



Est. 1873

## REPORT TO MAYOR AND COUNCIL

**PRESENTED:** JUNE 25, 2018 - REGULAR EVENING MEETING  
**FROM:** COMMUNITY DEVELOPMENT DIVISION  
**SUBJECT:** DEVELOPMENT COST CHARGE WAIVER FOR AFFORDABLE HOUSING

**REPORT:** 18-92  
**FILE:** BA 000019

### RECOMMENDATION:

**That** Council pursuant to Section 563 of the *Local Government Act* give first, second and third reading to the Township of Langley Development Cost Charge Waiver for Affordable Housing Bylaw 2018 No. 5380, for establishment of requirements and conditions to waive development cost charges for not-for-profit rental housing.

### EXECUTIVE SUMMARY:

On February 5, 2018, Council directed staff to conduct research, review the practices of other jurisdictions within the region, including Metro Vancouver Regional District in relation with waiving or reducing Development Cost Charges (DCCs) for affordable housing and bring forward a report, complete with financial implications, policy framework and necessary bylaw for Council's consideration.

Development of a program to offer financial assistance for affordable housing projects is supported by a number of Township of Langley policy documents, including the Township's Sustainability Charter, Official Community Plan (OCP) and the Housing Action Plan. Specifically, the Township's OCP provides for incentives to encourage developers to include affordable market rental housing and non-market housing in new developments. The Housing Action Plan adopted by Council in 2013 also references the use of tools available to encourage and increase the supply of rental housing by reducing development fees for rental housing.

This report provides information pursuant to Council's direction and Bylaw No. 5380 establishes requirements and conditions for a waiver of development cost charges for not-for-profit rental housing.

### PURPOSE:

The purpose of this report is to provide Council with information and recommendations in order to establish requirements and conditions for a waiver of development cost charges for not-for-profit rental housing.

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### BACKGROUND/HISTORY:

At its February 5, 2018 Regular Afternoon Meeting, Council passed the following resolution:

“That Township of Langley Council direct staff to conduct research, review the practices of other jurisdictions within the region, including Metro Vancouver Regional District in relation with waiving or reducing Development Cost Charges for affordable housing and bring forward a report, complete with financial implications, policy framework and necessary bylaw for Council's consideration.”

### DISCUSSION/ANALYSIS:

#### Policy Framework

Development of and financial assistance for affordable housing is supported by a significant number of Township and Metro Vancouver policy statements. A selection of these statements is provided by document below:

#### Sustainability Charter (2008)

Economic Goals

Goal: develop livable and vibrant communities

Objectives: provide flexible, affordable and mixed housing options

#### Official Community Plan (2016)

##### 3.1 Housing

Objectives: provide tools and incentives to encourage affordable housing options, including rental, social, and emergency housing, for all who need them

Policies

3.1.2. Work with other levels of government and the Metro Vancouver Housing Corporation to increase the number of affordable housing units.

3.1.4. Create incentives to encourage developers to include affordable market rental housing and/or non-market housing in new developments, using:

- parking relaxations for non-market units
- density bonusing
- community amenity contributions that include affordable housing as a community benefit (new units or cash)

3.1.10. Allow the distribution of special needs or supportive housing in all neighbourhoods and in the majority of zoning districts. Develop partnerships with community groups and other agencies to increase the availability of well-managed, supportive, and transitional housing for special needs groups.

3.1.11. Collaborate with and support non-profit agencies that provide short-term emergency and transitional shelter, food, and access to social services for those in need.

#### Housing Action Plan (2013)

##### 3.2. Market Housing: Choices and Affordability

##### 3.2.3. Recommended Actions

- b) Objective: Increase the supply of rental housing in walkable centres where transit is available

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Use these tools available to encourage/increase the supply of rental housing:

- Reduce development fees for rental housing, secured with a Housing Agreement

### 3.3. Non-Market Housing: Facilitation and Support

#### 3.3.2. Recommended Actions

- a) Objective: Facilitate the development of new housing and regeneration of older non-market projects
  - Encourage private market/non-profit partnerships that result in nonmarket units being built on or off site

#### Metro Vancouver Regional Affordable Housing Strategy (2016)

At its November 21, 2016 Regular Afternoon Meeting, Council endorsed 'the Regional Affordable Housing Strategy as a collaborative approach to addressing regional housing needs.' The strategy includes the following statements.

Goal 3: meet housing demand estimates for very low and low income earners

Municipalities will consider, through plans, policies and programs:

- n. Offering 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.
- x. Provide support for non-profit housing societies wishing to build their capacity to develop new non-profit housing

#### Municipal and Regional Practices

As indicated in the table below, a survey of select Metro Vancouver municipalities reveal a variety of approaches to the financial support of affordable housing with Vancouver, West Vancouver, City of North Vancouver and Surrey employing a DCC Waiver Bylaw.

<b>Municipality</b>	<b>DCC exemptions for affordable housing</b>	<b>DCC exemptions funded from affordable housing reserve</b>	<b>DCC Waiver Bylaw</b>
Burnaby	Yes	Yes	
Coquitlam	Yes	Yes	
Maple Ridge	Exploring	Exploring	
City of North Vancouver	Yes		Yes
District of North Vancouver	Yes	Yes	
Port Moody	Yes	Yes	
Richmond	Yes	Yes	
Surrey	Yes	Exploring	Yes (supportive housing only, subject to MOU with BC Housing)
Vancouver	Yes		Yes
West Vancouver	Yes		Yes

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Metro Vancouver (MV) has drafted a Development Cost Charge Waiver for Affordable Housing Bylaw (exempting not-for-profit rental housing from GVS&DD charges) based on an extensive research, review and consultation process. The MV Bylaw was considered by the MV Finance and Intergovernmental Committee on May 18, 2018 and considered and adopted by the GVS&DD Board on May 25, 2018.

### Proposed Bylaw

Staff have reviewed bylaws and practices of municipalities noted in the above table as well as the MV Bylaw to inform proposed Township of Langley Development Cost Charge Waiver for Affordable Housing Bylaw 2018 No. 5380. Given the variety of municipal approaches, Bylaw No. 5380 is modelled after the MV bylaw ensuring consistency and efficiency with the region but has been streamlined to provide for administrative ease and efficiency. This approach supports the existing Township policy context and aligns with Council's endorsement of the Regional Affordable Housing Strategy.

Accordingly, the proposed DCC bylaw waiver applies to dwelling units that meet the following criteria:

- not-for-profit rental housing owned, leased or held by a non-profit organization such as BC Housing, CMHC, a Municipal Housing Corporation or a registered charity for individuals that meet eligibility criteria based on BC Housing derived Housing Income Limits (HILs)
- governed by the terms of an agreement or covenant with the Province of BC, BC Housing, CMHC or a municipality regarding the operation of the housing and stipulating how the dwelling units will be occupied and managed

Proposed Bylaw No. 5380 is consistent with the MV Bylaw in providing waiver for all dwelling units in a not-for-profit housing development if at least thirty percent (30%) are occupied by households with incomes at or below the housing income limits for corresponding size of housing units as set out in HILs. Proposed Bylaw No. 5380 also differs from the MV bylaw in requiring a minimum agreement period of twenty (20) years.

### **FINANCIAL IMPLICATIONS:**

Section 563 of the *Local Government Act* allows a government to waive or reduce DCCs for eligible development, with financial implications being forgone DCC revenues from eligible projects. In terms of financial implications for not-for-profit rental housing providers, staff note that for applications such as the Shepherd of the Valley application (Project No. 08-23-0141 at 20097 - 72 Avenue with 82 units) the DCC waiver amount, based on the current DCC Bylaw would be approximately \$1.2 M.

The amount of foregone future DCC revenue, that would otherwise have been generated, is dependent on future eligible projects coming forward. It is difficult to project the number of potential future applications (and units) that would be eligible for the DCC waiver, and therefore calculate with any level of certainty the amount of potential foregone DCCs. This is due to the dynamic nature of the issue with both federal and provincial regulation and interest. Having said that, to ensure application of sound fiscal planning principles, staff will incorporate an affordable housing reserve funding allowance as part of the proposed Community Amenity Contributions policy, currently anticipated to be brought forward for Council's consideration in July 2018.

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**POLICY CONSIDERATIONS:**

Proposed Township of Langley Development Cost Charge Waiver for Affordable Housing Bylaw 2018 No. 5380 responds to Council's direction and establishes requirements and conditions for a waiver of development cost charges for not-for-profit rental housing. The proposed bylaw aligns with Township and MV policy statements regarding the development of and financial assistance for affordable housing.

Respectfully submitted,

Stephen Richardson  
DIRECTOR, DEVELOPMENT SERVICES  
for  
COMMUNITY DEVELOPMENT DIVISION

**THE CORPORATION OF THE TOWNSHIP OF LANGLEY**

**DEVELOPMENT COST CHARGE WAIVER FOR AFFORDABLE**

**HOUSING BYLAW 2018 NO. 5380**

**EXPLANATORY NOTE**

Pursuant to Bylaw 2018 No. 5380, Council establishes requirements and conditions for a waiver of development cost charges for not-for-profit rental housing.

**THE CORPORATION OF THE TOWNSHIP OF LANGLEY**

**DEVELOPMENT COST CHARGE WAIVER FOR AFFORDABLE**

**HOUSING BYLAW 2018 NO. 5380**

WHEREAS section 563 of the *Local Government Act* authorizes Council, by bylaw, to waive or reduce a development cost charge for an eligible development;

NOW THEREFORE, Council, in open meeting assembled, ENACTS AS FOLLOWS:

**PART 1: TITLE**

- 1.1 Citation.** This Bylaw shall be cited for all purposes as “Development Cost Charge Waiver for Affordable Housing Bylaw 2018 No. 5380.”

**PART 2: INTERPRETATION**

**2.1 Definitions.** In this Bylaw:

- (a) **“BC Housing”** means the British Columbia Housing Management Commission or any successor organization or authority that assumes the powers and obligations of the British Columbia Housing Management Commission;
- (b) **“Development Cost Charge”** means a development cost charge payable pursuant to *Langley Development Cost Charges Bylaw 2012, No. 4963*;
- (c) **“Eligibility Criteria”** means criteria that limits occupation of a dwelling unit to a household with an income at or below housing income limits for the corresponding size of dwelling unit within the Township, as set out in the current “Housing Income Limits” table published by the BC Housing, or equivalent publication;
- (d) **“Eligible Development”** means any residential development that includes at least one Not-for-Profit Dwelling Unit;
- (e) **“General Manager”** means the Township’s General Manager Engineering & Community Development or another person appointed by the Township’s municipal council;
- (f) **“Non-Profit Organization”** means any of the following:
  - (i) a society registered under the *Societies Act*, SBC 2015, c.18 or a foundation or charitable organization as defined in the *Income Tax Act*, R.S.C. 1985, c. 1 of which:
    - (A) its bylaws and constitution’s stated purpose is to provide affordable housing for low or moderate income households, or another similar purpose;
    - (B) its bylaws and constitution provide that its directors may not be remunerated in any capacity, nor may the directors serve as employees;

- (C) its bylaws and constitution provide that upon dissolution or wind up of the organization, its assets will be disposed to an organization(s) with a similar not-for-profit purpose of providing affordable housing;
  - (D) the items addressed in subsections (A), (B) and (C) are unalterable or otherwise restricted in accordance with the applicable enabling enactment or require the prior written consent of the Township to alter; and
  - (E) its rules of conduct must be in accordance with the its purposes and applicable legislation;
- (ii) BC Housing;
  - (iii) the Canada Mortgage and Housing Corporation or any successor organization or authority that assumes the powers and obligations of the Canada Mortgage and Housing Corporation;
  - (iv) the Township; or
  - (v) a non-profit housing corporation established by, or at the initiative of, the Township or another local government under the *Local Government Act* (British Columbia);
- (g) **“Not-for-Profit Dwelling Unit”** means any dwelling unit that is:
- (i) owned, leased or otherwise controlled by a Non-Profit Organization;
  - (ii) reserved and operated as non-profit rental housing for households who meet Eligibility Criteria; and
  - (iii) governed by the terms of an agreement and/or covenant with any of the parties described in subsection 2.1(f)(ii)-(v) of this Bylaw to ensure the dwelling units comprising the Not-for-Profit Dwelling Units are occupied and managed as not-for-profit rental housing for a period of at least twenty years;
- but does not include:
- (iv) a community care facility under the *Community Care and Assisted Living Act*, SBC 2002, c. 75;
  - (v) a continuing care facility under the *Continuing Care Act*, RSBC 1996, c. 70;
  - (vi) a public or private hospital under the *Hospital Act*, RSBC 1996, c. 200;
  - (vii) a Provincial mental health facility, an observation unit or a psychiatric unit designated under the *Mental Health Act*, RSBC 1996, c. 288; or
  - (viii) a housing based health facility that provides hospitality support services and personal health care;
- (h) **“Township”** means the Corporation of the Township of Langley.

**2.2 Same Meaning.** Unless the context otherwise provides in this Bylaw, terms defined in the following bylaws of the Township or incorporated by reference into those bylaws have the same meaning in this Bylaw:

- (a) *Langley Development Cost Charges Bylaw 2012, No. 4963*;
- (b) *Subdivision and Development Servicing Bylaw 2011, No. 4861*; and



(c) *Township of Langley Zoning Bylaw 1987, No. 2500.*

**2.3 References to an Enactment Include Its Amendments.** References in this Bylaw to an enactment include the enactment as it may be amended or replaced from time to time.

**3.0 WAIVER OF DEVELOPMENT COST CHARGES**

**3.1 Waiver of Development Cost Charges for Eligible Development.** Notwithstanding section 5 of *Langley Development Cost Charges Bylaw 2012, No. 4963*, and subject to section 3.2 of this Bylaw, the Township may waive Development Cost Charges that are otherwise payable for Eligible Development in accordance with the following:

- (a) for an Eligible Development where at least 30% of the dwelling units are dedicated for Not-for-Profit Dwelling Units, the Township's municipal council may waive all Development Cost Charges that would otherwise be payable for all of the Eligible Development; or
- (b) for an Eligible Development where less than 30% of the dwelling units are dedicated for Not-for-Profit Dwelling Units, the Township's municipal council may waive all Development Cost Charges for only those Not-for-Profit Dwelling Units within the Eligible Development.

**3.2 Application for Waiver.** No waiver or refund pursuant to section 3.1 shall be granted unless an application is made and submitted by the owner of the Eligible Development for a waiver of Development Cost Charges in respect of the Eligible Development and the application is approved by the General Manager as fulfilling all of this Bylaw's eligibility requirements and conditions for a waiver of Development Cost Charges.

**3.3 Appeal to Council.** A person who is subject to the decision of the General Manager under section 3.2 is entitled to have the Township's municipal council reconsider the matter.

**4.0 RECORD KEEPING AND REPORTING**

**4.1 Reports.** The General Manager shall report annually to the Township Council, and at any time upon the request of Township Council, the number and cost of Development Cost Charge waivers granted under this Bylaw.

READ A FIRST TIME the	day of	, 2018.
READ A SECOND TIME the	day of	, 2018.
READ A THIRD TIME the	day of	, 2018.
RECONSIDERED AND ADOPTED the	day of	, 2018.

_____	Mayor	_____	Township Clerk
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