

# ATTACHMENT A

## Review of Affordable Housing Initiatives from other Municipalities

|    | Idea/<br>Approach/<br>Tool                                | Idea/Approach/<br>Tool Description   | Municipalities currently using this<br>idea/approach/tool  | How is the City of<br>Nanaimo using this<br>idea/approach/tool?   |
|----|---|--|--|---|
| A. | <b>Inclusionary Zoning (IZ) (mandatory and voluntary)</b> | Requires developers to set aside a certain percentage of affordable housing for multifamily dwellings in particular areas. Evaluations reveal that mandatory inclusionary zoning is more effective than voluntary zoning, however, there is currently no legal ability for BC municipalities to do mandatory inclusionary zoning under existing legislation. | <p><b>Mandatory:</b></p> <ul style="list-style-type: none"> <li>• <b>City of Toronto</b> (2021): Requires 5-10% of new units to be affordable units when built near major transit stations.</li> <li>• <b>City of Montreal</b> (2021): Requires developers to set aside between 10 to 20% affordable units for any projects larger than 5 multifamily dwellings (depending on the area in the city).</li> </ul> <p><b>Voluntary:</b></p> <ul style="list-style-type: none"> <li>• <b>City of North Vancouver</b> (2018): “2018 Density Bonus and Community Benefits Policy” provides direction for provision of secured rental housing as an amenity at the time of a rezoning application.</li> </ul> | <p>Incentives in “Schedule D” of the Zoning Bylaw awards additional density for secured affordable housing projects.</p> <p>The City’s Community Amenity Contribution Policy allows a developer to provide an in-kind amenity, such as secured affordable or rental housing, as a voluntary contribution at the time of a rezoning application.</p> |
| B. | <b>Attainable Homeownership</b>                           | Developers build an attainable housing stock of one, two, and three-bedroom condominiums or townhomes with a portion of development fees going towards down payments for first time homebuyers. For middle-income earning individuals and families who qualify for a mortgage but do not have a down payment.  | <ul style="list-style-type: none"> <li>• <b>City of Langford:</b> Grant money comes from the City’s Affordable Housing Reserve Fund, which is funded by contributions provided by developers as a condition of rezoning for increased density. As of 2022, developers are mandated to provide a minimum of 5% of units to be sold as attainable, and are provided with a refund on the Affordable Housing Reserve fee. In addition, developers are given preferential processing, a reduction in parking requirements, and general CAC’s are waived. City of Langford provides up to 75% of down payment for families qualifying.</li> </ul>   | Staff are observing how this pilot project proceeds and will review effectiveness and equitable application.  |

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| C. | <b>Property Tax Exemption</b> | Use of tax exemptions to encourage the development of affordable housing or the preservation/ construction of rental housing.  | <ul style="list-style-type: none"> <li>• <b>City of Victoria:</b> a) A Permissive Tax Exemption Policy is offered to special needs and supportive housing properties, including short-term emergency or crisis protection for members of the community, supportive housing for people with special needs, halfway houses, transitional homes, and group homes if they meet the eligibility criteria (for up to 10 years). b) The Tax Incentive Program offsets seismic upgrading costs for the purposes of residential conversion of existing upper storeys or rehabilitation for uses other than residential.</li> <li>• <b>City of Kelowna:</b> The Revitalization Tax Exemption program is offered to developers for purpose-built rental housing. The program provides eligible purpose-built rental housing projects with relief from a share of municipal property taxes.</li> <li>• <b>City of Kamloops:</b> The Downtown Revitalization Tax Exemption gives up to 100% reduction for multifamily residential construction in downtown areas.</li> </ul>  | Nanaimo has a property tax exemption program in place since 2018 for multi-family residential units in the downtown area (Revitalization Tax Exemption Bylaw 7261). The program offers a 100% exemption for the municipal property tax portion, for a 10 year term. |
| D. | <b>Rental Only Zoning</b>     | Zoning that requires that new housing in residential areas be rental only, ensuring existing rental housing is preserved, and to ensure that a certain number of units in a new development is rental. | <ul style="list-style-type: none"> <li>• <b>City of New Westminster:</b> Established rental only zoning to preserve existing rental stock. In 2018, the province of BC enacted rental tenure zoning authority to protect rental tenures in existing apartment buildings. Recently 6 strata properties operating as rentals took the City of New Westminster to court. In 2021, the BC Supreme Court upheld the New Westminster's rental residential zoning powers.</li> <li>• <b>City of Richmond:</b> In the process of designating 60 properties throughout Richmond as rental only.</li> <li>• <b>City of Burnaby:</b> Adding a new suite of zoning classifications to its bylaws including policy for one to one rental replacement (requires developers to replace every rental apartment they demolish in redevelopment), the designation of affordable rent (20% below market rate) in select buildings, and requiring 20% of units in all multifamily developments to be rentals. Burnaby is also adding rentals to commercial zones and adding vacancy rent controls in new units.</li> </ul> | Approach is currently not used. Proposed City Plan includes policy to support rental only zoning, rental replacement plans, and a tenant relocation policy.   |

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| E. | <b>Removal of Exclusionary Zoning</b>       | Creating more inclusive housing forms, by allowing duplexes or triplexes on single dwelling lots.  | <ul style="list-style-type: none"> <li>• <b>City of Victoria:</b> The Missing Middle Housing project focuses on inclusive housing forms without needing to go through a rezoning process (consultation in process).</li> <li>• <b>City of Edmonton (2021):</b> Allows duplexes and triplexes on single dwelling lots.</li> <li>• <b>New Zealand (2021):</b> Implemented country-wide, it enables up to three houses, three storeys in height to be built on single dwelling lots ending single family zoning in their urban areas.</li> </ul>  | The City of Nanaimo Zoning Bylaw allows a duplex on some R1 (Single Dwelling Residential) zoned properties, and on all R4 (Duplex Residential) zoned properties. Duplexes, triplexes, and fourplexes are permitted on all R5 (Three and Four Unit Residential), and R6 (Low Density Residential) zoned properties. Several Old City zones (R13, R14, and R15) also contain inclusive zoning for infill residential units. |
| F. | <b>Preferential or Expedited Processing</b> | Preferential processing gives priority to applications for affordable housing over other applications in the approvals process in order to shorten the length of time required to obtain rezoning, development permits, and building permits. Expedited processing reduces time for development permits by eliminating processes where possible i.e. delegating development permits to staff and allowing staff to consider variances. | <ul style="list-style-type: none"> <li>• <b>City of Burnaby (1991):</b> Gives priority to all affordable housing applications.</li> <li>• <b>City of Victoria:</b> Staff will be delegated all affordable housing development permits and will have the ability to consider all variances.</li> <li>• <b>City of Kelowna:</b> Simplified application process for secondary suites.</li> <li>• <b>City of Kamloops (2016):</b> Expedites and prioritizes all applications for affordable housing.</li> <li>• <b>City of Langford:</b> Streamlines the development approval process for affordable housing.</li> </ul> | Development permit approval is delegated to the General Manager of Development Services for proposals with 100 units or less, and for smaller variances.  |

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| G. | <b>Provision of Land &amp; Financing through Funds and Corporations</b> | Raising of funds or provision of land for affordable housing. This can be accomplished through fund raising and housing corporations to provide secure equity assistance and leverage. | <ul style="list-style-type: none"> <li>• <b>Capital Regional District:</b> Capital Regional District Housing (CRDH) Corporation manages the Housing Trust Fund and has developed 43 buildings, 1200 units as of 2016.</li> <li>• <b>City of Victoria:</b> Purchasing land to develop into mixed use space that will include over 200 affordable homes (to be managed by CRDH).</li> <li>• <b>Cowichan Valley Regional District:</b> The Regional Housing Service, distributed through the Cowichan Housing Association (CHA), supports the development of affordable and attainable housing options by providing local funds to leverage funding from other sources. Current projects supported by this service are in Ladysmith, Lake Cowichan, and Duncan. In the CHA 2021 annual report, the organization is anticipated to provide 452 new units of affordable housing.</li> <li>• <b>The Resort Municipality of Whistler:</b> The Whistler Housing Authority is an owned subsidiary of the municipality. The Authority distributes housing trust funds collected by the municipality. They also oversee the development, administration, and management of resident restricted housing. Since the Authority's founding, it has provided approximately 2,100 units of affordable rental and ownership housing.</li> <li>• <b>City of Kelowna:</b> Rental Housing Grants Program, provides up to \$300k annually to offset DCCs for rental developments.</li> <li>• <b>City of Port Alberni (2022):</b> The City of Port Alberni has provided land on a long-term lease arrangement for the development of mixed-use affordable housing, providing approximately 68 affordable rental housing units. The project is subject to BC Housing funding.</li> <li>• <b>City of Campbell River (2020):</b> The City of Campbell River has provided land on a long-term lease arrangement, as well as approximately \$550,000 in equity contributions and waivers for approximately 50 new supportive housing units in collaboration with BC Housing.</li> </ul> | <p>The Housing Legacy Reserve Fund is used to support affordable housing in Nanaimo.</p> <p>In addition, Nanaimo has leased or provided lands for affordable housing projects including, Te'tuxwtun (Fifth Street lands), Park Ave., 285 Prideaux St., 437 Wesley St., and 1425 Cranberry Ave.</p> |

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| H. | <b>Pre-zoning land to allow the density targets in the Official Community Plan.</b> | Complete an analysis of designations in the Official Community Plan (OCP) in relation to the Zoning Bylaw, with the objective to find appropriate parcels to be pre-zoned such that the allowable density in the Zoning Bylaw aligns with the OCP or City Plan density targets. | <ul style="list-style-type: none"> <li>• <b>City of Victoria</b> (2022): Projects by nonprofit, government, or co-op housing organizations will no longer require rezoning or public hearings when the proposal is consistent with the OCP.</li> <li>• <b>City of Saanich</b> (2022): Adopting Victoria's approach to fast tracking of affordable housing projects.</li> <li>• <b>City of Kamloops</b> (2016): has rezoned three city sites for affordable housing development for specific demographic groups and will provide long-term leases (99 years) for \$1.</li> </ul> | <p>Following the adoption of the 2008 OCP, the 2011 Zoning Bylaw pre-zoned lands in a limited number of targeted areas, to support achieving density targets in the current OCP. In addition, many other areas of the city also have zoning that supports the development of affordable housing projects. Recent affordable housing developments that did not require a rezoning include:</p> <ul style="list-style-type: none"> <li>• 1125 Seafeld Crescent;</li> <li>• 6010 Hammond Bay Road;</li> <li>• 20 Barsby Avenue;</li> <li>• 285 Rosehill Street;</li> <li>• 702 Nicol Street;</li> <li>• 285 Prideaux Street; and</li> <li>• 1608 Bowen Road.</li> </ul> |