

DATE OF MEETING OCTOBER 1, 2018

AUTHORED BY KARIN KRONSTAL, SOCIAL PLANNER

**SUBJECT AFFORDABLE RENTAL HOUSING AGREEMENT – 2020 ESTEVAN ROAD**

## **OVERVIEW**

### **Purpose of Report**

To obtain Council approval for a housing agreement to secure 38 affordable rental units within a new 74-unit development at 2020 Estevan Road in Nanaimo.

### **Recommendation**

That:

1. “Housing Agreement Bylaw 2018 No. 7270” (To secure 38 affordable rental units within a new 74-unit development at 2020 Estevan Road in Nanaimo) pass first reading;
2. “Housing Agreement Bylaw 2018 No. 7270” pass second reading; and
3. “Housing Agreement Bylaw 2018 No. 7270” pass third reading.

## **BACKGROUND**

On 2017-SEP-11, Council adopted “Zoning Amendment Bylaw 2017 No. 4500.106” to rezone 2020 Estevan Road to Mixed Use Corridor (COR2) for the purpose of developing a mixed-use building, with a church on the ground floor and 74 units of rental housing. One of the requirements at rezoning was the registration of a housing agreement between the landowner (the British Columbia Conference Property Development Council of the United Church of Canada) and the City of Nanaimo to secure 38 units of affordable rental housing within the building. The housing agreement (the “Housing Agreement”) is included as “Schedule A” in the attached “Housing Agreement Bylaw 2018 No. 7270”. Once registered, the Housing Agreement will be bound to the property title regardless of ownership.

The intention is to create two separate legal titles, one for the church building (the “Church Title”) that will be used by the local congregation, and one for the housing units (the “Housing Title”). The Housing Agreement indicates that once the two titles have been created, the City will release the Housing Agreement against the church title through a side letter, as the terms of the Housing Agreement are not relevant to that component of the building.

## **DISCUSSION**

The Housing Agreement is intended to secure 38 of the rental units as below-market rentals at CMHC Level 1 affordable rates (80% of average market rent). As the project is a partnership between the United Church of Canada and BC Housing, the project is required to ensure at least 50% of the units remain affordable for the lifespan of the building. The Housing Agreement reflects this commitment, as the units will be secured for a term of 40 years. The Housing

Agreement also stipulates that the owners shall ensure that the building is operated as a “good neighbour”, and outlines a plan for addressing operational concerns from the City or surrounding residents. The owners may also be requested to provide information regarding the occupancy and average rents of the affordable units, for the purpose of confirming compliance with the Agreement.

## OPTIONS

A. That:

- 1) “Housing Agreement Bylaw 2018 No. 7270” (To secure 38 affordable rental units within a new 74-unit development at 2020 Estevan Road in Nanaimo) pass first reading;
- 2) “Housing Agreement Bylaw 2018 No. 7270” pass second reading; and
- 3) “Housing Agreement Bylaw 2018 No. 7270” pass third reading.
  - **Legal Implication:** Once registered, the Housing Agreement will be bound to the Housing Title on the property regardless of ownership.
  - **Strategic Priorities Implication:** Affordable Housing is one of Council Key Initiatives in the 2016-2019 Strategic Plan Update.

B. That Council provide alternative direction to Staff. |

## SUMMARY POINTS

- On 2017-SEP-11, Council adopted “Zoning Amendment Bylaw 2017 No. 4500.106” to rezone 2020 Estevan Road to Mixed Use Corridor (COR2) for the purpose of developing a mixed-use building with a church on the ground floor and 74 units of rental housing above.
- One of the conditions of approval was that 38 of the rental units be provided at below-market rates, and that this be secured through a Housing Agreement.
- The Housing Agreement must be adopted by bylaw and is on the agenda for consideration of first, second and third readings.

## ATTACHMENTS

ATTACHMENT A: Side Letter to Housing Agreement Bylaw 2018 No. 7270 |  
“Housing Agreement Bylaw 2018 No. 7270”

**Submitted by:**

Lainya Rowett  
Manager, Current Planning and Subdivision |

**Concurrence by:**

Dale Lindsay  
Director, Community Development |