

District of Sicamous
Report to Social Planning and Housing Committee

Proposed Affordable Housing Strategy

Background

At the July 8, 2009 meeting of the Social Planning and Housing Committee the Committee requested information on options for expanding the strategies available to the District to provide for more affordable housing. The following policy strategies are presented to address this request. The Committee reviewed these policies on August 12, 2009 and recommended that they be presented at a community meeting.

Policy Strategy

1. Developer contributions for affordable housing in new residential subdivisions:

It is recommended that the District adopt a policy to establish requirements for developer contributions for affordable housing in new residential subdivisions. In British Columbia the Local Government Act enables B.C. municipalities to require developers to provide a certain number or proportion of affordable housing units through Inclusionary Zoning. The inclusionary policies are applied when the land is being rezoned for development.

The goal of the district's inclusionary policy will be to provide for affordable, entry level home ownership that would be available to the community over the long term at affordable prices. The proposed policy would:

- a. Require a mandatory minimum percentage (**10%**) of all new residential developments to be small affordable lots with small houses in subdivisions of 10 lots or more. Assessment of affordable housing requirements would be based on the total of all project phases.
- b. Persons eligible for ownership of affordable housing units shall include:
 - persons who own or are employed in a local business;
 - households having taxable incomes in the range of \$40,000 to \$60,000 so that financing for the house and lot would represent 30-40% of the household income; and
 - persons are identified by the Social Housing and Planning Committee as eligible for affordable housing.

- c. Affordable lots would be regulated under the R1A – Urban Single Family Residential zone, with a Housing Agreement registered against the title of the property to address the following:
 - The lot and house sizes on affordable properties shall not exceed the minimum standard set out in the R1A – Urban Single Family Residential zone (370m² lot size and 75 - 100 m² floor area).
 - The maximum sale price for affordable unit is \$190,000 - comprising of a value of \$50,000 for the lot and \$140,000 for the house.
 - The Housing Agreement will be registered against the title of the property with conditions to ensure that this value remains constant over time with only minor adjustments for annual inflationary factors.
 - The subdivision layout shall not have more than two adjoining affordable lots and shall be generally dispersed throughout the overall subdivision plan.
 - Where affordable lots are adjoining, adjoining driveways shall be also be encouraged to support better on-street parking opportunities.
 - d. Council may agree to allow one or more of the affordable housing units to be provided on a different site to that being developed, subject to Council approval.
 - e. The District may consider allowing a developer to provide cash-in-lieu (\$190,000/house and lot) of the affordable units. The cash-in-lieu shall be put into an affordable Housing Reserve Fund for future affordable housing initiatives.
 - f. Conditional on the final approval of the residential subdivision plan, the District will require the registration of Affordable Housing Agreements on all affordable lots. Additionally, the District will require security for the housing component (\$140,000.). Security will be release to the Developer when construction and occupancy permits for the housing unit are finalized.
 - g. A minimum of one housing unit will be built within one year of registration of the subdivision. If the housing unit is not finalized or under construction the District may draw upon the security for provision of the affordable unit.
2. Developer contributions for affordable housing in multifamily projects:

It is recommended that the District adopt a policy to establish requirements for developer contributions for affordable housing in new multifamily developments. These units would be acquired by the District through density bonus provisions. The goal would be to provide for affordable, entry level home ownership that would be available to the community over the long term at affordable prices. The contribution policy for affordable housing would be as follows:

- Affordable units would be acquired by the District as a trade off for increased density.
- Affordable units would have 75 to 100 m² of floor area.
- The maximum sale price for affordable unit is \$190,000. The Housing Agreement will be registered against the title of the property with conditions to ensure that this value remains constant over time with only minor adjustments for annual inflationary factors.
- Purchasers eligible for ownership of affordable housing units shall include:
 - i. persons who own or are employed in a local business;
 - ii. households having taxable incomes in the range of \$40,000 to \$60,000 so that financing for the house and lot would represent 30-40% of the household income; and
 - iii. Persons are identified by the Social Housing and Planning Committee as eligible for affordable housing.
- The District can consider allowing a developer to provide cash-in-lieu (\$190,000/unit) of the affordable units. The cash-in-lieu shall be put into an affordable Housing Reserve Fund for future affordable housing initiatives.
- Security may be required to ensure completion of the unit.

Note: In the city of Richmond where a cash contribution for affordable housing is received under the statutory density bonusing approach, it is based on \$2.00 per sq ft for townhouse developments and \$4. per square foot for apartment and mixed use developments

3. Secondary Suite Policy:

The current Zoning Bylaw permits secondary suites and modular homes in the R1 and R2 zones in single family dwellings on community services. These policies are supported as an ongoing strategy to encourage the provision of more affordable housing units.

4. Compact Development Policy:

The District is committed to an on going strategy to provide full urban services (water and sanitary and storm sewer) to all urban areas. As the community receives services it is possible that development can become more compact and land used more efficiently. Particularly, there is an opportunity to use lands for housing that have been previously required for septic systems or wells. To support more compact development it is recommended that the Zoning Bylaw be varied to permit smaller lots in R1 & 2 areas that are serviced by community water and sewer. The proposal for minimum lots is as follows:

	Minimum Lot Area	
	Existing	Proposed
Single Family Dwellings with:		
- Community water & septic tank	930 m ²	930 m ²
- Community water & sewer	700 m ²	464 m ²
- Well & septic tank	4047 m ²	4047 m ²
Two Family Dwellings with:		
- Community water & septic tank	1500 m ²	1500 m ²
- Community water & sewer	930 m ²	700 m ²
- Well & septic tank	4047 m ²	4047 m ²

5. Amend zoning regulations for amenity bonusing:

The existing Zoning Bylaw policies regarding zoning for amenities (Sections 314 and 605 and 406) are recommended for amendments that would permit bonuses for affordable housing as noted in the previous sections. The District will amend the existing policy on density bonuses, replacing the requirement for \$2500 per bonused lot, to a maximum of 10 bonused lots, for fire fighting equipment and training with a new policy requiring either an affordable housing unit or cash-in-lieu.

6. Establish a Housing Reserve Fund.

The District of Sicamous will be required to establish a Housing Reserve Fund that can be used to collect funds for affordable housing. Funds can be collected through the development approval process when developers choose to provide cash-in lieu of the required affordable housing units. The District may also choose to contribute to the Housing Reserve Fund as part of its annual budget process.