



Making a difference...together

REPORT TO HOSPITALS AND HOUSING COMMITTEE MEETING OF WEDNESDAY, OCTOBER 07, 2020

SUBJECT 1224 Richardson Housing Agreement and Bylaw

ISSUE SUMMARY

The *Local Government Act* requires a bylaw to enable the Capital Regional District (CRD) to enter into a developer-initiated housing agreement to administer four below-market home ownership units at a housing development proposed for 1224 Richardson Street in Victoria.

BACKGROUND

The CRD currently administers the resale control agreements on a number of below-market home ownership units within existing and proposed housing developments throughout the region.

The CRD's Regional Housing Division has been in discussions with the City of Victoria and 1224 Richardson Property Corp (the Developer) regarding a proposed housing development that will include three price-restricted, below-market one-bedroom and one price restricted, below-market two-bedroom 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 24 unit development located at 1224 Richardson Street in the City of Victoria. The terms of the Bylaw and Housing Agreement (Appendix A) require all sales of below-market units be restricted to a sale price no higher than 90% of market value, as determined by an appraisal. Initial and subsequent sales will require a qualifying income level, which can be responsive to market conditions as they relate to increases in cost of living as determined by Statistics Canada.

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 most effectively 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

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

- a) That Bylaw No. 4369, "Resale Control and Housing Agreement Bylaw (1224 Richardson Street), 2020" be introduced and read a first, second and third time; and
- b) That Bylaw No. 4369 be adopted.

Alternative 2

That the 1224 Richardson Housing Agreement and Bylaw report be referred back to staff with alternative direction from the Hospitals and Housing Committee.

IMPLICATIONS

Financial Implications

The CRD is assessing a one-time \$3,500 fee to 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 on the basis of 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 the households who become able to purchase and occupy these units through a discounted price, the economic implications of home ownership will be significant. The measure of resale control allows the homeowner the opportunity to build a modest level of equity while also providing them with security of tenure.

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 and the Developer has recommended a household income limit that has been identified as acceptable and will be presented to City of Victoria Council within the rezoning application. The Agreement 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 reasonable authority for the CRD to act when use is non-conforming and provides the CRD adequate cost recovery for the administration of the program.

RECOMMENDATION

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

- a) That Bylaw No. 4369, "Resale Control and Housing Agreement Bylaw (1224 Richardson Street), 2020" be introduced and read a first, second and third time; and
- b) That Bylaw No. 4369 be adopted.

Submitted by:	John Reilly, MSW RSW, Manager Housing Planning and Programs
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Planning & Protective Services
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT(S)

Attachment: Appendix A – Bylaw No. 4369 "Resale Control and Housing Agreement Bylaw (1224 Richardson), 2020"