

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, JULY 03, 2024**

SUBJECT **1516 Camosun Street, 1270 and 1286 Pandora Avenue Housing Agreement Bylaw**

ISSUE SUMMARY

The Capital Regional District (CRD) Board must approve a bylaw that enables it to enter into a housing agreement with a developer in order to administer three below-market home ownership units at a housing development proposed for 1516 Camosun Street, 1270 and 1286 Pandora Avenue in the City of Victoria.

BACKGROUND

The CRD currently administers the resale control agreements on several below-market home ownership units within housing developments throughout the region.

The CRD's Regional Housing Division has been in discussions with the City of Victoria and Pandora Holdings Ltd. (the Developer), regarding a proposed housing development that will include three resale price-restricted, below-market housing units as part of the project. The City of Victoria and the Developer have requested the CRD administer resales of the below-market units.

The units are part of a proposed development located at 1516 Camosun Street, 1270 and 1286 Pandora Avenue in the City of Victoria. The terms of the Housing Agreement are appended to the Bylaw (Appendix A) and require all sales of below-market units be restricted to a sale price no higher than 85% of market value, as determined by an appraisal. Initial and subsequent sales will require a qualifying annual income level set in 2023 approximately at \$70,000 to \$99,000, which can be responsive to market conditions as they relate to increases in cost of living as determined by Statistics Canada but based on BC Housing guidelines. The qualifying annual income levels are based on the recommendation of City of Victoria staff, as they align with the moderate household income targets set out in the City's [Inclusionary Housing and Community Amenity Policy](#).

A resale control and administrative procedure based on best practice has been prepared within the Agreement to ensure the units may only be sold as described, and, in cases of hardship, may be rented at a below-market rate for up to two years at which time they must be re-occupied with an approved occupant or relisted for sale. The Agreement provides for cost-recovery measures to pay for the CRD's administrative services. Staff are taking the same resale control approach consistent with projects previously approved by the CRD Board whereby the CRD may take control in its own name in order to administer the provisions for any below market unit.

The City of Victoria and the Developer have requested the CRD adopt this Agreement as a covenant and housing agreement within *Section 483* of the *Local Government Act*, which further requires the CRD do so by way of bylaw.

ALTERNATIVES

Alternative 1

The Hospitals and Housing Committee recommends to the Capital Regional District Board:

1. That Bylaw No. 4620, "Resale Control and Housing Agreement Bylaw (1516 Camosun Street, 1270 and 1286 Pandora Avenue), 2024" be introduced and read for a first, second and third time; and
2. That Bylaw No. 4620 be adopted.

Alternative 2

That this report be referred back to staff for further information based on Hospitals and Housing Committee direction.

IMPLICATIONS

Financial Implications

The CRD requires payment of a one-time fee of \$3,500 (plus GST) from the developer to cover CRD costs associated with setting up the Housing Agreement and facilitating the approval of the bylaw. Administration of the resale control function and ensuring compliance with the terms of use of the affordable units has a cost associated with it, which is factored into the program by charging the buyer a fee of 0.5% of the gross selling price of the unit at time of completion (e.g., \$1,500 on a \$300,000 sale). Staff review and monitor the administration of previously approved projects based on the amount of staff time and other resources in order to ensure full cost recovery for the provided service. It should be noted that the administration fee will change with market fluctuations, where required.

Social Implications

For moderate-income households who become able to purchase and occupy these units, the economic implications of home ownership will be significant. The measure of resale control allows them to build a modest level of equity while also providing them with security of tenure.

Legal Implications

The properties' rezoning is not yet final. Should the rezoning fail, the CRD's practice is to repeal the associated housing agreement bylaw and discharge the covenant on the Developer's request.

CONCLUSION

The CRD has experience unique in the region, and the potential to enter into agreements with developers to administer the sale of affordable home ownership units aligns with the goals and objectives of the Regional Housing Affordability Strategy. The developer and CRD staff have negotiated the Agreement, which includes the terms of use and matters related to the resale of units, and the developer has executed the Agreement. The CRD has developed administrative procedures that ensure unit use conforms to the agreement terms, provides greater authority for the CRD to act when use is non-conforming and provides the CRD adequate cost recovery for the provision of the program.

RECOMMENDATION

The Hospitals and Housing Committee recommends to the Capital Regional District Board:

1. That Bylaw No. 4620, “Resale Control and Housing Agreement Bylaw (1516 Camosun Street, 1270 and 1286 Pandora Avenue), 2024” be introduced and read for a first, second and third time; and
2. That Bylaw No. 4620 be adopted.

Submitted by:	Don Elliott, BA, MUP, Senior Manager, Regional Housing
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Planning & Protective Services
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENTS

Appendix A: Capital Regional District Bylaw No. 4620