units, with a focus on secured terms of at least 60 years (or life of building whichever is greater).

As outlined in the two municipal examples of the City of North Vancouver and City of Richmond, such a density bonus approach could be further detailed by also outlining requirements that of the secured rental units provided, that a number also be tailored towards families by ensuring that a certain percentage of such units are three-bedrooms.

Should Council opt for this approach, management of any directly provided rental options would require further direction (see below section Management of Rental Housing). However, it is worth noting that under such an approach, cash-in-lieu of the direct provision of rental units could still be a choice for future applicants. As in the case of the City of Richmond, a cash in-lieu contribution may be provided where the small size of a residential project makes the provision of rental units unfeasible, or where the project is a commercial development.

Based on the above, staff recommends preparing a report to further explore this option, including identifying any implications to existing land economics and the City's zoning bylaw.

3. Require an Affordable Housing Community Amenity Contribution

The City currently requires the provision of a Community Amenity Contribution (CAC) at the time of any rezoning, which may be applied at Council's discretion towards the delivery of future affordable, rental and special needs housing under the City's CAC Legislative Policy 6.31. To provide greater clarity, this approach would necessitate that the existing CAC policy be amended to identify the preferred allocation of all CAC funds received that should be directed specifically towards the creation of affordable housing in the community. As Council may recall from its recent December 12, 2017 CAC discussion, such an approach could take two forms:

i) Council could opt to allocate at least 20% - or as Council may otherwise direct – of all City-Wide CACs collected directly towards the creation of new affordable housing; or

ii) Council could increase current CAC contribution rates, which would effectively create a new affordable housing CAC, over and above the CAC rates required across the City. This approach could be in-lieu of any encouragement or requirement to provide rental units.

As noted in the December 2017 Council discussion, staff acknowledges that the City's Development Liaison Committee did not support an increase to our CAC contribution rates, suggesting that it was too soon as the CAC program was only introduced in 2016. With that, and in reflection of Council's recent discussion, staff recommends preparing amendments to Council's Policy 6.31 to outline that a minimum of 20% of all City-Wide CAC's collected be directly reserved for investments in affordable housing.

In addition to the policy amendments, staff from the Planning and Finance Departments is also recommending that an amendment bylaw to the City's existing Reserve Fund be prepared for Council's approval.

Key to this cash contribution discussion is the valuation of such cash contributions in comparison with directly provided rental/affordable housing units. A more detailed discussion on this latter point is provided below.

e) Management of Rental Housing

As outlined in more detail in the attached CitySpaces report, the experiences from Richmond and Chilliwack's Housing Hub concept demonstrates that the non-profit sector is increasingly willing to partner with the development community to administer and monitor rental units once created. As also evidenced by the Richmond example, the City can play a role in facilitating such arrangements through the establishment of a list of possible non-profit housing societies interested in managing market and/or non-market rental housing components proposed through development. A recent delegation by the YWCA indicated an interest in participating in such a program.

f) Direct Provision of Rental Units vs. Cash In-lieu

Throughout 2017, during the review and consideration of various development applications, Council has debated the merit of seeking the direct provision of rental units vs. accepting cash in-lieu as part of either a mixed-use commercial or larger residential condo project.

From the consultant report, it is noted that some municipalities like North Vancouver and Richmond require the direct provision of secured rental units while New Westminster considers a voluntary cash in-lieu alternative to the direct provision of rental units.

The evaluation of either seeking a direct provision of rental units and/or accepting a cash in-lieu alternative depends greatly on the valuation of either the units provided or the cash contribution rate. For clarity, the term "value" was examined by staff, in working with Rollo + Associates, through three separate analyses: the construction value required to build one rental unit; the revenue value expected from one rental units; and the sales value of one rental unit. Combined, these assessments identified that the typical value of a market condo in Maple Ridge is about $250,000 - $300,000.

Such an achieved value under the direct provision approach would conceivably be challenging to replicate under a strictly cash in-lieu option, especially if a development proposal had the potential to contribute multiple rental units. However, it may be more equitable to conceive the value of a cash in-lieu contribution as not being 100% equivalent to that of a unit gained through the direct provision approach. Rather, a cash in-lieu option may be more likely to generate 20-25% of the estimated value of a rental unit, which may be reflective of the typical partnership arrangements (i.e. with other levels of governments, developers, non-profit groups, etc.) that are often entered into to build a purpose-built affordable housing/rental project.

ALTERNATIVE RECOMMENDATION:

Noting the success of the City's existing policies that encourage the voluntary delivery of rental units through development, staff has put forth two recommendations that could augment our policy base, towards directing density bonus incentives along with a specific percentage of CAC amenity funding to help foster greater rental housing opportunities in the City. Acknowledging that CAC's are a requirement of any rezoning, staff note that the proposed density bonus approach would be optional. With that, staff raises for Council an alternative approach to recommendation 1(b) above that would establish a clear requirement for development to address the matter of rental housing:

1. b) That, in lieu of the direct provision of rental units at the time of development, staff be directed to report back on an appropriate increase to the existing Community Amenity Contribution (CAC) rates in order to create a new Affordable, Rental and Special Needs Housing CAC.

CONCLUSION:

Rental housing is a key policy interest, as set out in the Official Community Plan and the City's Housing Action Plan. Building from the success the City has had to-date in encouraging the voluntary provision of rental housing through new development; the attached CitySpaces Consulting report identifies a number of possible approaches to further advance rental housing opportunities in Maple

Ridge. From this work, and past discussions with Council and development industry representatives, this report recommends two options to augment our existing voluntary policy approach; namely, the development of new zoning that offers bonus density in exchange for the provision of secured rental housing; and the use of the City's existing CAC program to clarify and direct that 20% of all contribution rates received be allocated towards future affordable housing. Alternatively, Council may prefer to increase the existing CAC contribution rates, effectively creating a new CAC over and above the current CAC rates required across the City, to be applied towards Affordable, Rental and Special Needs Housing.

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Attachment: CitySpaces Consulting, Research Brief - Housing Action Plan Implementation: Residential Unit Requirements, Jan. 31, 2018.

APPENDIX A

RESEARCH BRIEF

Housing Action Plan Implementation: Residential Unit Requirements

Prepared for the City of Maple Ridge | January 31st, 2018

CITY SPACES

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Introduction

The City of Maple Ridge prepared its second Housing Action Plan in 2014. The Plan outlines priority issues including the need for market rental housing, recognizing that the existing rental housing stock in Maple Ridge is aging and the demand for rental housing is increasing. The Plan's Strategy #4 to *Create New Rental Housing Opportunities* suggests that the City could secure market rental housing through providing incentives, including in new mixed-use commercial development projects with rental units above commercial floors.

The City has made progress since adopting the Housing Action Plan, including securing rental housing units:

- As of October 2017, there were 669 proposed rental units across the entire City of Maple Ridge. The majority of which (489 or 73%) are located within the Town Centre, and the other (180 or 27%) are located outside the Town Centre.

- As of October 2017, there were 2,060 market condominiums proposed for the entire City of Maple Ridge. Combined with rental units, there are a total of 2,729 multi-family units being proposed for the City.

The market response to develop more rental housing units is directly responding to the housing need in Maple Ridge, as well as the overarching rental housing policy established by the City through its Housing Action Plan. Still, the policy is broad in its description and does not outline a minimum requirement for rental units within new residential development projects. While it allows for development flexibility, the absence of a minimum requirement can result in missed opportunities to secure rental housing, including rental housing that is more affordable to low and moderate income earners.

In addition, since the endorsed Housing Action Plan in 2015, there have been considerable changes to the market and, on the whole, there are more pressures and demand for rental housing, including market rental and affordable rental units. This is being observed throughout the Metro Vancouver region, as described in the regional context section of this report, which is affecting the availability and affordability of the rental housing supply in Maple Ridge.

In August 2016, City staff were directed to explore the opportunities to include rental housing units over commercial spaces. This research brief examines the broader perspective of securing rental units through all forms of development, specifically how a select number of other municipalities in the region are securing rental housing units in new development projects, with considerations for potential application in the City of Maple Ridge. This research is an initial first step and it is anticipated that follow-up research will be undertaken following Council's direction on next steps.

Regional Context

Regional Housing Pressures

The 2016 census reported the Metro Vancouver region as having a population of over 2.4 million people, a 6.5% increase since the 2011 census[1]. Metro Vancouver's member municipalities that have experienced the most significant population growth increases are outside Metro Vancouver's core, including Maple Ridge (+8.2%), Surrey (+10.6%) and the Township of Langley (+12.6%)[1]. The population increases for these municipalities can be attributed to many factors, including migration from other areas of the province, the country, internationally as well as intra-regional migration.

The increased population growth for communities like Maple Ridge generates pressure on the local housing stock, including homeownership, market rental and non-market housing tenures. The median resale housing price in the region for a detached dwelling is $1.4 million[2]. With fewer households able to enter the homeownership market, the rental housing supply experiences added pressure. The region's overall vacancy rate is 0.7%, with the average rent for all unit types at $1,223[3]. The most significant increase in rental households is within the age cohort between 25 and 29[1], who are spending more time in school and postponing "family formation" given the high cost of housing and living. The supply and demand dynamics of the region have placed upward pressures on the cost of rent in the region.

- **Market rental:** Means market rental units delivered by the private market with rents determined at fair market value. This includes purpose-built rental housing as well as rental housing delivered through the secondary rental market such as secondary suites, rental condominium units, or other investor-owned houses/units.
- **Low-end market rental:** Means rental units provided at slightly lower rental rates than the average market rental prices. Typically, low end market rental is provided at 10% below CMHC average market rents for the area and households are not eligible for subsidized non-market housing.
- **Non-market rental:** Means affordable housing that is owned or subsidized by government, a non-profit society, or a housing co-

The real estate market has responded to the surge of rental housing demand, and starts for purpose-built rental units in the region have reached record highs[3]. While there is movement to create new rental units throughout the region, the region is dredging out of a rental housing supply deficit from the lack of rental housing construction in the past three decades. And, while new market rental units are targeting moderate income earning households in the region, the average rents for these new units remain largely unaffordable for low-income households and vulnerable populations. Over 43%

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[1] *Statistics Canada, 2016 Census*

[2] *Greater Vancouver Real Estate Board, December 2016 Market Highlight Report*

[3] CMHC Market Rental Report, 2016

of renters in the Metro Vancouver region pay greater than 30% or more of their gross income on housing costs[1,4].

Metro Vancouver Regional Affordable Housing Strategy

In response to the regional growth pressures and housing affordability issues, and to advance its' complete community goals of *Metro 2040 Strategy*, Metro Vancouver prepared an update to its' *Regional Affordable Housing Strategy* in 2016. A strong focus of the strategy was on encouraging and facilitating the development of rental housing throughout the region, outlining specific actions for the region as well as other jurisdictions, including member municipalities. Specific strategies include:

- Expand the supply of rental housing, including new purpose-built market rental housing.
- Facilitate new rental housing supply that is affordable for very low and low income households, as well as facilitate non-profit and co-operative housing providers to create new mixed-income housing through redevelopment or other means.
- Increase the rental housing supply along the Frequent Transit Network (FTN), including to plan for transit station areas, stop areas and corridors to include rental housing affordable for a range of income levels; as well as encourage mixed-income rental housing near the FTN.

The Metro Vancouver Regional Affordable Housing Strategy outlines specific considerations for municipalities to implement the above strategies through local plans, policies and programs, as follows:

Table 1: Regional Affordable Housing Strategy - Excerpts for Municipal Considerations

2.f. Offer incentives and using tools that will help make development of new purpose-built market rental housing nancially viable (i.e. parking reductions, fee waivers, increased density, and fast- tracking) as needed.	3.n. Offer incentives to non-profits and cooperatives for proposed new mixed income housing (i.e. parking reductions, fee waivers, increased density, and fast-tracking) to assist in making these housing options financially viable.
2.g. Offer incentives and using tools to preserve and sustain existing purpose-built market rental housing (i.e. reduced parking, increased density for infill development, transfer of density, one for one replacement policies, standards of maintenance bylaws) as needed.	3.o. Clearly state expectations and policies for development of new non-profit rental and co-operative housing.

[4] *Andy Yan, 2017*

2.h. Facilitate non-profit housing organizations to purchase existing rental buildings for conversation to non-profit operation.	3.p. Ensure a portion of amenity contributions or payments in lieu are allocated for housing affordable to low and moderate income households.
2.i. Supporting efforts to reduce rental operating costs by improving energy performance of purpose-built rental buildings through the use of energy efficiency incentives offered by Fortis and BC Hydro, such as energy advisors, energy audits, demonstration projects, etc. 2.j. Establish bedroom mix objectives to accommodate families in new condominiums and purpose built rental housing.	3. q. Allocate housing reserve fund monies to affordable housing projects based on clearly articulated and communicated policies. 3. r. Work with non-profit co-operative housing providers to address issues related to expiring operating agreements, including renegotiating or renewing municipal land leases, if applicable, with suitable provisions for affordable housing, facilitating redevelopment at higher density, and/or other measures, as appropriate.
2.k. Provide clear expectations and policies for increasing and retaining the purpose-built market rental housing supply.	4. g. Establish transit-oriented inclusionary housing targets for purpose built rental and for housing affordable to very low to low income households within 800 metres of new or existing rapid transit stations and 400 metres of frequent bus corridors that are anticipated to accommodate enhanced residential growth.
2.l. Require tenant relocation plans as a condition of approving the redevelopment of existing rental housing.	4.h. Provide incentives for new purpose-built rental housing and mixed-income housing located in transit-oriented locations to enable these developments to achieve financial viability, as warranted.
2.m. Ensure that developers notify tenants impacted by redevelopment of their rights under *the Residential Tenancy Act*.	

Metro Vancouver Housing Corporation

The Metro Vancouver Housing Corporation (MVHC) is a non-profit organization that provides affordable housing for low and moderate income households. The MVHC owns and operates 50 sites with market and subsidized rental housing for more than 10,000 people in the region, including the Fraserwood Apartment building located at 22450 121st Avenue in Maple Ridge[5].

The Regional Affordable Housing Strategy outlines specific actions for the MVHC to address regional housing issues. Specifically:

- Work with municipal partners to identify suitable MVHC sites for redevelopment at higher density to increase the supply of mixed-income non-profit rental housing, providing that adequate municipal incentives and / or other funding is available.
- Explore the sale of surplus or under-utilized MVHC sites with proceeds reinvested into other sites that offer greater opportunity to supply more affordable housing units.
- Explore with municipalities opportunities on municipal sites for expanding the supply of mixed-income non-profit rental housing.
- Consider management of affordable rental units obtained by municipalities through inclusionary housing policies, provided the units can be managed by MVHC on a cost-effective basis.
- Create a tenancy management package providing MVHC estimated fees for services to manage, on a cost recovery basis, various aspects of affordable housing units obtained through municipal policies.
- Explore making available for relocating tenants of redeveloping non-profit and purpose-built market rental projects rental housing from within MVHC's existing portfolio of market rental units.

The MVHC has continued to move forward on acquiring more units within their portfolio since the adoption of the Regional Affordable Housing Strategy, through a combination of new-build projects, redevelopment of existing sites, and acquiring units generated through municipal policies such as inclusionary zoning.

One notable MVHC housing redevelopment currently underway is the Heather Place Redevelopment in Vancouver. This redevelopment will replace the existing 86-unit townhouse complex with 230 purpose-built rental apartments consisting of one, two and three bedroom units. As part of the terms established at rezoning, the MVHC and the City of Vancouver entered into a Housing Agreement in the form of a Building Use Covenant that requires 23% of future tenants to have rent-geared-to-income (RGI) under the MVHC's existing program, while an additional 11.5% will be rented at rates where the maximum occupancy charges are affordable to households with an income at or below BC Housing's Housing Income Limits (HILs). Essentially, the future rents of 34.5% of Heather Place tenants will be calculated at 30% of their gross income, HILs, or less.

[5] *Affordable Rental Housing Guide, Metro Vancouver, 2016*

Actively engaged in building their portfolio, there are opportunities for MVHC to work with municipalities, like Maple Ridge, to invest, develop, redevelop, or acquire units through private market development projects and public sector partnerships.

Comparable Municipalities

A select number of member municipalities have updated their Housing Action Plans since the adoption of the Metro Vancouver Regional Affordable Housing Strategy in order to align their local actions with broader regional initiatives, including requiring rental housing units in new development projects. Others have developed stand-alone policies to encourage and facilitate more rental housing units in their communities, many tied directly to a density bonus policy. The following section summarizes these actions.

City of North Vancouver

The City of North Vancouver prepared their first *Housing Action Plan* in 2016. While the City has implemented housing policy for decades, this was their first comprehensive review and plan that compiled all City housing policies in one cohesive document, and one that aligns with the City's recently adopted Official Community Plan. Below is a summary of select housing actions from their plan to secure rental housing units.

DEFINITION OF AFFORDABLE HOUSING

The City of North Vancouver defines affordable housing as rental housing that is affordable to low to moderate income households, where households pay 30% or less of their gross income towards housing costs. Within this broad definition is "mid-market rental units" - commonly referred to as "low-end market rental units", are units provided at slightly lower rental rates than the average market rental prices in North Vancouver and "non-market rental units", units occupied by households with incomes below the Housing Income Limits (HILs) defined by BC Housing.

Table 2: City of North Vancouver Definition of Affordable Housing

	MID-MARKET RENTAL UNITS		
Unit Type	**Maximum Household Income Limit for Eligible Applicants**	**Average Rent (2015)**	**Mid-Market Rents**
Bachelor	$31,400	$876	$788
1 bdrm	$37,000	$1,024	$921
2 bdrm	$46,000	$1,279	$1,151
3 bdrm	$57,000	$1,586	$1,427

The definition of affordable housing outlined in Table 2 are calculated as follows:

- The maximum mid-market rents are based on 10% below CMHC's average market rents reported for the City of North Vancouver, by unit type.
- The maximum household income limits for mid-market rents are determined by calculating what 30% of gross household income would be for the mid-market rents (rents determined by CMHC).

CURRENT MECHANISMS TO SECURE RENTAL UNITS IN NEW DEVELOPMENT PROJECTS

To incentivize new mid-market rental units, the City utilizes its density bonus tool for new development projects, where the City requires built mid-market rental units in exchange for additional density (1.0 floor space ratio density bonus) for new projects. Specifically:

- All new 100% purpose-built market rental development projects seeking the density bonus incentive are required to provide a minimum of 10% of units as mid-market rental units. All mid-market rental units generated through private development must be secured up to a period of 10 years.
- In addition, 30% of increment/bonus amount of density is required to be provided as non-market rental housing, secured in perpetuity.
- Cash-in-lieu contributions are accepted only in unique circumstances, and at the discretion of the City, in order to assure timely mitigation of additional density in a neighbourhood, when deemed appropriate.

The City of North Vancouver also introduced a new family-friendly housing policy in order to increase the number of multi-unit housing projects that meets the needs of families, given the current multi-unit stock has limited units with enough bedrooms to accommodate all members of a family household and given that fewer families are able to purchase larger units such as single-detached homes. The family-friendly housing policy requires:

- A minimum of 10% of units to be three or more bedrooms for all new multi-unit residential development projects, including both purpose-built rental housing projects and condo/stratified projects.

In support of the family-friendly housing policy, the City is also looking to update their sustainable development guidelines to incorporate design considerations that meets the needs of families, such as ground-oriented units, multi-generational outdoor amenity spaces, and child and youth friendly spaces.

In addition to the above policy, the City may consider bonus density transfer to another site in order to maintain an existing rental building. For this condition to apply, a recipient site for the density transfer must be determined in advance, and at the City's discretion, with a demonstrated business plan to upgrade/repair the existing rental building.

SUCCESSES, CHALLENGES, AND LESSONS LEARNED

The City of North Vancouver planning department provided insight and lessons learned on their mechanisms to secure rental units. The planning department indicated that the first units of the 10% mid-market units secured for 10 years are currently under construction. They recognized that their incentives have been working in securing the units in recent developments, however they have not yet had to provide administration for these units. The City also recognized that there will be a learning curve when these rental units are operational and require administrative oversight.

The planning department also indicated that, because of increased demand for rental housing, Council has recently directed staff to research the feasibility of increasing the percentage of required mid-market rental units in a development from 10% to 20%. Council has also requested whether these units could be secured for a longer period than 10 years. The planning department recognizes that there is a balance to find with incentivizing mid-market rental units and also providing more non-market units in the City.

One unique challenge experienced by the planning department is related to their family friendly housing policy. They have found that feedback has been overall positive, however some family friendly units are being rented to downsizing retirees. To further incentivize family use of family friendly units, the planning department is considering opportunities to integrate family-friendly design features into future units to ensure they are matched to the target population of families. This process has not yet started.

City of Richmond

The City of Richmond initiated an update to their 2007 *Affordable Housing Strategy*, now their *Housing Action Plan*, in 2016. The City undertook community consultation and policy research in 2016-2017, and are currently drafting the Housing Action Plan, anticipated to be adopted in early 2018. Below is a summary of the supported policy directions related to securing rental housing units.

DEFINITION OF AFFORDABLE HOUSING

The City of Richmond broadly defines affordable housing as rental housing that is affordable to low and moderate income earners. The City has two affordable housing categories: low-end market rental (LEMR) units, and non-market rental units. Both of these categories are defined by maximum total household income (to determine household eligibility for units generated in these categories), and total maximum monthly rent by unit type. These definitions apply to units secured through new development projects, described further under the City's mechanisms to require rental units in new projects.

Table 3: City of Richmond Definition of Affordable Housing

	LEMR UNITS		NON-MARKET RENTAL UNITS	
Unit Type	**Maximum Total Household Income ("Threshold") for Eligible Applications**	**Maximum Monthly Rent**	**Maximum Total Household Income ("Threshold") for Eligible Applications**	**Maximum Monthly Rent**
Bachelor	$36,650 or less	$759	$28,875 or less	$632
1 bdrm	$38,250 or less	$923	$31,875 or less	$769
2 bdrm	$46,800 or less	$1,166	$39,000 or less	$972
3 bdrm	$58,050 or less	$1,436	$48,375 or less	$1,197

The above definitions of affordable housing are calculated as follows:

- For LEMR units secured through development, income thresholds are based on 10% below BC Housing's Housing Income Limits ("HILs"), and maximum rents based on 10% below CMHC's average market rents reported for Richmond.
- For non-market rental projects supported by the City, income thresholds are based on 25% below BC Housing HILs, and maximum rents are based on 25% below CMHC's average market rents reported for Richmond. Given the challenges to make non-profit / deeply subsidized housing projects viable, the City considers flexibility to allow for a range of rent structures in cases where projects are proposed to be 100% affordable rental (which can include low-end market rental and non-market rental units).

CURRENT MECHANISMS TO SECURE RENTAL UNITS IN NEW DEVELOPMENT PROJECTS

The City of Richmond utilizes an inclusionary housing approach to secure rental housing units in new development projects, where a density bonus is required in exchange for "built" low-end market rental units secured through a housing agreement registered on title. Since 2007 when the original City's Affordable Housing Strategy was adopted, the City had secured 423 LEMR units through development, of which 131 units have been built.

- At that time, developers were required to contribute 5% of the total residential floor area for development projects over 80 units as LEMR units in exchange for density bonus.

- Also at that time, developers of projects with less than 80 units were required to make a cash-in-lieu contribution.

As part of the updated Housing Action Plan, the City re-evaluated their policy for percentage requirement and cash-in-lieu contributions. An economic analysis was undertaken to test the financial viability of increasing the built requirement, as well as the viability of decreasing the project size threshold from 80 units to smaller 30 to 60 units. As a result of this analysis, the City is supporting the following policy directions in their anticipated Housing Action Plan update:

- Increase the minimum developer contribution of built units from 5% to 10% total residential floor area, applied to new multi-unit projects that are 60 units or larger (reduced from 80 units or larger).

- Cash-in-lieu contributions (generated through single-detached, townhouse, and multi-unit residential rezoning projects) are applied to new development projects that are less than 60 units. Funds generated through the cash-in-lieu policy are directed to the City's Affordable Housing Reserve Fund and used to support affordable housing projects in partnership with the non-profit sector and senior levels of government.

- As part of the updated Housing Action Plan, the City is raising the cash-in-lieu contribution rates to better match the built-unit contribution towards supporting future affordable housing projects. The proposed rate increases were informed by an economic analysis, which found that the City of Richmond's floor area contribution rate was higher than the equivalent cash-in-lieu contribution rates in terms of overall value of affordable housing units produced. To create a more equitable approach, the cash-in-lieu contribution rates are proposed to be increased to match the "built" value, as illustrated in Table 4.

Table 4: City of Richmond Cash-in-Lieu Contribution Rates

Housing Type	Current Cash-in-Lieu Contribution Rates ($ / square foot)	Proposed Cash-in-Lieu Contribution Rates ($ / square foot)
Single-detached	$2	$4
Townhouse	$4	$8.50
Multi-unit Apartment	$6	$10 (wood frame construction) $14 (concrete construction)

In addition, the City is proposing a new policy to generate more family-friendly rental units in new residential development projects. The family-friendly housing policy will require:

- A minimum of 15% two-bedroom units and 5% three-bedroom units for all LEMR units secured in new development projects.

Overtime, the City will monitor the policy and unit absorption and consider applying the same required percentage of family-friendly units in all new market rental development projects.

The City has also established minimum LEMR unit sizes and are considering waiving development cost charges if LEMR units are purchased by a non-profit housing society. The City has also made a commitment to facilitate potential partnerships between developers and non-profit housing societies in the pre-application and rezoning stages of development projects to address the management and administration of LEMR units generated through private market development projects. The City, through its Housing Action Plan implementation, will be issuing a RFP to create a pre-approved list of non-profit housing providers that can be informed about and potentially partner on development opportunities to manage LEMR units.

SUCCESSES, CHALLENGES, AND LESSONS LEARNED

The City of Richmond's planning department provided insights and lessons learned on their mechanisms to secure rental units. The planning department indicated that they recently implemented a policy change from 5% of total residential floor area for projects of 80 units or more to 10% of total residential floor area for projects of 60 units or more. While 423 LEMR units were secured under the previous requirements, a couple of new applications have been submitted under the new requirements but none have reached the housing agreement stage yet.

The planning department had also made changes to requirements based on operational challenges for the low-end of market units. To make it easier for operators, the City is encouraging low-end of market units to be clustered in a development, rather than equally distributed across a project. This change is based on Council direction to limit City involvement in management of the units and incentivize non-profit operators to become involved. The planning department is also looking for ways to facilitate relationships between the non-profit sector and developers, including creating a pre-qualified list of non-profit operators. The hope is to involve non-profits in the development process early on to ensure success with non-profit friendly design and operations.

City of New Westminster

The City of New Westminster prepared an *Affordable Housing Strategy* in 2010, which was an update to their original 1998 housing strategy. A key goal of this plan was to preserve and enhance the City's rental housing supply, and particularly housing for low and moderate income households. The following summarizes how the City of New Westminster defines housing affordability, and an overview of their secured market rental housing policy.

DEFINITION OF AFFORDABLE HOUSING

The City has a broad definition of affordable housing in their community, as described in their 2010 Affordable Housing Strategy:

- "Affordable housing is homeownership and rental housing for low and moderate income households that does not cost a household more than 30% of its gross income (before-tax)".

CURRENT MECHANISMS TO SECURE RENTAL UNITS IN NEW DEVELOPMENT PROJECTS

The City of New Westminster has implemented actions within their *Affordable Housing Strategy* since its adoption, including a policy for secured market rental housing originally prepared in 2013. The policy utilizes financial incentives and bylaw regulations in order to retain and renew the existing rental housing supply and to encourage the creation of new rental housing units.

- The City of New Westminster's *Secured Market Rental Housing Policy* is designed to reduce the financial gap between rental housing development and market ownership development towards making purpose-built rental housing projects more likely to be viable.

Within this context, the City of New Westminster has three types of secured market rental housing categories: (i) long-term; (ii) medium term; and, (iii) short-term. The City provides the most incentives for the long-term secured rental housing projects, and less incentives/less certainty for medium and short-term projects.

- *Long-term secured market rental housing projects:* purpose-built rental housing units secured for 60 years or the life of the building, whichever is greater. Incentive tools include density bonus, reduction in building permit fees (50%), concurrent rezoning and development permit application process, and City payments for legal fees to prepare housing agreement and covenant documents. Parking reduction incentives are provided for sites located within 400m of skytrain stations, along the Frequent Transit Network or the downtown, and payment in-lieu of parking for further relaxations on sites within 400m to transit.

- *Medium-term secured market rental housing projects*: are also purpose-built rental housing units, secured for 30 to 59 years. For this category, the City may offer most of the same incentives as the long-term secured market rental housing projects (reduction in building permit fees, concurrent rezoning and development permit process, and payment of legal fees). Outright parking reductions are not offered for this category, however parking variances may be considered. The City uses their discretion to grant incentives, depending on the model and program proposed.

- *Short-term secured market rental housing projects:* are also purpose-built rental housing projects, secured for a minimum of 10 years. The City only offers an incentive to pay for legal fees to prepare and register housing agreements and covenant documents. Outright parking reductions are not offered for this category, however parking variances may be considered.

In New Westminster, there is no required percentage of units to be secured as market rental. The program is voluntary for private developers if they wish to pursue the incentives. In some cases, the City may receive applications that have a rental market component (not 100% purpose-built) which, at the City's discretion, may offer incentives for a component/portion of the project (i.e. 50% purpose-built may be offered half the density bonus increase compared to 100% purpose-built rental projects). The City considers these on a case by case basis and within the neighbourhood, location and scale context.

The New Westminster secured market rental policy and incentives are only geared towards market rental units, and does not include low-end market rental units or non-market rental units. However, the City, through its complementary Affordable Housing Strategy actions, encourages the inclusion of low-end market rental and non-market units in these projects, but is not a requirement. The City also does not offer cash-in-lieu as a substitute for built units, only payment-in-lieu for parking spaces.

In addition, the City of New Westminster was the first municipality in Metro Vancouver to introduce a family-friendly housing requirement for all new multi-unit development projects, in 2015. The family-friendly housing policy requires:

- For new multi-unit purpose-built rental projects, a minimum of 25% two and three bedroom units, and of those 25% a minimum of 5% three or more bedroom units.

- For new multi-unit ownership/condominium projects, a minimum of 30% two and three bedroom units, and of those 30% a minimum of 10% three or more bedroom units.

SUCCESSES, CHALLENGES, AND LESSONS LEARNED

The City of New Westminster's planning department shared insights and lessons learned on their mechanisms to secure rental units. The planning department noted that they have received comments from developers that the bonus density and the parking reductions have been significant factors in encouraging rental development. As of January 2018, 330 secured market rental units have been completed through the policy. In addition, another 784 secured market rental units are under construction and 298 secured market rental units are currently going through the development approvals process. The policy has been especially effective at encouraging new market rental units in the downtown area.

The planning department recognized that there is also need to balance market rental with non-market rental housing. The city is currently undertaking research related to other initiatives that could create more affordable rental housing.

Communities in the Fraser Valley

The City of Abbotsford, the City of Chiliwack and the District of Mission all have Affordable Housing Strategies, prepared in 2011, 2008 and 2010, respectively.

The City of Abbotsford defines affordable housing within their Affordable Housing Strategy:

- "Affordable housing is when housing costs (rent or mortgage and property taxes, plus heating and electricity costs) do not exceed 30% of gross household income".

The City of Chilliwack defines affordable housing within their Affordable Housing Strategy:

- "Affordable housing is defined as housing that should not cost more than 30% of a household's gross income regardless of whether they are living in market or non-market housing".

The District of Mission defines affordable housing as:

- "Housing that is appropriate to household needs and whose cost, without compromising basic survival needs, is within reach of household incomes".

All three of these municipal strategies identify inclusionary zoning as a key action to leverage development opportunities to deliver affordable housing units in exchange for increased density; however, they are all in various stages of implementation. The City of Abbotsford is currently exploring the implementation of their inclusionary zoning, including undertaking land economic analysis to inform the City's ability to secure voluntary built and cash contributions for affordable housing projects.

The District of Mission currently has policy to secure affordable housing units in new development projects, but do not prioritize unit types, and do not specify term or cash-in-lieu options.

- Another idea for consideration is supporting a non-profit driven approach to affordable housing initiatives. An initiative that is in early formation in Chilliwack, for example, is a "Housing Hub". This is a non-profit led initiative, the purpose of which is to connect residents to existing rental housing in the private market, and to support the retention of housing. The idea of the Hub is to recognize resources that already exists in the community and connect people to the housing or services they need. For example, the Hub intends to cultivate a number of landlords or existing private market rental units and match them with potential tenants. The Hub concept is still in early stages and has not yet fully developed a structure, operation model, or approach to tenant selection.

> While a typical municipal approach focuses on generating and administering new affordable rental units through development projects, the Housing Hub initiative is non-profit led and focuses on utilizing existing rental units in the private market.

- At this time, the Housing Hub does not have direct City funding, but was started through a federal grant for a Housing Development Coordinator position. The application for funding was made by the City, Fraser Health, and the Pacific Community Resources Society.

- A brief interview with the City of Chilliwack planning department noted that the City intends to provide in-kind support to the Housing Development Coordinator position, such as providing a workspace at municipal hall. There are no specific bylaws, policies, or City funds tied to this position or initiative. The Hub will also require more funding from multiple levels of government to operate.

- While a municipal approach focuses on new affordable rental units through development projects, the Housing Hub initiative is non-profit led and focuses on existing rental units in the private market.

As indicated in the Chilliwack Homelessness Action Plan (2016), the City views its role as primarily an advocate for increased housing options and funding through other levels of government and local partnership collaborations such as the Chilliwack Healthier Community network.

Summary of Comparable Municipalities

Below is a high-level summary of policies to secure residential units in new development projects in other communities, and compared to the City of Maple Ridge

Table 5: Summary of Comparable Municipalities

	City of North Vancouver	City of Richmond	City of New Westminster	City of Maple Ridge
Definition of affordable housing	Households pay no more than 30% of gross income on housing costs; and in relation to average CMHC rents	Based on BC Housing HILs calculations, and average CMHC rents	Households pay no more than 30% of gross income on housing costs	Housing that is adequate in standard and does not cost so much that individuals and families have trouble paying for other necessities such as food, health and transportation on an ongoing basis
Approach	Required	Required	Voluntary	Voluntary
Zoning or Policy	Policy and Zoning	Policy and Zoning	Policy	Policy
Types of units secured	Mid-market rental units (same as low-end market rental units) and non-market units	Low end market rental units and non-market units	Market rental units	Market rental units

Term	Min 10 years for mid-market units In perpetuity for non-market units	In perpetuity	60 years or life of building; or 39-50 years, with less incentives; or 10 years, with minimal incentives	None / currently determined on a case-by-case basis
Cash-in-lieu option	Council discretion for mid-market units None for non-market units	For projects less than 60 units	None	None/ currently determined on a case-by-case basis
Required family-friendly housing units	Min 10% three or more bdrms for new multi-unit projects, both purpose-built rental and condos 30% of increment/ bonus amount is required for non-market units	Min 15% two-bdrm units and 5% three-bdrm units for LEMR units secured in new developments	Min 25% two and three bdrm and min 5% three or more bdrms for purpose-built rental projects Min 30% two and three bdrm and min 10% three or more bdrms for ownership/ condominium projects	None

Key Considerations for the City of Maple Ridge

Research from comparable municipalities indicate that there are a range of options to secure rental units through new residential development projects or as part of a commercial development, often tailored to the community context. Based on this research, preliminary considerations for the City of Maple Ridge are outlined as follows:

#1 - Minimum Requirement for Securing Market Rental Units

- For the purpose of secured market rental units, consider defining market rental housing as purpose-built market rental units delivered by the private market. This does not include units delivered through the secondary rental market such as secondary suites, market rental condominium units, or other investor-owned houses/units.

- In all new multi-unit development projects, consider requiring or encouraging a minimum of 10% of units be secured as market rental.

- For secured market rental units, consider determining rent ranges by the market or the average CMHC average market rents for the City of Maple Ridge (Maple Ridge-Pitt Meadows "Zone"), without subsidy.

- Consider incentives for projects that meet or exceed the minimum levels of secured market rental housing units as outlined in policy and/or zoning. These incentives should also be allocated according the the City's overall rental housing program, with the highest and best incentives oriented towards the most affordable forms of rental housing and by length of the secured term. Some examples include: fast-tracking applications, reduce/waive development cost charges, reduce/waive rezoning fees, reduce/waive development permit fees, reduce/waive building permit fees, and payment of fees for legal documents. With the exception of fast-tracking applications, consider applying these incentives only to the portion of the building dedicated to the secured market rental units.

Table 6: Proposed Terms and Incentives for Secured Market Rental Housing Units

	Long-term (secured 60 years or life of building - whichever is greater)	**Medium-term (secured 30 to 59 years)**	**Short-term (secured minimum of 10 years)**
Fast-tracking applications	✓		
Reduce / waive development cost charges	✓		

Reduce / waive rezoning fees	✓		
Reduce / waive development permit fees	✓	✓	
Reduce / waive building permit fees	✓	✓	
Payment of fees for legal documents	✓	✓	✓

- Recognizing that the City of Maple Ridge has a range of new rental housing projects in terms of size and scale, considering providing options for smaller development projects that may be financially challenged to incorporate built units. As such, consider accepting cash-in-lieu contributions as a substitute for built market rental units for projects with fewer than 30 units, or at the discretion of the City, including all single-detached, townhouse and multi-unit residential rezoning projects as well as commercial projects.

- Consider undertaking a financial analysis to determine $/square foot rate to ensure a fair alignment between the cash-in-lieu contribution rate and the value of the built units. Establishing an Affordable Housing Reserve Fund could be considered for the funds to be allocated.

- Consider monitoring absorption rates and adjust policy if/when required over time.

#2 - Minimum Requirement for Securing Low-End Market Rental Units

- Should the City consider securing low-end market rental units, consider defining low-end market rental housing as purpose-built market rental units delivered by the private market (not including units delivered through the secondary rental market such as secondary suites, rental condominium units, or other investor-owned houses/units), rented at slightly below (10% below) CMHC average market rents for Maple Ridge.

- In 100% purpose-built rental projects, consider requiring or encouraging a minimum of 10% of units be secured as low-end market rental units, registered on title for the duration of that term.

- Consider calculating low-end market rental units as maximum rents based on 10% below CMHC's average market rents reported for the City of Maple Ridge (Maple Ridge-Pitt Meadows "Zone")[6].

[6] *Table 7 calculations based on CMHC Rental Market Report, 2016. Calculations for LEMR units secured through private sector development would need to be updated annually as CMHC market reports are issued.*

Table 7: Recommended Maximum Rents and Household Income for Securing Low-End Market Rental Units in Maple Ridge

	LEMR UNITS - Secured through private sector development		
Unit Type	**CMHC Average Market Rents (Maple Ridge-Pitt Meadows)[6]**	**LEMR Unit Rent (10% below)**	**Maximum Eligible Household Income**
Bachelor	$624	$562	$22,480
1 bdrm	$762	$686	$27,432
2 bdrm	$953	$858	$34,308
3 bdrm	$1,070	$963	$38,520
4 bdrm	-	-	-

- Consider providing additional incentives for all projects that secure 10% of units as low-end market rental which should include, at minimum, the same incentives provided for projects with secured market rental housing plus additional incentives to make low-end of market rental more viable.

- Consider directly correlating the level of incentives by the length of the secured term, registered on title for the duration of that term. There is opportunity to consider additional incentives, upon review and direction from Council.

- Consider accepting cash-in-lieu contributions as a substitute for built low-end market units for projects that generate less than 5 low-end market rental units, or at the discretion of the City. Consider undertaking a financial analysis to determine $/square foot rate to ensure a fair alignment to the value of the built units. Establishing an Affordable Housing Reserve Fund could be considered for the funds to be allocated.

- The minimum requirements to secure low-end market rental units outlined above are conservative, and it is recommended that they be monitored closely if implemented and adjusted as needed. Should the City of Maple Ridge desire higher requirements, it is suggested that the City undertake a more comprehensive financial analysis and test sample pro formas to determine if higher requirements would be viable. Comprehensive financial analysis were undertaken by the City of North Vancouver (for density bonus in exchange for mid-market units), City of Richmond (for density bonus in exchange for low-end market rental units and non-market units, by location and construction methods), and by the City of New Westminster (for the family-friendly housing requirement). At minimum, the City should monitor absorption rates and adjust policy if/when required over time.

#3 - Minimum Requirement for Securing Non-Market Rental Units

- For the purpose of secured non-market market rental units, the City may consider defining non-market rental housing as units owned or subsidized by government, a non-profit society, or a housing co-operative. Non-market housing units can be generated from purpose-built private market development projects (not including units delivered through the secondary rental market such as secondary suites, rental condominium units, or other investor-owned houses/units), rented at below (25% below) CMHC average market rents for Maple Ridge.

- In 100% purpose-built rental projects, consider requiring or encouraging a minimum of 5% of units to be secured as non-market rental units, registered on title for the duration of that term.

- Consider calculating non-market rental units as maximum rents based on 25% below CMHC's average market rents reported for the City of Maple Ridge (Maple Ridge-Pitt Meadows "Zone")[7].

Table 8: Recommended Maximum Rents and Household Income for Securing Non-Market Rental Units in Maple Ridge

	NON-MARKET UNITS - Secured through private sector development		
Unit Type	**CMHC Average Market Rents (Maple Ridge-Pitt Meadows)[7]**	**LEMR Unit Rent (25% below)**	**Maximum Eligible Household Income**
Bachelor	$624	$468	$18,720
1 bdrm	$762	$572	$22,860
2 bdrm	$953	$715	$28,590
3 bdrm	$1,070	$814	$32,550
4 bdrm	-	-	-

[7] *Table 8 calculations based on CMHC Rental Market Report, 2016. Calculations for LEMR units secured through private sector development would need to be updated annually as CMHC market reports are issued.*

- Consider providing further incentives for all projects that secure 5% of units as non-market rental which should include, at minimum, the same incentives provided for projects with secured market rental housing and low-end market rental housing plus additional incentives to make non-market rental more viable.

- Consider directly correlating the level of incentives by the length of the secured term, registered on title for the duration of that term. There is opportunity to consider additional incentives, upon review and direction from Council.

- Consider accepting cash-in-lieu contributions as a substitute for built non-market units for projects that generate less than 5 non-market rental units, or at the discretion of the City. Consider undertaking a financial analysis to determine $/square foot rate to ensure a fair alignment to built units. Establishing an Affordable Housing Reserve Fund could be considered for the funds to be allocated.

- The minimum requirements to secure non-market rental units outlined above are conservative, and it is recommended that they be monitored closely if implemented and adjusted as needed. Should the City of Maple Ridge desire higher requirements, it is suggested that the City undertake a more comprehensive financial analysis and test sample pro formas to determine if higher requirements would be viable. As noted above, comprehensive financial analysis were undertaken by the City of North Vancouver, City of Richmond, and by the City of New Westminster. At minimum, the City may wish to monitor absorption rates and adjust policy if/when required over time.

#4 - Family-friendly Housing Policy

- As the City evolves its discussion on rental housing policy and/or zoning, consider requiring a minimum number of family-friendly housing units in all new multi-unit development projects, with an option to also extend towards both market condominium and purpose-built market rental units. This policy could facilitate the creation of more housing choices for low and moderate income family households in Maple Ridge.

Table 9: Recommended Minimum Requirements for Family-Friendly Units in New Multi-unit Development Projects

	New Multi-unit Market Condominium Projects	New Multi-unit Market Rental Projects
3+ bedroom units	Minimum 5%	Minimum 5%

- The minimum requirements to require family-friendly units outlined above are conservative, and should be monitored closely if implemented and adjusted as needed. Should the City of Maple Ridge desire higher requirements, it is suggested that the City undertake a more comprehensive financial analysis and test sample pro formas to determine if higher requirements would be viable. Comprehensive financial analysis were undertaken by the City of New Westminster (for the family-friendly housing requirement) to identify their requirement. At minimum, the City should monitor absorption rates and adjust policy if/when required over time.

#5 - Facilitate Partnerships between Developers and the Non-Profit Housing Sector

- For secured low-end market rental units and secured non-market rental units, the City may wish to consider strategies to identify organizations to administer and monitor the units secured through new development projects. Typically, non-profit housing societies acquire these secured units in partnership, such as the Metro Vancouver Housing Corporation, and are ideally introduced to the project concept in early stages of the development process.

- It is recommended that the City research and outline strategies to facilitate partnerships between the non-profit housing sector and private developers to ensure appropriate and sustainable management of secured low-end market rental units and secured non-market rental units.

- For secured market rental units, these units are typically managed by the private sector either by the developer or by a property management company engaged by the developer. Non-profit housing societies typically do not manage market rental units secured through private market development projects, unless there is a low-end market rental or non-market rental component. However, more non-profit housing societies are becoming increasingly open to acquiring market rental units as part of their portfolio, especially housing societies that have tenants who are no longer eligible for their subsidized units (i.e. tenant household income has improved/increased). Having market rental units as part of a non-profit housing society's portfolio provides the housing society with flexibility to relocate tenants if needed. There are a limited number of housing societies whose mandates support this approach.

- It is recommended that the City research and outline strategies to engage with non-profit housing societies that have a market rental housing component within their mandate, and facilitate partnerships between these select non-profit housing societies and private developers to administer secured market rental units in cases where the developer does not intend or have the ability to manage the secured market rental units.

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