

## ATTACHMENT A

### PROPOSED ELIGIBILITY CRITERIA FOR A 50% DCC REDUCTION

| Proposed Eligibility Criteria for a 50% DCC Reduction |                            |   | Rationale  |
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| 1.  | <b>Applicability</b>       | The DCC reduction can be applied to any not-for-profit rental and supportive housing unit in the City that meets the eligibility criteria.  | The proposed updated criteria creates more flexibility for applicants by eliminating the requirement that 30% of the units in the development must be non-market units, as is required in the current DCC bylaw.   |
| 2.  | <b>Tenure</b>              | <p>Not-for-profit rental dwelling units, and supportive housing units. Supportive housing is permanent housing that is subsidized to be lower than the average cost of market housing, and has on-site supports for people to transition out of homelessness.</p> <p>The not-for profit rental dwelling unit and supportive housing unit must be owned or leased by a government agency or a registered non-profit society.</p> | To allow for flexibility and partnerships, the parcel of land can be owned by a for profit or non-profit organization, which could mean market units are also provided on the property. However, the eligible dwelling unit (for a DCC reduction) must be owned by a government agency or a registered non-profit society to ensure the unit remains non-market.   |
| 3.  | <b>Monthly Rent Rate</b>   | The dwelling unit must be rented for a monthly rate that is less than the current average market rent rate (for a comparable size unit) published by the Canada Mortgage and Housing Corporation (CMHC) for the City of Nanaimo.  | The current CMHC average monthly market rent rate is: \$1,244 for a studio unit; \$1,526 for a one-bedroom unit; \$1,910 for a two-bedroom unit; and \$1,999 for a three-bedroom unit. This criteria, in combination with the other criteria, will ensure the City is securing the non-market use in exchange for the benefit of the DCC reduction. Also, the proposed updated criteria allows for flexibility by requiring a commitment to a low monthly rent rate, rather than the income of the tenant. |
| 4.  | <b>Operating Agreement</b> | An operating agreement must be in place to manage the dwelling unit, and the agreement must be with a government agency or registered non-profit society.   | The proposed updated criteria creates more flexibility for applicants by requiring an operating agreement for eligible units, such that it is the operator who ensures tenants meet affordability qualifications to reside in the unit.  |

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| 5. | <b>Housing Agreement</b>  | A housing agreement, securing the not-for-profit rental and supportive housing, must be registered on the title of the land.              | Section 483 of the Local Government Act allows municipalities to require that a Housing Agreement be registered on the title of the land to the secure terms and conditions of the non-market housing. Through the housing agreement process for each DCC reduction application, the terms and conditions can be determined, presented to Council for consideration in the required Housing Agreement Bylaw, and registered on the title of the land. |
| 6. | <b>Term of Commitment</b> | The term of the housing agreement, and commitment to the not-for-profit rental and supportive housing, must be for a minimum of 60 years. | It is proposed that the required housing agreement term be 60 years, to ensure the City receives a long-term benefit from the DCC reduction provided.   |