



Zoning Bylaw Schedule D – Affordable Housing Amendments

2021-APR-26

City of Nanaimo Governance and Priorities
Committee

Caleb Horn, Planner, Current Planning Section



Affordable Housing Strategy Objectives

1. To increase the supply of rental housing;
2. To support infill and intensification in existing neighbourhoods;
3. To diversify housing form in all neighbourhoods;
4. To continue to support low-income and special needs housing; and
5. To strengthen partnerships and connections.

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1.1 DEVELOP A SECURED MARKET RENTAL HOUSING POLICY

The City can facilitate the development of market rental housing by developing a secured market rental housing policy that is based on access to a number of incentives. Different levels of incentive could be made available to the development community depending on the level of affordability and how long the units are secured as rental.

Actions

- a. Conduct public consultation with development community and non-profit housing providers on proposed incentive program.
- b.** Develop a package of incentives that includes density bonus for 100% rental housing; reduction/waiving of community amenity contributions; parking relaxations in transit nodes and corridors; financial incentives; and concurrent processing.



4. Continue to support low-income and special needs housing

- 4.1 Develop a strategy to guide land use acquisition decisions made by the City.
- 4.2 Continue to support development of non-market housing.
- 4.3 Update the practice of density bonusing.
- 4.4 Update the existing Community Amenity Contribution Policy.
- 4.5 Update the Housing Legacy Reserve Fund Policy.



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4.3 UPDATE THE EXISTING PRACTICE OF DENSITY BONUSING

The City of Nanaimo will review its current policy and practice of density bonusing with the objective of increasing the supply and integration of non-market housing.

Actions

a. Revise Schedule D in the Zoning Bylaw to specifically include affordable housing (including non-market housing, affordable rental and affordable ownership) as an amenity that can result in additional density in a new development.

What is Density Bonusing?

The density bonus mechanism creates an opportunity for a voluntary exchange of affordable housing or community amenities. By allowing the density on a site to exceed that which is generally permitted in a given zone, the municipality is able to request a contribution in the form of affordable housing or other community amenity in exchange. This situation would only occur if there is market demand for the additional density and the developer is willing to include affordable housing in the development.

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Zoning Bylaw 2011 No. 4500 – “Schedule D”

- Opportunity for property owners and developers to secure additional density for new developments by providing amenities as described by Schedule D of the Zoning Bylaw.
- Additional Floor Area Ratio (FAR) of between 0.1 and 0.6 can be secured in many residential, corridor, commercial centre, and downtown zones in Nanaimo.
- Section 482 of the B.C. *Local Government Act* allows for the provision of amenities for additional density and specifically speaks to the use of Housing Agreements for affordable housing conditions.

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Above: Rainwater collection tank, 91 Chapel Street



Right: Public art, 1608 Bowen Road



Above: Decorative bench and raingarden, 2835 Departure Bay Road



Right: Educational signage and sustainable building technology, 285 Rosehill Street

Example “Schedule D” Amenities

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Proposed Rental Housing Amendments (Schedule D – Category 7)

- **4 points** to provide 100% rental housing for a ten-year period.
 - Similar to existing Schedule D amenity, but increases percentage of units from 50% to 100%.
 - Ten-year period aligns with CMHC funding opportunity.
- **7 points** to provide 100% rental housing without reverting to independent sales in the future.
 - Incentive for purpose-built rental developments.



Proposed Affordable Housing Amendments (Schedule D – Category 8)

1 point per 10% increment of total dwelling units secured for *affordable homeownership*.

- Defined as dwelling units sold at least 10% less than the median sale price as determined by VIREB.

2 points per 10% increment of total dwelling units secured for *affordable rental*.

- Defined as dwelling units rented at less than average rent levels as determined by CMHC.



Proposed Affordable Housing Amendments (Schedule D – Category 8) (continued)

3 points per 10% increment of total dwelling units secured for *non-market or supportive housing*.

- Defined as dwelling units where 12 months' rent does not exceed 30% of the Housing Income Limit for Nanaimo as determined by BC Housing.

Affordable Homeownership

To qualify in December 2020:

- An apartment unit would be no more than **\$303,120**.
- A townhouse unit would be no more than **\$348,750**.

MLS® Home Price Index

Click here to learn more

HPI or Benchmark Price
☐ HPI
☒ Benchmark Price

Value or percent change
☒ Value
☐ Percent change

1. Area Group
Vancouver Island (+ areas)

2. Property Type
Apartment

3. Area/Property Type Selection
All

Benchmark Price by Timeframe and Property Type							
	December 2020	1 Month Ago	3 Months Ago	6 Months Ago	12 Months Ago	3 Years Ago	5 Years Ago
Vancouver Island - Apartment	\$312,000	\$310,200	\$309,400	\$312,600	\$299,500	\$252,700	\$171,200
Zone 1 - Campbell River - Apartment	\$262,800	\$267,900	\$266,500	\$272,700	\$260,600	\$216,500	\$137,500
Zone 2 - Comox Valley - Apartment	\$332,400	\$323,100	\$336,000	\$325,600	\$312,600	\$260,800	\$169,300
Zone 3 - Duncan - Apartment	\$236,900	\$236,800	\$221,400	\$234,300	\$231,100	\$178,100	\$121,300
Zone 4 - Nanaimo - Apartment	\$336,800	\$337,500	\$332,300	\$329,100	\$309,700	\$276,500	\$194,100
Zone 5 - Parksville / Qualicum - Apartment	\$339,700	\$349,100	\$337,000	\$361,800	\$353,600	\$306,100	\$215,400
Zone 6 - Port Alberni - Apartment	\$288,800	\$283,300	\$284,600	\$304,700	\$292,700	\$229,400	\$148,700

Source:
www.vireb.com

Affordable Rental

To qualify in October 2020:

- A one-bedroom unit would rent for no more than **\$1,009/mo.**
- A two-bedroom unit would rent for no more than **\$1,263/mo.**

	BACHELOR	1 BEDROOM	2 BEDROOM	3 BEDROOM +	TOTAL
Centre	1,035 a	1,030 a	1,215 a	1,330 b	1,102 a
South	785 a	931 a	1,314 b	1,345 a	1,047 a
North & Periphery	**	1,061 a	1,282 a	1,357 c	1,200 a
Nanaimo	912 a	1,009 a	1,263 a	1,344 a	1,114 a

Source:
www.cmhc-schl.gc.ca/en/data-and-research/publications-and-reports

Non-Market and Supportive Housing

To qualify in 2020:

- A one-bedroom unit would rent for no more than **\$925/mo.**
- A two-bedroom unit would rent for no more than **\$1,188/mo.**

Planning Area Vancouver Island	1 Bdrm or Less	2 Bdrm	3 Bdrm	4+ Bdrm
Campbell River	\$37,000	\$42,500	\$62,500	\$75,000
Courtenay-Comox	\$34,500	\$45,500	\$58,000	\$65,000
Duncan-N. Cowichan	\$32,000	\$40,000	\$62,000	\$68,000
Nanaimo	\$37,000	\$47,500	\$56,000	\$71,000
Parksville-Qualicum	\$34,500	\$40,500	\$51,500	\$64,000
Port Alberni	\$33,000	\$37,500	\$48,500	\$54,000
Port Hardy	\$25,000	\$33,500	\$37,600	\$51,000
Victoria	\$44,500	\$59,500	\$78,500	\$84,500
Non-Market Areas	\$56,000	\$65,500	\$75,000	\$80,500

Source:
www.bchousing.org

Conclusion

- Proposed Schedule D amendments will incentivize different types of rental and affordable housing.
- Incremental points will allow for flexibility and the development of a mix of housing types.
- Amendments align with and are recommended by the Nanaimo Affordable Housing Strategy action items 1.1(b) and 4.3(a).