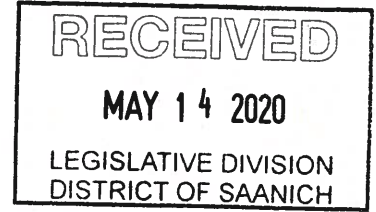




The Corporation of the District of Saanich

Supplemental Report

To: Mayor and Council
From: Sharon Hvozanski, Director of Planning
Date: May 14, 2020
Subject: Rezoning and Development Permit Application
 File: REZ00584; DPR00680 • 3200 Linwood Avenue



PURPOSE

The purpose of this report is to seek direction from Council on the subject application. The application is to rezone from the RA-1 (Apartment) Zone to the RA-6 (Apartment) Zone to construct a four-storey, 97 unit affordable senior's complex. Variances for visitors parking, lot coverage, open space area, rear yard setback, building height, building width, and side yard setback for an accessory structure are also requested. A Development Permit for Form and Character is also required. The applicant is ZGF Cotter Architects Inc. (Megan Chalmers) on behalf of the Baptist Housing Society.

DISCUSSION

At the Committee of the Whole meeting held on March 16, 2020, Council requested additional information. The purpose of this Supplemental Report is to provide clarification on comments made at that meeting pertaining to the units being maintained as affordable in perpetuity.

The Report to Council from Planning dated February 26, 2020, included a recommendation that Final Reading of the Zoning Amendment Bylaw and ratification of the Development Permit be withheld pending the registration of a covenant to secure the following:

- That the units be maintained as rental in perpetuity.

Responding to a question from Council as to whether the recommendation to secure the building as being rental in perpetuity through a covenant would pose a problem to them securing financing for the project, the applicant stated that they did not have concerns and that it was quite typical, when entering into a partnership with BC Housing, that a section 219 covenant is required by BC Housing.

The applicant stated that the proposed development would be affordable in perpetuity, and that this would also be secured by covenant.

Council asked Staff that, given the applicant indicated a willingness to secure the affordability provisions as well as the rental in perpetuity, whether the recommendation in the Planning report was sufficient to capture this additional item. Staff noted that both items would be secured by covenant as long as BC Housing had no concerns.

The applicant provided further detail in an e-mail on April 20 2020, stating:

“Our plan is to build and operate an affordable and sustainable Senior’s rental building for the life of the building (in perpetuity). We are working with BC Housing and Canada Mortgage and Housing Corporation (CMHC) to meet their requirements and sign their covenants for affordable rental housing. This would include assisting residents to apply for Shelter Aid For Elderly Renters (SAFER). With BC Housing not wanting to provide ongoing subsidies to providers we are finding it difficult to sustain our buildings with RGI (Rent Geared to Income at 30%) with fluctuations in income from working seniors transitioning to pension (their income and their rent both decrease).

We are proposing to CMHC and BC Housing that:

- 30% of the units, if opened today, would be rented at \$830/month, which is 80% of the Saanich CMHC median rent as measured in October 2019 ($\$830/\$1037=80\%$). If a resident is eligible for SAFER based on their income, then they will be eligible to receive a SAFER subsidy to help pay the \$830/month; and
- The remaining 70% of units are priced at the Lower End of Market rents, which currently range, between \$1,100 and \$1,450 per month depending on the size of the unit. At these rents, a resident may or may not qualify for SAFER based on income.”

The Shelter Aid for Elderly Renters (SAFER) program helps make rents affordable for BC seniors with low to moderate incomes. SAFER provides monthly cash payments to subsidize rents for eligible BC residents who are age 60 or over and who pay rent for their homes.

BC Housing provides SAFER subsidies to more than 17,000 senior households renting apartments in the private market, including singles, couples and people sharing a unit. Eligibility requirements for the SAFER program include the following:

- Candidate is aged 60 or older;
- Candidate has lived in British Columbia for the full 12 months immediately preceding their application;
- Candidate and their spouse (with whom they are living) meet the citizenship requirements; and
- Candidate pays more than 30% of their gross monthly household income towards rent.

BC Housing provided confirmation that the Provincial Rental Housing Corporation (PRHC) is in agreement with the applicant’s proposed Linwood project (specifically the rent structure) in an e-mail to staff dated May 5, 2020. Following a successful rezoning, the project would go through BC Housing’s standard approval process (Preliminary and Final Project Approval) which require that it meet BC Housing’s Design and Funding Program requirements. The program is being funded through the Affordable Rental Housing (ARH) program with an allocation of \$11,000,000 for unit purchase. The ARH program requires an Operating Agreement which stipulates affordability and income thresholds and will also require a Section 219 Covenant securing the project as rental.

The Affordable Rental Housing (ARH) program includes the following rent requirements:

- Rents must be affordable, as determined by BC Housing, for eligible tenants throughout the term of any operating and/or operator agreements between BC Housing and the non-profit housing partner;

- All units in the development must be rented at or below the Affordable Market Rent*, however developments may also include lower fixed rents (e.g. shelter component of income assistance) or rent-geared-to income units where feasible. The rent structure will vary depending on the characteristics of the particular project, the tenant population served, and whether or not funding from other sources is layered into the project.

*Affordable Market Rent is defined as the average market rent based on CMHC's rental market or housing report. BC Housing may approve an alternative Affordable Market Rent based on local community conditions if required, e.g. in communities where CMHC data is not available.

At the March 16, 2020, Committee of the Whole meeting the applicant stated they intend to maintain the units as rental in perpetuity and would also maintain them as affordable in perpetuity. The recommendation has been revised to include this latter item so that it can be secured through a restrictive covenant prior to Final Reading.

RECOMMENDATION

1. That the application to rezone from the RA-1 (Apartment) Zone to the RA-6 (Apartment) Zone be approved.
2. That Development Permit DPR00680 be approved.
3. That Final Reading of the Zoning Amendment Bylaw and ratification of the Development Permit be withheld pending the registration of a covenant to secure the following:
 - That the units be maintained as rental in perpetuity.
 - That the units be maintained as affordable in perpetuity.
4. That Final Reading of the Zoning Amendment Bylaw and ratification of the Development Permit be withheld pending the registration of a Housing Agreement to secure the following:
 - The purchase of \$11,000,000 worth of suites by BC Housing through the Provincial Rental Housing Corporation (PRHC).
 - An operating agreement for Baptist Housing to manage the PRHC suites.
 - That the guest suite would be for resident wellness and would only be available for those visiting residents at the building.

Prepared by: *clw*
Chuck Bell
Planner

Reviewed by: *sholmes-saltzman*
Shari Holmes-Saltzman
Manager of Current Planning

Approved by: *shvoz*
Sharon Hvozdzanski
Director of Planning

CWB/rh

ADMINISTRATOR'S COMMENTS:

I endorse the recommendation of the Director of Planning.

 [Signature]
Paul Thorkeisson, Administrator