



Making a difference...together

Program Description (Draft)

Program

CRD Affordable Housing Agreements Service

Key Stakeholders

Capital Regional District
Municipalities/Electoral Areas/Land Trust Areas
Developers and Builders

Program Goal

To support municipalities, electoral areas and/or land trust areas in their efforts to implement inclusionary zoning or other policies that promote the development of affordable housing units within new developments, the CRD will consider entering into housing agreements with developers to provide administrative services related to the operation of below-market rental and ownership units.

Roles

Developer	Municipality/Electoral Area/ Land Trust Area	Capital Regional District
<ul style="list-style-type: none"> Acquire or assemble land Make all necessary development applications Facilitate all required community engagement related to the development Enter into housing agreement with the local government securing the use of units for affordability purposes Enter into housing agreement with the CRD to support its role in administering the rental or ownership units Collect rents and operate rental buildings Qualify buyers for initial sales/presales of below-market units or enter into an agreement with the CRD to qualify initial below-market buyers 	<ul style="list-style-type: none"> Council approvals related to the development Enter into housing agreement with developer securing the use of units for affordability purposes Approve qualifying household income thresholds Approve affordable rental levels Approve below-market selling prices 	<ul style="list-style-type: none"> Determine administrative terms of program Board approval of bylaws and housing agreements Work with local government and developer to determine terms of each housing agreement (e.g., rent levels, below-market selling price and/or qualifying household income) Enter into housing agreement with the developer to support administration of the rental or ownership units Review income data to qualify households for affordable rental units Facilitate all necessary administrative functions to support resales of below-market units including: <ul style="list-style-type: none"> Field buyer inquiries Advise owners and/or their realtors when they decide to sell unit Review and approve market appraisals Apply below-market reduction and inform seller of maximum selling price Review and approve prospective buyer information, including documentation to qualify income Maintain files on each affordable rental and/or ownership unit Review and evaluate program parameters on a periodic basis Communicate to relevant stakeholders with respect to the program



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Process

1. Developer meets with local government entity to determine potential for the creation of affordable rental or below-market ownership units within a new housing development taking time to determine:
 - a. Number/proportion of affordable rental or below-market units to be created.
 - b. Rental or point of sale targets for affordable rental or below-market units.
 - c. Maximum household income threshold for affordable rental or below-market ownership units.
2. Developer and local government representative meet with CRD to determine the potential to enter into a housing agreement to support the administration of the units.
3. Developer and local government negotiate terms of development in housing agreement to be registered on title of the property.
4. Developer and CRD negotiate terms of the housing agreement to support administration of the units. Developer provides CRD with:
 - a. Contact information for local government entity and Developer;
 - b. Requirements for units (number/proportion; rental or point of sale targets; maximum income threshold); and
 - c. Any specific variations to the CRD template.
5. Agreement is finalized. Developer confirms understanding that:
 - a. The finalizing of an agreement does not guarantee it will be entered into by the CRD Board;
 - b. Each agreement and development is considered on its own merits;
 - c. There is no firm timeline for adoption of a housing agreement bylaw; and
 - d. No person can guarantee the success or failure of an application.
6. Developer executes agreement.
7. CRD prepares report with executed housing agreement and bylaw for review and recommendation from the Hospitals and Housing Committee.
8. CRD Board approves execution of housing agreement and bylaw supporting the CRD entering into the housing agreement.
9. CRD executes the agreement and provides developer with a copy of the executed agreement.
10. Housing agreement is registered on title of the property.
11. Corporate Officer notice is filed on title to the property.
12. Developer submits executed agreement to local government as part of development approval application.
13. Local government facilitates its development approval process.
14. If approved, project commences to construction phase.
15. For rental projects, at a point near completion the developer will contact CRD to inform of the need to engage income reviews in order to qualify tenants.
16. For ownership projects, and where the developer is qualifying buyers for below-market units, the developer will provide the CRD with all documentation pertaining to the final sale price of each unit as well as all documentation that supports the terms of the housing agreement.



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17. For ownership projects, and where the developer has entered into an agreement to allow the CRD to qualify buyers for below-market units, at a point near completion the developer will contact CRD to inform of the need to engage income reviews in order to qualify below-market unit buyers.

Information Required by the CRD

Information	Provider
Recent title search	Developer
Type of units/proportion of rental units	Developer
Contact info for Developer and Developer's Lawyer	Developer
Contact info for Lender and Lender's lawyer	Developer
Contact info for Local government and local government's Lawyer	Local Government
Local government resolution supporting CRD entering into the agreement	Local Government
Details on the development (for staff report)	Developer
Any Variations to CRD Template	Developer's Lawyer

Fees

The following fees are assessed to support each project:

Housing Type	Fee	Cost Description	Who Pays
Rental	\$150*	Administrative costs related to reviewing and approving tenant income documentation	Owner or operator of rental property
	\$3,500*	Administrative and legal costs associated with setting up and facilitating approval of housing agreement and bylaw	Developer
Ownership	0.5% of negotiated resale price	Administrative and legal costs associated with fulfilling administrative duties laid out in the housing agreement	Incoming buyer
	0.25% of price for first time sale	Administrative and legal costs associated with fulfilling administrative duties laid out in the agreement with developer	Incoming buyer
	\$3,500*	Administrative and legal costs associated with setting up and facilitating approval of housing agreement and bylaw	Developer

*Subject to increases based on the Cost of Living Adjustment